

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

Commonwealth Bank of Australia ("Bank")

ABN

48 123 123 124

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |  |   |
|---|--|---|
| 1 | +Class of +securities issued or to be issued   | Covered Bonds   |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued  | U.S. 2,000,000,000 represented by Registered Global Covered Bonds   |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | <p>The Registered Global Covered Bonds are exchangeable for registered definitive covered bonds in the limited circumstances set out in the Registered Global Covered Bonds.</p> <p>Interests in the Registered Global Covered Bonds are held by accountholders within the Depository Trust Company, New York (DTC) or its nominee.</p> <p>Payments of principal and interest are made against presentation and at maturity, surrender of the Registered Global Covered Bonds</p> |

+ See chapter 19 for defined terms.

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|--|--|
| <p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul> | <p>No.</p>   |
| <p>5 Issue price or consideration</p>  | <p>99.844 per cent of the Aggregate Nominal Amount (U.S.\$2,000,000,000)</p> |
| <p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>  | <p>General Corporate Purposes</p>  |
| <p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>  | <p>No</p>  |

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+ See chapter 19 for defined terms.

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|----|--|----------------|
| 6b | The date the security holder resolution under rule 7.1A was passed   | Not applicable |
| 6c | Number of +securities issued without security holder approval under rule 7.1   | Not applicable |
| 6d | Number of +securities issued with security holder approval under rule 7.1A   | Not applicable |
| 6e | Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)  | Not applicable |
| 6f | Number of securities issued under an exception in rule 7.2   | Not applicable |
| 6g | If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation. | Not applicable |
| 6h | If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements  | Not applicable |
| 6i | Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements   | Not applicable |

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|---|--|------------------|--|
| 7 | Dates of entering<br>+securities into<br>uncertificated holdings<br>or despatch of<br>certificates                   | 18 January 2013. |  |
| 8 | Number and +class of all<br>+securities quoted on<br>ASX (including the<br>securities in section 2 if<br>applicable) | Number           | +Class   |
|   |  | 1,609,180,841    | Fully Paid Ordinary<br>Shares  |
|   |  | 767,000          | Australian Government<br>Guaranteed Floating Rate<br>Transferable Certificates<br>of Deposit Maturity Date<br>20 February 2014   |
|   |  | 3,971,557        | Australian Government<br>Guaranteed Fixed Rate<br>Transferable Certificates<br>of Deposit Maturity Date<br>20 February 2014  |
|   |  | 875,500          | Senior, Unsubordinated,<br>Unsecured Floating Rate<br>Transferable Certificates<br>of Deposit Maturity Date<br>17 December 2013  |
|   |  | 8,203,970        | Senior, Unsubordinated,<br>Unsecured Fixed Rate<br>Transferable Certificates<br>of Deposit Maturity Date<br>17 December 2013   |
|   |  | 10,000,000       | Perpetual Exchangeable<br>Resealable Listed<br>Securities ("PERLS V"),<br>comprising an unsecured<br>subordinated note issued<br>by the Bank's New<br>Zealand branch and a<br>fully-paid convertible<br>preference share |
|   |  | 20,000,000       | Perpetual, exchangeable,<br>resealable, listed,<br>subordinated, unsecured<br>notes ("PERLS VI")   |

+ See chapter 19 for defined terms.

|                      |   |
|----------------------|---|
| 5,700,000            | CommBank Retail Bonds<br>Series 1 Tranche A<br>Maturity Date 24<br>December 2015  |
| U.S.\$2,000,000,000  | 2.25% 5 year Fixed Rate<br>Covered Bonds due 2017<br>issued under the<br>US\$30,000,000,000 CBA<br>Covered Bond<br>Programme  |
| U.S. \$2,000,000,000 | 0.750% 3-year Fixed Rate<br>Covered Bonds due 2016<br>issued under the<br>US\$30,000,000,000 CBA<br>Covered Bond<br>Programme |
| U.S. \$37,500,000    | USD Dated Floating Rate<br>Notes represented by a<br>Permanent Global Note  |

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| <p>9 Number and <sup>+</sup>class of all <sup>+</sup>securities not quoted on ASX (including the securities in section 2 if applicable)</p> | <table> <tr> <th data-bbox="694 255 997 302">Number</th><th data-bbox="997 255 1323 302"><sup>+</sup>Class</th></tr> <tr> <td data-bbox="694 302 997 414">550,000</td><td data-bbox="997 302 1323 414">Unsecured, subordinated convertible notes</td></tr> <tr> <td data-bbox="694 414 997 533">700,000</td><td data-bbox="997 414 1323 533">2006 Series 1 preference shares</td></tr> </table>  | Number | <sup>+</sup> Class | 550,000 | Unsecured, subordinated convertible notes | 700,000 | 2006 Series 1 preference shares |
|---|--|--------|--------------------|---------|---|---------|---------------------------------|
| Number  | <sup>+</sup> Class   |        |                    |         |   |         |                                 |
| 550,000   | Unsecured, subordinated convertible notes  |        |                    |         |   |         |                                 |
| 700,000   | 2006 Series 1 preference shares  |        |                    |         |   |         |                                 |
| <p>10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)</p>                                | <p>Distributions are based on a fixed rate of 0.750% per annum, payable semi-annually in arrears commencing 18th January 2013 up to and including the Final Maturity Date.</p> <p>1 month – U.S. Dollar LIBOR + 0.41125 per cent. Floating Rate payable monthly in arrears from but excluding the Final Maturity Date to but including the Extended Due for Payment Date</p> <p>The Bank's dividend policy in respect of its ordinary shares is unchanged.</p> <p>For further details, refer to the Offering Circular.</p> |        |                    |         |   |         |                                 |

## Part 2 - Bonus issue or pro rata issue

|  |                       |
|--|-----------------------|
| <p>11 Is security holder approval required?</p>  | <p>Not applicable</p> |
| <p>12 Is the issue renounceable or non-renounceable?</p>   | <p>Not applicable</p> |
| <p>13 Ratio in which the <sup>+</sup>securities will be offered</p>  | <p>Not applicable</p> |
| <p>14 <sup>+</sup>Class of <sup>+</sup>securities to which the offer relates</p>                             | <p>Not applicable</p> |
| <p>15 <sup>+</sup>Record date to determine entitlements</p>  | <p>Not applicable</p> |
| <p>16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?</p> | <p>Not applicable</p> |

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<sup>+</sup> See chapter 19 for defined terms.

|    |   |                |
|----|---|----------------|
| 17 | Policy for deciding entitlements in relation to fractions   | Not applicable |
| 18 | Names of countries in which the entity has <sup>+</sup> security holders who will not be sent new issue documents<br><br>Note: Security holders must be told how their entitlements are to be dealt with.<br><br>Cross reference: rule 7.7. | Not applicable |
| 19 | Closing date for receipt of acceptances or renunciations  | Not applicable |
| 20 | Names of any underwriters   | Not applicable |
| 21 | Amount of any underwriting fee or commission  | Not applicable |
| 22 | Names of any brokers to the issue   | Not applicable |
| 23 | Fee or commission payable to the broker to the issue  | Not applicable |
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of <sup>+</sup> security holders   | Not applicable |
| 25 | If the issue is contingent on <sup>+</sup> security holders' approval, the date of the meeting  | Not applicable |
| 26 | Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled  | Not applicable |
| 27 | If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders   | Not applicable |
| 28 | Date rights trading will begin (if  | Not applicable |

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|    |  |                      |
|----|--|----------------------|
|    | applicable)  | <input type="text"/> |
| 29 | Date rights trading will end (if applicable)   | Not applicable       |
| 30 | How do <sup>+</sup> security holders sell their entitlements <i>in full</i> through a broker?                            | Not applicable       |
| 31 | How do <sup>+</sup> security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | Not applicable       |
| 32 | How do <sup>+</sup> security holders dispose of their entitlements (except by sale through a broker)?                    | Not applicable       |
| 33 | <sup>+</sup> Despatch date   | Not applicable       |

## Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

34 Type of securities  
(tick one)

(a) ☒ Securities described in Part 1

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

### Entities that have ticked box 34(a)

### Additional securities forming a new class of securities

*Tick to indicate you are providing the information or documents*

35 ☐ If the <sup>+</sup>securities are <sup>+</sup>equity securities, the names of the 20 largest holders of the additional <sup>+</sup>securities, and the number and percentage of additional <sup>+</sup>securities held by those holders

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<sup>+</sup> See chapter 19 for defined terms.



- 36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over
- 37 ☐ A copy of any trust deed for the additional +securities

**Entities that have ticked box 34(b)**

- 38 Number of securities for which +quotation is sought 

|                |
|----------------|
| Not applicable |
|----------------|
- 39 Class of +securities for which quotation is sought 

|                |
|----------------|
| Not applicable |
|----------------|
- 40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?  
  
If the additional securities do not rank equally, please state:  
  - the date from which they do
  - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
  - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

|                |
|----------------|
| Not applicable |
|----------------|
- 41 Reason for request for quotation now  
  
Example: In the case of restricted securities, end of restriction period  
  
(if issued upon conversion of another security, clearly identify that other security)  
  

|                |
|----------------|
| Not applicable |
|----------------|
- |        |        |
|--------|--------|
| Number | +Class |
|--------|--------|

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|    |  |                |                |
|----|--|----------------|----------------|
| 42 | Number and <sup>+</sup> class of all <sup>+</sup> securities quoted on ASX (including the securities in clause 38) | Not applicable | Not applicable |
|----|--|----------------|----------------|

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<sup>+</sup> See chapter 19 for defined terms.

### Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: .....  
(Director/Company secretary)

Date: 21 February 2013

Print name: John Hatton

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+ See chapter 19 for defined terms.

## IMPORTANT NOTICE

**THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (1) QUALIFIED INSTITUTIONAL BUYERS AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT) OR (2) NOT IN THE UNITED STATES AND NOT U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) IN COMPLIANCE WITH REGULATION S.**

**IMPORTANT:** You must read the following before continuing. The following applies to the Final Terms following this notice, and you are therefore advised to read this carefully before reading, accessing or making any other use of the Final Terms. In accessing the Final Terms, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE COVERED BONDS AND THE COVERED BOND GUARANTEE HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY JURISDICTION, AND THE COVERED BONDS MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR THE BENEFIT OF, U.S. PERSONS (WITHIN THE MEANING OF 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 STATE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE FOLLOWING FINAL TERMS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THESE DOCUMENTS IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

You are reminded that the Final Terms has been delivered to you on the basis that you are a person into whose possession the Final Terms may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorized to, deliver or disclose the Final Terms to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Relevant Dealer(s) or any affiliate of the Relevant Dealer(s) is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such Relevant Dealer or such affiliate on behalf of the Commonwealth Bank of Australia (the **Issuer**) in such jurisdiction.

**Confirmation Of Your Representation:** In order to be eligible to view this Final Terms or make an investment decision with respect to the Covered Bonds, investors must either be (1) qualified institutional buyers (**QIBs**) (within the meaning of Rule 144A under the Securities Act) or (2) persons who are not in the United States and not US persons (within the meaning of Regulation S under the Securities Act). This Final Terms is being delivered to you by electronic transmission at your request and by accepting the e-mail and accessing this Final Terms, you shall be deemed to have represented and confirmed to the Issuer, the Covered Bond Guarantor and the Relevant Dealer(s) that (1) you have understood and agree to the terms set out herein, (2) you consent to delivery of the Final Terms and any amended offering documents by electronic transmission, (3) you and any customers you represent are either (a) QIBs or (b) not US persons and that the electronic mail address that you have given to us and to which this e-mail has been delivered is not located in the United States, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands) or the District of Columbia, (4) if you are a person in the United Kingdom, then you are a person who (a) is an investment professional within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the **FPO**) or (b) is a high net worth entity falling within Article 49(2)(a) to (d) of the FPO (all such persons together being referred to as **relevant persons**) and (5) if you are a person in Australia you are a (a) sophisticated investor, (b) a professional investor or (c) a person in respect of whom disclosure is not required

under Parts 6D.2 or 7.9 of the Australian Corporations Act. In the United Kingdom, this Final Terms must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Final Terms relates is available only to relevant persons and will be engaged in only with relevant persons.

This Final Terms has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Issuer, the Arranger, the Lead Manager (if applicable) or the Relevant Dealer(s) or any person who controls any such person or any director, officer, employee nor agent of any such person (or affiliate of any such person) accepts any liability or responsibility whatsoever in respect of any difference between the Final Terms distributed to you in electronic format and the hard copy version available to you on request from the Issuer or the Relevant Dealer(s).

## FINAL TERMS

January 9, 2013

Commonwealth Bank of Australia

**Issue of U.S.\$2,000,000,000 0.750% 3-year Fixed Rate Covered Bonds due 2016 (the Covered Bonds),  
irrevocably and unconditionally guaranteed as to payment of principal and interest by  
Perpetual Corporate Trust Limited as trustee of the CBA Covered Bond Trust (the Trust)  
under the U.S.\$30,000,000,000 CBA Covered Bond Programme**

### PART A – CONTRACTUAL TERMS

Terms used herein will be deemed to be defined as such for the purposes of the terms and conditions (the Conditions) set forth in the Offering Circular dated August 29, 2012, as supplemented by the amendments to the Offering Circular set forth in the Preliminary Pricing Term Sheet and the Pricing Term Sheet related to the Covered Bonds, each dated January 9, 2013 (together, the **Offering Circular**). Full information on the Issuer and the Covered Bond Guarantor and the offer of the Covered Bonds is only available on the basis of the combination of this Final Terms and the Offering Circular. Copies of the Offering Circular are available for viewing during normal business hours at the head office of the Issuer at Ground Floor, Tower 1, 201 Sussex Street, Sydney NSW 2000, Australia and copies may be obtained free of charge to the public from the specified office of the U.S. Paying Agent or the Dealers listed in paragraph 32(i) herein.

- |     |  |  |
|-----|--|--|
| 1.  | Issuer:  | Commonwealth Bank of Australia   |
| 2.  | Covered Bond Guarantor:  | Perpetual Corporate Trust Limited in its capacity as trustee of the CBA Covered Bond Trust |
| 3.  | (i) Series of which Covered Bonds are to be treated as forming part: | 24   |
|     | (ii) Tranche Number:   | 1  |
| 4.  | Specified Currency or Currencies:                                    | U.S. Dollars   |
| 5.  | Aggregate Nominal Amount of Covered Bonds:                           |  |
|     | (i) Series:  | U.S.\$2,000,000,000  |
|     | (ii) Tranche:  | U.S.\$2,000,000,000  |
| 6.  | Issue Price of Tranche:  | 99.844 per cent. of the Aggregate Nominal Amount   |
| 7.  | (i) Specified Denominations:   | U.S.\$250,000 and integral multiples of U.S.\$1,000 in excess thereof                      |
|     | (ii) Calculation Amount:   | U.S.\$1,000  |
| 8.  | (i) Issue Date:  | January 18, 2013   |
|     | (ii) Interest Commencement Date:                                     | Issue Date   |
| 9.  | Final Maturity Date:   | January 15, 2016   |
| 10. | Extended Due for Payment Date of                                     |  |

Guaranteed Amounts corresponding to the  
Final Redemption Amount under the Covered  
Bond Guarantee: January 13, 2017

11. Interest Basis: 0.750% per annum Fixed Rate payable semi-annually in arrear from and including the Issue Date to and including the Final Maturity Date.  
  
1 Month – U.S. Dollar LIBOR + 0.41125 per cent. Floating Rate payable monthly in arrears from but excluding the Final Maturity Date, to but including the Extended Due for Payment Date.  
  
*(further particulars specified below)*
12. Redemption/Payment Basis: Redemption at par. See Redemption for Tax Reasons (Condition 5.2), Redemption due to Illegality (Condition 5.5) and Final Redemption Amount
13. Change of Interest Basis or Redemption/ Payment Basis: Applicable, see item 11 above
14. Put/Call Options: Not applicable
15. (a) Status of the Covered Bonds: Senior  
(b) Status of Covered Bond Guarantee: Senior
16. Method of distribution: Syndicated

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

17. Fixed Rate Covered Bond Provisions Applicable from and including the Interest Commencement Date, to and including the Final Maturity Date
  - (i) Rate of Interest: 0.750% per cent. per annum payable semi-annually in arrears
  - (ii) Interest Payment Date(s) : July 15 and January 15 in each year up to and including the Final Maturity Date (provided however that after the Final Maturity Date, the Interest Payment Dates shall be monthly)
  - (iii) Regular Record Date(s): Fifteenth calendar day prior to each Interest Payment Date
  - (iv) Fixed Coupon Amount(s): With respect to the first Interest Payment Date on July 15, 2013, U.S.\$3.6875 per Calculation Amount  
  
With respect to each Interest Payment Date after the first Interest Payment Date on July 15, 2013 and ending on (and including) the Final Maturity Date, U.S.\$3.7500 per Calculation Amount
  - (v) Broken Amount(s): Not Applicable

|            |   |  |
|------------|---|--|
| (vi)       | Day Count Fraction:   | 30/360, unadjusted   |
| (vii)      | Determination Date(s):  | Not Applicable   |
| (viii)     | Business Day Convention   | Following Business Day Convention  |
| (ix)       | Other terms relating to the method of calculating interest for Fixed Rate Covered Bonds:                        | None   |
| <b>18.</b> | <b>Floating Rate Covered Bond Provisions</b>  | Applicable from but excluding the Final Maturity Date, to and including the Extended Due for Payment Date  |
| (i)        | Specified Period(s):  | The period from but excluding each Specified Interest Payment Date, to and including the following Specified Interest Payment Date provided that the first Specified Period shall be from and excluding the Final Maturity Date, to but including the next following Specified Interest Payment Date |
| (ii)       | Specified Interest Payment Date(s):   | The 15 <sup>th</sup> day of each month from and excluding the Final Maturity Date to and including the Extended Due for Payment Date   |
| (iii)      | Business Day Convention:  | Modified Following Business Day Convention   |
| (iv)       | Additional Business Centre(s):  | Sydney   |
| (v)        | Manner in which the Rate of Interest and Interest Amount are to be determined:                                  | Screen Rate Determination  |
| (vi)       | Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent): | Not Applicable   |
| (vii)      | Screen Rate Determination:  |  |
|            | - Reference Rate:   | 1 month U.S. Dollar LIBOR  |
|            | - Interest Determination Date(s):   | Second London business day prior to the start of each Interest Period  |
|            | - Relevant Screen Page:   | Reuters Page LIBOR01   |
| (viii)     | ISDA Determination:   | Not Applicable   |
| (ix)       | Margin(s):  | +0.41125 per cent. per annum   |
| (x)        | Minimum Rate of Interest:   | Not Applicable   |
| (xi)       | Maximum Rate of Interest:   | Not Applicable   |
| (xii)      | Day Count Fraction:   | Actual/360, adjusted   |
| (xiii)     | Fall back provisions, rounding provisions and any other terms   | Not Applicable   |



relating to the method of calculating interest on Floating Rate Covered Bonds, if different from those set out in the Conditions:

- |     |  |                |
|-----|--|----------------|
| 19. | <b>Zero Coupon Covered Bond Provisions</b>   | Not Applicable |
| 20. | <b>Index Linked Covered Bond Provisions</b>  | Not Applicable |
| 21. | <b>Dual Currency Covered Bond Provisions</b> | Not Applicable |

#### **PROVISIONS RELATING TO REDEMPTION**

- |     |   |                                    |
|-----|---|------------------------------------|
| 22. | <b>Issuer Call:</b>   | Not Applicable                     |
| 23. | <b>Investor Put:</b>  | Not Applicable                     |
| 24. | <b>Final Redemption Amount:</b>   | U.S.\$1,000 per Calculation Amount |
| 25. | <b>Early Redemption Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same:</b> | U.S.\$1,000 per Calculation Amount |

#### **GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS**

- |     |   |  |
|-----|---|--|
| 26. | <b>Form of Covered Bonds:</b>   | Registered Covered Bonds:<br><br>Rule 144A Global Covered Bonds registered in the name of a nominee for DTC<br><br>Regulation S Global Covered Bond(s) registered in the name of a nominee for DTC |
| 27. | <b>Additional Financial Centre(s) or other special provisions relating to Payment Dates:</b>  | Sydney   |
| 28. | <b>Details relating to Partly-Paid Covered Bonds: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Covered Bonds and interest due on late payment:</b> | Not Applicable   |
| 29. | <b>Details relating to Instalment Covered Bonds: amount of each instalment, date on which each payment is to be made:</b>   | Not Applicable   |
| 30. | <b>Redenomination applicable:</b>   | Redenomination not applicable  |
| 31. | <b>Other Final Terms:</b>   | Not Applicable   |

#### **DISTRIBUTION**

- |     |   |   |
|-----|---|---|
| 32. | (i) If syndicated, names and addresses of Dealers and underwriting commitments: | Barclays Capital Inc.<br>745 Seventh Avenue<br>New York, New York 10019<br>United States of America |
|-----|---|---|

Allocation: U.S.\$690,000,000.00

RBC Capital Markets, LLC  
Three World Financial Center  
New York, New York 10281  
United States of America  
Allocation: U.S.\$690,000,000.00

TD Securities (USA) LLC  
31 West 52<sup>nd</sup> Street, 2<sup>nd</sup> Floor  
New York, New York 10019  
United States of America  
Allocation: U.S.\$200,000,000.00

Commonwealth Bank of Australia  
23<sup>rd</sup> Floor, Tower 1  
201 Sussex Street  
Sydney, New South Wales 2000  
Australia  
Allocation: U.S.\$420,000,000.00

- (ii) Date of Terms Agreement: January 9, 2013
- (iii) Stabilising Manager(s) (if any): Not Applicable
33. If non-syndicated, name and address of relevant Dealer: Not Applicable
34. Definitive Covered Bonds to be in ICMA or successor's format: No
35. U.S. Selling Restrictions: The Covered Bonds are being offered and sold without registration under the United States Securities Act of 1933, as amended (the Securities Act): (A) to investors reasonably believed to be "qualified institutional buyers" as defined in Rule 144A under the Securities Act (Rule 144A) in reliance upon the exemption provided by Rule 144A under the Securities Act and (B) in offshore transactions to certain non-US persons in reliance upon Regulation S under the Securities Act. Prospective purchasers are hereby notified that the seller of the Covered Bonds may be relying on an exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of certain restrictions on resales and transfers, see "Notice to Purchasers" and "Subscription and Sale and Selling Restrictions" in the Offering Circular.
36. Whether TEFRA D rules applicable or TEFRA not applicable  
TEFRA rules not applicable:
37. Additional selling restrictions: See "Subscription and Sale and Selling Restrictions" in the Offering Circular

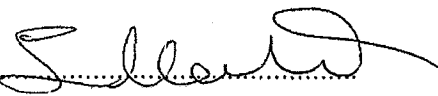
38. Additional U.S. Federal Tax or ERISA Not Applicable Considerations

#### RESPONSIBILITY

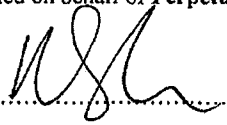
The Issuer accepts responsibility for the information contained in these Final Terms.

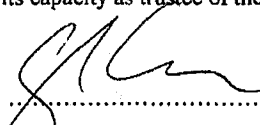
These Final Terms may be executed in one or more counterparts and, if executed in more than one counterpart, the executed counterparts hereof shall constitute a single instrument.

Signed on behalf of Commonwealth Bank of Australia:

By:  **Simon Maidment**  
Head of Group Funding  
& Execution  
*Duly authorised*

Signed on behalf of Perpetual Corporate Trust Limited in its capacity as trustee of the CBA Covered Bond Trust:

By:  **Hagbarth Strom**  
Manager  
*Duly authorised*

By:  **CRAIG CULLEN**  
*Duly authorised* SENIOR MANAGER,

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

Not Applicable.

### 2. RATINGS

Ratings:

The Covered Bonds to be issued have been rated:

Fitch Australia Pty Ltd: AAA

Moody's Investors Service Pty Ltd: Aaa

The credit ratings of the Covered Bonds are not a recommendation or suggestion, directly or indirectly, to any investor or any other person, to buy, sell, make or hold any of the Covered Bonds or to undertake any investment strategy with respect to any of the Covered Bonds (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any of the Covered Bonds. The Rating Agencies are not advisers, and nor do the Rating Agencies provide investors or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A credit rating should not be viewed as a replacement for such advice or services.

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

Save as discussed in *Subscription and Sale and Selling Restrictions*, so far as the Issuer is aware, no person involved in the issue of the Covered Bonds has an interest material to the offer.

### 4. YIELD (Fixed Rate Covered Bonds only)

Indication of yield:

0.803% per annum

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

### 5. OPERATIONAL INFORMATION

(i) ISIN Code:

US20271AAC18 – Rule 144A Global Covered Bond

US20271BAC90 – Regulation S Global Covered Bond

(ii) CUSIP:

20271AAC1 – Rule 144A Global Covered Bond

20271BAC9 – Regulation S Global Covered Bond

- |        |   |   |
|--------|---|---|
| (iii)  | Common Code:  | 087608379 – Rule 144A Global Covered Bond<br>087608352 – Regulation S Global Covered Bond                     |
| (iv)   | Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and The Depository Trust Company and Austraclear and the relevant identification number(s): | Not Applicable  |
| (v)    | Delivery:   | Delivery against payment  |
| (vi)   | Name and address of initial Paying Agent in relation to the Covered Bonds   | Duetsche Bank Trust Company Americas<br>60 Wall Street, New York, New York 10005,<br>United States of America |
| (vii)  | Names and addresses of additional Paying Agent(s) (if any) in relation to the Covered Bonds:  | Not Applicable  |
| (viii) | Name and address of Calculation Agent in relation to AS Registered Covered Bonds if other than the Issuer   | Not Applicable  |

## 9 SUMMARY OF POOL CHARACTERISTICS

|                                 |                   |
|---------------------------------|-------------------|
| Aggregate Pool Balance          | A\$18,841,285,169 |
| Number of Mortgage Loans        | 78,916            |
| Weighted average LTV            | 59.79%            |
| Weighted average indexed LTV    | 56.72%            |
| Weighted average Remaining Term | 310 months        |
| Weighted average Seasoning      | 39 months         |
| Weighted average Interest Rate  | 6.05%             |
| Interest Only                   | 22.09%            |
| Principal & Interest Repayment  | 77.91%            |
| Loans in arrear > 90 days       | 0.04%             |

# **Geographic Distribution**

| <b>Region</b>  | <b><u>No. Of Loans</u></b> | <b><u>Per cent. by<br/>Loan Number</u></b> | <b><u>Aggregate Loan<br/>Balance (A\$)</u></b> | <b><u>Per cent. by<br/>Loan Balance</u></b> |
|----------------|----------------------------|--|--|---|
| ACT Metro      | 1,061                      | 1.34%                                      | 271,564,496                                    | 1.44%                                       |
| NSW Inner City | 185                        | 0.23%                                      | 64,880,040                                     | 0.34%                                       |
| NSW Metro      | 17,204                     | 21.80%                                     | 5,114,204,079                                  | 27.14%                                      |
| NSW Non Metro  | 9,963                      | 12.62%                                     | 1,895,079,264                                  | 10.06%                                      |
| NT Metro       | 428                        | 0.54%                                      | 120,530,435                                    | 0.64%                                       |
| NT Non Metro   | 347                        | 0.44%                                      | 85,987,168                                     | 0.46%                                       |
| SA Inner City  | 134                        | 0.17%                                      | 30,197,082                                     | 0.16%                                       |
| SA Metro       | 5,455                      | 6.91%                                      | 1,147,217,633                                  | 6.09%                                       |
| SA Non Metro   | 1,638                      | 2.08%                                      | 268,123,788                                    | 1.42%                                       |
| TAS Inner City | 71                         | 0.09%                                      | 15,373,178                                     | 0.08%                                       |
| TAS Metro      | 1,354                      | 1.72%                                      | 235,310,708                                    | 1.25%                                       |
| TAS Non Metro  | 1,489                      | 1.89%                                      | 228,568,120                                    | 1.21%                                       |
| VIC Inner City | 888                        | 1.12%                                      | 239,588,047                                    | 1.27%                                       |
| VIC Metro      | 22,379                     | 28.36%                                     | 5,428,224,271                                  | 28.81%                                      |
| VIC Non Metro  | 6,871                      | 8.71%                                      | 1,105,124,114                                  | 5.87%                                       |
| WA Inner City  | 243                        | 0.31%                                      | 80,016,336                                     | 0.43%                                       |
| WA Metro       | 7,392                      | 9.37%                                      | 2,092,844,715                                  | 11.11%                                      |
| WA Non Metro   | 1,814                      | 2.30%                                      | 418,451,695                                    | 2.22%                                       |
| <b>Total</b>   | <b>78,916</b>              | <b>100.00%</b>                             | <b>18,841,285,169</b>                          | <b>100.00%</b>                              |

**Current LTV**

|                       | <u>No. Of Loans</u> | <u>Per cent. by<br/>Loan Number</u> | <u>Aggregate Loan<br/>Balance (A\$)</u> | <u>Per cent. by<br/>Loan Balance</u> |
|-----------------------|---------------------|-------------------------------------|---|--------------------------------------|
| -10.00 < LVR <= -5.00 | 1                   | 0.00%                               | -52,257                                 | 0.00%                                |
| -5.00 < LVR <= 0.00   | 56                  | 0.07%                               | -45,605                                 | 0.00%                                |
| 0.00 < LVR <= 5.00    | 431                 | 0.55%                               | 5,149,487                               | 0.03%                                |
| 5.00 < LVR <= 10.00   | 342                 | 0.43%                               | 15,861,774                              | 0.08%                                |
| 10.00 < LVR <= 15.00  | 527                 | 0.67%                               | 39,409,177                              | 0.21%                                |
| 15.00 < LVR <= 20.00  | 925                 | 1.17%                               | 90,299,423                              | 0.48%                                |
| 20.00 < LVR <= 25.00  | 2,310               | 2.93%                               | 294,361,440                             | 1.56%                                |
| 25.00 < LVR <= 30.00  | 4,792               | 6.07%                               | 728,020,279                             | 3.86%                                |
| 30.00 < LVR <= 35.00  | 5,364               | 6.80%                               | 934,590,328                             | 4.96%                                |
| 35.00 < LVR <= 40.00  | 5,955               | 7.55%                               | 1,139,707,693                           | 6.05%                                |
| 40.00 < LVR <= 45.00  | 6,059               | 7.68%                               | 1,252,206,557                           | 6.65%                                |
| 45.00 < LVR <= 50.00  | 6,309               | 7.99%                               | 1,418,164,110                           | 7.53%                                |
| 50.00 < LVR <= 55.00  | 6,274               | 7.95%                               | 1,513,912,717                           | 8.03%                                |
| 55.00 < LVR <= 60.00  | 6,332               | 8.02%                               | 1,658,166,719                           | 8.80%                                |
| 60.00 < LVR <= 65.00  | 5,781               | 7.33%                               | 1,551,952,147                           | 8.24%                                |
| 65.00 < LVR <= 70.00  | 6,083               | 7.71%                               | 1,665,960,647                           | 8.84%                                |
| 70.00 < LVR <= 75.00  | 6,087               | 7.71%                               | 1,811,686,875                           | 9.62%                                |
| 75.00 < LVR <= 80.00  | 7,071               | 8.96%                               | 2,323,009,594                           | 12.33%                               |
| 80.00 < LVR <= 85.00  | 3,222               | 4.08%                               | 954,787,287                             | 5.07%                                |
| 85.00 < LVR <= 90.00  | 3,450               | 4.37%                               | 995,210,232                             | 5.28%                                |
| 90.00 < LVR <= 95.00  | 1,532               | 1.94%                               | 445,067,268                             | 2.36%                                |
| 95.00 < LVR <= 100.00 | 5                   | 0.01%                               | 1,107,117                               | 0.01%                                |
| LVR > 100.00          | 8                   | 0.01%                               | 2,752,160                               | 0.01%                                |
| <b>Total</b>          | <b>78,916</b>       | <b>100.00%</b>                      | <b>18,841,285,169</b>                   | <b>100.00%</b>                       |

**Current Indexed LTV**

|                       | <u>No. Of Loans</u> | <u>Per cent. by<br/>Loan Number</u> | <u>Aggregate Loan<br/>Balance (A\$)</u> | <u>Per cent. by<br/>Loan Balance</u> |
|-----------------------|---------------------|-------------------------------------|---|--------------------------------------|
| -5.00 < LVR <= 0.00   | 57                  | 0.07%                               | -97,862                                 | 0.00%                                |
| 0.00 < LVR <= 5.00    | 460                 | 0.58%                               | 6,231,716                               | 0.03%                                |
| 5.00 < LVR <= 10.00   | 437                 | 0.56%                               | 24,494,990                              | 0.13%                                |
| 10.00 < LVR <= 15.00  | 863                 | 1.10%                               | 74,249,142                              | 0.40%                                |
| 15.00 < LVR <= 20.00  | 2,178               | 2.76%                               | 249,313,972                             | 1.32%                                |
| 20.00 < LVR <= 25.00  | 4,295               | 5.44%                               | 594,161,564                             | 3.15%                                |
| 25.00 < LVR <= 30.00  | 5,835               | 7.39%                               | 933,890,177                             | 4.96%                                |
| 30.00 < LVR <= 35.00  | 6,092               | 7.72%                               | 1,112,713,529                           | 5.91%                                |
| 35.00 < LVR <= 40.00  | 6,395               | 8.10%                               | 1,281,159,363                           | 6.80%                                |
| 40.00 < LVR <= 45.00  | 6,355               | 8.05%                               | 1,396,822,160                           | 7.42%                                |
| 45.00 < LVR <= 50.00  | 6,262               | 7.94%                               | 1,485,736,600                           | 7.89%                                |
| 50.00 < LVR <= 55.00  | 5,847               | 7.41%                               | 1,524,541,782                           | 8.09%                                |
| 55.00 < LVR <= 60.00  | 5,683               | 7.20%                               | 1,543,710,637                           | 8.19%                                |
| 60.00 < LVR <= 65.00  | 5,570               | 7.06%                               | 1,573,065,947                           | 8.35%                                |
| 65.00 < LVR <= 70.00  | 4,903               | 6.21%                               | 1,454,662,833                           | 7.72%                                |
| 70.00 < LVR <= 75.00  | 4,705               | 5.96%                               | 1,447,095,968                           | 7.68%                                |
| 75.00 < LVR <= 80.00  | 5,202               | 6.59%                               | 1,615,396,606                           | 8.57%                                |
| 80.00 < LVR <= 85.00  | 4,878               | 6.18%                               | 1,617,086,324                           | 8.58%                                |
| 85.00 < LVR <= 90.00  | 1,665               | 2.11%                               | 507,086,496                             | 2.69%                                |
| 90.00 < LVR <= 95.00  | 1,224               | 1.55%                               | 396,696,811                             | 2.11%                                |
| 95.00 < LVR <= 100.00 | 4                   | 0.01%                               | 923,197                                 | 0.00%                                |
| LVR > 100.00          | 6                   | 0.01%                               | 2,343,217                               | 0.01%                                |
| <b>Total</b>          | <b>78,916</b>       | <b>100.00%</b>                      | <b>18,841,285,169</b>                   | <b>100.00%</b>                       |



**Ownership Type**

|                | <u>No. Of Loans</u> | <u>Per cent. by<br/>Loan Number</u> | <u>Aggregate Loan<br/>Balance (A\$)</u> | <u>Per cent. by<br/>Loan Balance</u> |
|----------------|---------------------|-------------------------------------|---|--------------------------------------|
| Owner Occupied | 57,523              | 72.89%                              | 13,087,472,106                          | 69.46%                               |
| Investment     | 21,393              | 27.11%                              | 5,753,813,063                           | 30.54%                               |
| <b>Total</b>   | <b>78,916</b>       | <b>100.00%</b>                      | <b>18,841,285,169</b>                   | <b>100.00%</b>                       |

**Repayment Type**

|                        | <u>No. Of Loans</u> | <u>Per cent. by<br/>Loan Number</u> | <u>Aggregate Loan<br/>Balance (A\$)</u> | <u>Per cent. by<br/>Loan Balance</u> |
|------------------------|---------------------|-------------------------------------|---|--------------------------------------|
| Principal and Interest | 66,742              | 84.57%                              | 14,679,498,794                          | 77.91%                               |
| Interest Only          | 12,174              | 15.43%                              | 4,161,786,375                           | 22.09%                               |
| <b>Total</b>           | <b>78,916</b>       | <b>100.00%</b>                      | <b>18,841,285,169</b>                   | <b>100.00%</b>                       |

**Loan Type**

|              | <u>No. Of Loans</u> | <u>Per cent. by<br/>Loan Number</u> | <u>Aggregate Loan<br/>Balance (A\$)</u> | <u>Per cent. by<br/>Loan Balance</u> |
|--------------|---------------------|-------------------------------------|---|--------------------------------------|
| Variable     | 72,029              | 91.27%                              | 17,242,910,521                          | 91.52%                               |
| 1yr Fixed    | 536                 | 0.68%                               | 111,201,167                             | 0.59%                                |
| 2yr Fixed    | 1,761               | 2.23%                               | 459,748,820                             | 2.44%                                |
| 3yr Fixed    | 2,547               | 3.23%                               | 620,029,890                             | 3.29%                                |
| 4yr Fixed    | 139                 | 0.18%                               | 28,497,494                              | 0.15%                                |
| 5yr Fixed    | 1,645               | 2.09%                               | 336,563,226                             | 1.79%                                |
| 7yr Fixed    | 106                 | 0.13%                               | 17,392,051                              | 0.09%                                |
| 15yr Fixed   | 153                 | 0.19%                               | 24,942,000                              | 0.13%                                |
| <b>Total</b> | <b>78,916</b>       | <b>100.00%</b>                      | <b>18,841,285,169</b>                   | <b>100.00%</b>                       |

**Arrears**

|              | <u>No. Of Loans</u> | <u>Per cent. by<br/>Loan Number</u> | <u>Aggregate Loan<br/>Balance (A\$)</u> | <u>Per cent. by<br/>Loan Balance</u> |
|--------------|---------------------|-------------------------------------|---|--------------------------------------|
| 31-60 days   | 204                 | 0.26%                               | 50,973,776.29                           | 0.27%                                |
| 61-90 days   | 75                  | 0.10%                               | 18,442,542.44                           | 0.10%                                |
| 91-120 days  | 33                  | 0.04%                               | 8,154,832.40                            | 0.04%                                |
| 121-150 days | -                   | 0.00%                               | -                                       | 0.00%                                |
| 151-180 days | -                   | 0.00%                               | -                                       | 0.00%                                |
| 180+ days    | -                   | 0.00%                               | -                                       | 0.00%                                |
| <b>Total</b> | <b>312</b>          | <b>0.40%</b>                        | <b>77,571,151.13</b>                    | <b>0.41%</b>                         |

Year of Origination (quarterly)

| <u>Year of<br/>Origination</u> | <u>No. of<br/>Loans</u> | <u>Aggregate<br/>Security<br/>Valuations (A\$)</u> | <u>Aggregate Loan<br/>Balance (A\$)</u> | <u>Weighted<br/>Average<br/>Current<br/>LTV (%)</u> | <u>Average<br/>Loan<br/>Balance<br/>(A\$)</u> | <u>Percent by<br/>Aggregate<br/>Loan<br/>Balance</u> |
|--------------------------------|-------------------------|--|---|---|---|--|
| 2002Q1                         | 263                     | 89,540,153   | 35,183,994                              | 44.62%  | 133,779                                       | 0.19%  |
| 2002Q2                         | 292                     | 102,228,092  | 39,355,889                              | 44.78%  | 134,780                                       | 0.21%  |
| 2002Q3                         | 332                     | 120,463,558  | 48,058,371                              | 45.81%  | 144,754                                       | 0.26%  |
| 2002Q4                         | 315                     | 117,151,541  | 46,051,630                              | 45.52%  | 146,196                                       | 0.24%  |
| 2003Q1                         | 222                     | 87,556,654   | 34,459,585                              | 46.21%  | 155,223                                       | 0.18%  |
| 2003Q2                         | 268                     | 112,302,414  | 46,162,536                              | 47.89%  | 172,248                                       | 0.25%  |
| 2003Q3                         | 366                     | 145,096,279  | 59,840,694                              | 47.93%  | 163,499                                       | 0.32%  |
| 2003Q4                         | 386                     | 165,715,674  | 68,948,279                              | 48.70%  | 178,622                                       | 0.37%  |
| 2004Q1                         | 301                     | 120,734,720  | 51,541,399                              | 49.62%  | 171,234                                       | 0.28%  |
| 2004Q2                         | 399                     | 174,790,358  | 70,188,980                              | 46.80%  | 175,912                                       | 0.37%  |
| 2004Q3                         | 522                     | 183,061,454  | 78,009,295                              | 49.33%  | 149,443                                       | 0.41%  |
| 2004Q4                         | 545                     | 214,286,232  | 96,664,030                              | 51.47%  | 177,365                                       | 0.51%  |
| 2005Q1                         | 570                     | 217,163,149  | 91,463,992                              | 48.68%  | 160,463                                       | 0.49%  |
| 2005Q2                         | 731                     | 268,651,086  | 119,277,402                             | 50.94%  | 163,170                                       | 0.63%  |
| 2005Q3                         | 801                     | 294,293,615  | 132,695,890                             | 51.92%  | 165,663                                       | 0.70%  |
| 2005Q4                         | 1,007                   | 384,226,550  | 173,691,149                             | 53.17%  | 172,484                                       | 0.92%  |
| 2006Q1                         | 1,100                   | 408,488,148  | 184,940,006                             | 52.24%  | 168,127                                       | 0.98%  |
| 2006Q2                         | 1,261                   | 502,964,604  | 224,168,088                             | 51.75%  | 177,770                                       | 1.19%  |
| 2006Q3                         | 1,536                   | 576,118,453  | 256,715,300                             | 51.17%  | 167,132                                       | 1.36%  |
| 2006Q4                         | 1,147                   | 429,098,603  | 189,424,399                             | 50.50%  | 165,148                                       | 1.01%  |
| 2007Q1                         | 1,600                   | 595,918,044  | 258,355,546                             | 49.19%  | 161,472                                       | 1.37%  |
| 2007Q2                         | 2,103                   | 828,481,451  | 362,284,432                             | 50.26%  | 172,270                                       | 1.92%  |
| 2007Q3                         | 1,998                   | 804,926,721  | 354,527,825                             | 50.48%  | 177,441                                       | 1.88%  |
| 2007Q4                         | 2,300                   | 942,183,410  | 447,792,714                             | 54.68%  | 194,692                                       | 2.38%  |
| 2008Q1                         | 2,729                   | 1,158,821,333                                      | 590,529,734                             | 58.91%  | 216,391                                       | 3.13%  |
| 2008Q2                         | 2,843                   | 1,199,143,430                                      | 622,339,373                             | 59.21%  | 218,902                                       | 3.30%  |

|              |               |                       |                       |               |                |                |
|--------------|---------------|-----------------------|-----------------------|---------------|----------------|----------------|
| 2008Q3       | 3,181         | 1,363,155,754         | 735,005,104           | 61.61%        | 231,061        | 3.90%          |
| 2008Q4       | 3,876         | 1,697,773,256         | 919,730,881           | 62.19%        | 237,289        | 4.88%          |
| 2009Q1       | 4,780         | 2,092,944,831         | 1,148,888,949         | 62.06%        | 240,353        | 6.10%          |
| 2009Q2       | 5,073         | 2,371,040,229         | 1,264,197,104         | 59.93%        | 249,201        | 6.71%          |
| 2009Q3       | 4,301         | 2,063,142,595         | 1,126,535,420         | 61.38%        | 261,924        | 5.98%          |
| 2009Q4       | 4,230         | 2,150,867,095         | 1,184,225,818         | 62.21%        | 279,959        | 6.29%          |
| 2010Q1       | 3,735         | 1,870,918,597         | 1,054,454,831         | 63.37%        | 282,317        | 5.60%          |
| 2010Q2       | 4,081         | 2,148,716,785         | 1,181,871,120         | 62.09%        | 289,603        | 6.27%          |
| 2010Q3       | 5,057         | 2,596,194,270         | 1,424,434,712         | 62.07%        | 281,676        | 7.56%          |
| 2010Q4       | 5,569         | 2,834,321,996         | 1,563,135,779         | 62.42%        | 280,685        | 8.30%          |
| 2011Q1       | 5,271         | 2,622,516,859         | 1,464,776,908         | 62.99%        | 277,894        | 7.77%          |
| 2011Q2       | 2,931         | 1,497,592,485         | 828,247,489           | 62.93%        | 282,582        | 4.40%          |
| 2011Q3       | 99            | 57,322,100            | 30,866,600            | 60.92%        | 311,784        | 0.16%          |
| 2011Q4       | 113           | 61,848,000            | 37,676,018            | 66.06%        | 333,416        | 0.20%          |
| 2012Q1       | 208           | 126,265,667           | 60,893,943            | 58.21%        | 292,759        | 0.32%          |
| 2012Q2       | 207           | 126,297,900           | 59,969,314            | 57.70%        | 289,707        | 0.32%          |
| 2012Q3       | 214           | 124,447,750           | 61,817,765            | 59.12%        | 288,868        | 0.33%          |
| 2012Q4       | 53            | 26,313,000            | 11,886,882            | 55.57%        | 224,281        | 0.06%          |
| <b>Total</b> | <b>78,916</b> | <b>36,075,084,895</b> | <b>18,841,285,169</b> | <b>59.79%</b> | <b>238,751</b> | <b>100.00%</b> |

## IMPORTANT NOTICE

**THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (1) QUALIFIED INSTITUTIONAL BUYERS AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT) OR (2) NOT IN THE UNITED STATES AND NOT U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) IN COMPLIANCE WITH REGULATION S.**

**IMPORTANT: You must read the following before continuing.** The following applies to the Offering Circular following this notice, and you are therefore advised to read this carefully before reading, accessing or making any other use of the Offering Circular. In accessing the Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE COVERED BONDS AND THE COVERED BOND GUARANTEE HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY JURISDICTION, AND THE COVERED BONDS MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR THE BENEFIT OF, U.S. PERSONS (WITHIN THE MEANING OF 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 STATE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE FOLLOWING OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

You are reminded that the Offering Circular has been delivered to you on the basis that you are a person into whose possession the Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorized to, deliver or disclose the Offering Circular to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Relevant Dealer(s) or any affiliate of the Relevant Dealer(s) is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such Relevant Dealer or such affiliate on behalf of the Commonwealth Bank of Australia (the **Issuer**) in such jurisdiction.

**Confirmation Of Your Representation:** In order to be eligible to view this Offering Circular or make an investment decision with respect to the Covered Bonds, investors must either be (1) qualified institutional buyers (**QIBs**) (within the meaning of Rule 144A under the Securities Act) or (2) persons who are not in the United States and not US persons (within the meaning of Regulation S under the Securities Act). This Offering Circular is being delivered to you by electronic transmission at your request and by accepting the e-mail and accessing this Offering Circular, you shall be deemed to have represented and confirmed to the Issuer, the Covered Bond Guarantor and the Relevant Dealer(s) that (1) you have understood and agree to the terms set out herein, (2) you consent to delivery of the Offering Circular and any amended offering documents by electronic transmission, (3) you and any customers you represent are either (a) **QIBs** or (b) not US persons and that the electronic mail address that you have given to us and to which this e-mail has been delivered is not located in the United States, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands) or the District of Columbia, (4) if you are a person in the United Kingdom, then you are a person who (a) is an investment professional within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the **FPO**) or (b) is a high net worth entity falling within Article 49(2)(a) to (d) of the FPO (all such persons together being referred to as **relevant persons**) and (5) if you are a person in Australia you are a (a) sophisticated investor, (b) a professional investor or (c) a person in respect of whom disclosure is not required under Parts 6D.2 or 7.9 of the Australian Corporations Act. In the United Kingdom, this Offering Circular must not be acted on or relied

on by persons who are not relevant persons. Any investment or investment activity to which this Offering Circular relates is available only to relevant persons and will be engaged in only with relevant persons.

This Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Issuer, the Arranger, the Lead Manager (if applicable) or the Relevant Dealer(s) or any person who controls any such person or any director, officer, employee nor agent of any such person (or affiliate of any such person) accepts any liability or responsibility whatsoever in respect of any difference between the Offering Circular distributed to you in electronic format and the hard copy version available to you on request from the Issuer or the Relevant Dealer(s).

**Commonwealth Bank of Australia**

*(incorporated with limited liability in the Commonwealth of Australia and having Australian Business Number 48 123 123 124)*

**as Issuer**

**U.S.\$30,000,000,000 CBA Covered Bond Programme**

unconditionally and irrevocably guaranteed as to payments of interest and principal by

**Perpetual Corporate Trust Limited**

*(incorporated with limited liability in the Commonwealth of Australia and having Australian Business Number 99 000 341 533)*

**as trustee of the CBA Covered Bond Trust**

Under the **U.S.\$30,000,000,000 CBA Covered Bond Programme (Programme)** established by Commonwealth Bank of Australia ABN 48 123 123 124 (the **Bank** and the **Issuer**), the Issuer may from time to time issue bonds (**Covered Bonds**) denominated in any currency agreed between the Issuer and the Relevant Dealer(s) (as defined below). The price and amount of the Covered Bonds to be issued under the Programme will be determined by the Issuer and the Relevant Dealer(s) at the time of issue in accordance with the prevailing market conditions. Any Covered Bonds issued under the Programme on or after the date of this Offering Circular are issued subject to the provisions described in this Offering Circular.

Perpetual Corporate Trust Limited ABN 99 000 341 533 in its capacity as trustee of the CBA Covered Bond Trust (the **Trust** and, in such capacity, the **Covered Bond Guarantor**) has guaranteed payments of interest and principal under the Covered Bonds pursuant to a guarantee which is secured over the Mortgage Loan Rights (as defined in this Offering Circular) and the other Assets of the Trust. Recourse against the Covered Bond Guarantor under its guarantee is limited to the Assets of the Trust.

The maximum aggregate nominal amount of all Covered Bonds from time to time outstanding under the Programme will not exceed **U.S.\$30,000,000,000** (or its equivalent in other currencies calculated by reference to the spot rate for the sale of U.S. dollars against the purchase of such currency in the London foreign exchange market quoted by any leading bank selected by the Issuer on the relevant date of the agreement to issue between the Issuer and the Relevant Dealer(s) (as defined below)), subject to any increase as described in this Offering Circular.

The Covered Bonds may be issued on a continuing basis to the Dealers specified under the section “*Programme Overview*” in this Offering Circular and any additional Dealer appointed under the Programme from time to time by the Issuer (each, a **Dealer** and together, the **Dealers**), which appointment may be for a specific issue or on an ongoing basis. References in this Offering Circular to the **Relevant Dealer(s)** will, in the case of an issue of Covered Bonds being (or intended to be) subscribed for by more than one Dealer, be to all Dealers agreeing to subscribe for such Covered Bonds.

**Prospective investors should have regard to the factors described under the section headed “Risk Factors” on pages 31 to 63 of this Offering Circular and the section titled “Risk factors” in the 2012 U.S. Disclosure Report (as defined herein). This Offering Circular does not describe all of the risks of an investment in the Covered Bonds.**

**Prospective investors in Covered Bonds should ensure that they understand the nature of the relevant Covered Bonds and the extent of their exposure to risks and that they consider the suitability of the relevant Covered Bonds as an investment in the light of their own circumstances and financial condition. CERTAIN ASPECTS OF COVERED BONDS INVOLVE A DEGREE OF RISK AND INVESTORS SHOULD BE PREPARED TO SUSTAIN A LOSS OF ALL OR PART OF THEIR INVESTMENT. It is the responsibility of prospective investors to ensure that they have sufficient knowledge, experience and professional advice to make their own legal, financial, tax, accounting and other business evaluation of the merits and risks of investing in the Covered Bonds and are not relying on the advice of the Issuer, the Covered Bond Guarantor, the Trust Manager (as defined in this Offering Circular), the Security Trustee (as defined in this Offering Circular) or the Bond Trustee (as defined in this Offering Circular), the Relevant Dealer or any other party to a Programme Document (as defined in this Offering Circular).**

Notice of the aggregate nominal amount of Covered Bonds, interest (if any) payable in respect of Covered Bonds, the issue price of Covered Bonds and any other terms and conditions not contained in this Offering Circular which are applicable to each Tranche (as defined under the Conditions of the Covered Bonds) of Covered Bonds will be set out in the Final Terms for that Tranche.

Unless otherwise indicated in the applicable Final Terms, the Covered Bonds issued pursuant to this Offering Circular will not be listed or admitted to trading on any securities exchange or regulated or unregulated markets.

Each purchaser of the Covered Bonds offered hereby in making its purchase will be deemed to have made certain acknowledgements, representations and agreements intended to restrict the resale or other transfer of such Covered Bonds and may in certain circumstances be required to provide confirmation of compliance with such resale or other transfer restrictions below and as set forth in “*Notice to purchasers*” and “*Subscription and Sale and Selling Restrictions*”.

**The Covered Bonds are being offered and sold without registration under the United States Securities Act of 1933, as amended (the Securities Act) (a) in reliance on Section 4(a)(2) of, and Rule 144A (Rule 144A) and Regulation D under, the Securities Act to “qualified institutional buyers” (as defined in Rule 144A) (QIBs) and/or (b) in accordance with Regulation S under the Securities**

**Act (Regulation S) to non-U.S. persons in offshore transactions. Prospective purchasers are hereby notified that the sellers of the Covered Bonds may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.**

The Covered Bonds (including N Covered Bonds, as defined in the section “*Glossary*” in this Offering Circular) may also be offered and sold in accordance with Regulation S solely to non-U.S. persons outside the United States in offshore transactions under a separate offering document. In addition, A\$ Registered Covered Bonds may also be offered and sold under a separate offering document. Accordingly, unless the context otherwise requires or as otherwise stated in this Offering Circular, references to Covered Bonds in this Offering Circular are references to both Covered Bonds issued pursuant to this Offering Circular and Covered Bonds issued pursuant to the separate offering documents. All such Covered Bonds will rank *pari passu* without any preference or priority among themselves.

The Issuer and the Covered Bond Guarantor may agree with any Dealer, the Bond Trustee and the U.S. Paying Agent that Covered Bonds may be issued in a form not contemplated under “*Terms and Conditions of the Covered Bonds*” in this Offering Circular, in which event a supplementary offering circular, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Covered Bonds.

The rating of certain Series or Tranches of Covered Bonds to be issued under the Programme will be specified in the applicable Final Terms. Unless otherwise specified in the applicable Final Terms, Moody’s Investors Service Pty Ltd. (**Moody’s**) and Fitch Australia Pty Ltd (**Fitch**, and together with Moody’s, the **Rating Agencies**) will assign such ratings. Moody’s Investors Service Pty Limited is not established in the European Union and not registered in accordance with the Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of September 16, 2009 on credit rating agencies (as amended) (the **CRA Regulation**). However, Moody’s Investors Service Limited, which is established in the European Union and registered under the CRA Regulation (and, as such is included in the list of credit rating agencies published by the European Securities and Markets Authority (the **ESMA**) on its website in accordance with the CRA Regulation) has disclosed the intention to endorse credit ratings of Moody’s Investor Service Pty Limited. Fitch Australia Pty Ltd is not established in the European Union and not registered in accordance with the CRA Regulation. However, Fitch Ratings Limited, which is established in the European Union and registered under the CRA Regulation (and, as such is included in the list of credit rating agencies published by the ESMA on its website in accordance with the CRA Regulation) has disclosed the intention to endorse credit ratings of Fitch Australia Pty Ltd. Please also refer to “*Ratings of the Covered Bonds*” in the Risk Factors section of this Offering Circular. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.

The Covered Bonds are not deposits or protected accounts for the purpose of the Banking Act of 1959 of Australia and are not insured by the United States Federal Deposit Insurance Corporation or any other governmental agency.

The Covered Bonds will be issued in registered, book-entry form and will be eligible for clearance through the facilities of The Depository Trust Company (**DTC**) and its participants, including Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking, société anonyme (**Clearstream**).

#### **Arranger for the Programme**

Commonwealth Bank of Australia

#### **Dealers for the Programme**

|               |                          |                      |
|---------------|--------------------------|----------------------|
| Barclays      | BNP PARIBAS              | Citigroup            |
| Credit Suisse | Deutsche Bank Securities | Goldman, Sachs & Co. |
| HSBC          | J.P. Morgan              | Morgan Stanley       |
| RBS           | UBS Investment Bank      |                      |

The date of this Offering Circular is August 29, 2012.



The Issuer accepts responsibility for the information in this Offering Circular. The Covered Bond Guarantor (in its capacity as Trustee of the Trust) accepts responsibility for the information contained in the section entitled “*The CBA Covered Bond Trust – Covered Bond Guarantor*” in this Offering Circular. To the best of the knowledge and belief of each of the Issuer and the Covered Bond Guarantor only in relation to the information for which it is responsible (each having taken all reasonable care to ensure that such is the case) the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

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

The information contained or incorporated by reference in this Offering Circular was obtained from the Issuer and the Covered Bond Guarantor (and other sources identified in this Offering Circular or the incorporated documents), but no assurance can be given by the Arranger, the Dealers, the Agents, the Bond Trustee, the Trust Manager, the Seller, the Servicer, the Intercompany Loan Provider, the Demand Loan Provider, the Lead Manager (if applicable), the Security Trustee, the Account Bank, the Cover Pool Monitor, any Swap Provider or the Covered Bond Guarantor (other than the information for which it accepts responsibility as set out above) as to the accuracy or completeness of this information. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Arranger, the Dealers, the Agents, the Bond Trustee, the Trust Manager, the Seller, the Servicer, the Intercompany Loan Provider, the Demand Loan Provider, the Lead Manager (if applicable), the Security Trustee, the Account Bank, the Cover Pool Monitor, any Swap Provider or the Covered Bond Guarantor (other than the information for which it accepts responsibility as set out above) as to the accuracy or completeness of the information contained or incorporated by reference in this Offering Circular or any other information (including the applicable Final Terms) provided by the Issuer or the Covered Bond Guarantor in connection with the Programme. Neither the Arranger, the Dealers, the Agents, the Bond Trustee, the Trust Manager, the Seller, the Servicer, the Intercompany Loan Provider, the Demand Loan Provider, the Lead Manager (if applicable), the Security Trustee, the Account Bank, the Cover Pool Monitor, any Swap Provider nor the Covered Bond Guarantor (other than the information for which it accepts responsibility as set out above) accepts any liability in relation to the information contained or incorporated by reference in this Offering Circular or any other information provided by the Issuer in connection with the Programme.

No person has been authorised by the Issuer, the Covered Bond Guarantor, the Arranger, the Dealers, the Agents, the Bond Trustee, the Trust Manager, the Seller, the Servicer, the Intercompany Loan Provider, the Demand Loan Provider, the Lead Manager (if applicable), the Security Trustee, the Account Bank, the Cover Pool Monitor or any Swap Provider to give any information or to make any representation not contained in this Offering Circular or any other information (including the applicable Final Terms) provided by the Issuer or the Covered Bond Guarantor in connection with the Programme or the Covered Bonds and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Covered Bond Guarantor, the Arranger, the Dealers, the Agents, the Bond Trustee, the Trust Manager, the Seller, the Servicer, the Intercompany Loan Provider, the Demand Loan Provider, the Lead Manager (if applicable), the Security Trustee, the Account Bank, the Cover Pool Monitor or any Swap Provider.

Neither this Offering Circular nor any other information provided by the Issuer or the Covered Bond Guarantor in connection with the Programme or any Covered Bonds (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuer, the Covered Bond Guarantor, the Seller, the Servicer, the Intercompany Loan Provider, the Demand Loan Provider, the Lead Manager (if applicable), the Arranger, the Dealers, the Agents, the Bond Trustee, the Trust Manager, the Security Trustee, the Account Bank, the Cover Pool Monitor or any Swap Provider that any recipient of this Offering Circular or any such other information should purchase any Covered Bonds. Each investor contemplating purchasing any Covered Bonds should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and/or the Covered Bond Guarantor and/or any other relevant party to the Programme. Neither this Offering Circular nor any other information supplied in connection with the Programme or the issue of any Covered Bonds constitutes an offer or invitation by or on behalf of the Seller, the Servicer, the Intercompany Loan Provider, the Demand Loan Provider, the Arranger, the Bond Trustee, the Trust Manager, the Security Trustee, the Account Bank, the Cover Pool Monitor or any Swap Provider to any person to subscribe for or to purchase any Covered Bonds.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Covered Bonds will in any circumstances imply (i) that the information contained in this Offering Circular concerning the Issuer and/or the Covered Bond Guarantor is correct at any time subsequent to the date of this Offering Circular, (ii) that the information contained in any document incorporated by reference in this Offering Circular is correct at any time subsequent to the date of such document or (iii) that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Arranger, the Dealers, the Lead Manager (if applicable), the Agents, the Bond Trustee, the Trust Manager, the Seller, Servicer, the Intercompany Loan Provider, the Demand Loan Provider, the Security Trustee, the Account Bank, the Cover Pool Monitor, any Swap Provider and the Covered Bond Guarantor (in respect of the Issuer) expressly do not undertake to review the financial condition or affairs of the Issuer or the Covered Bond Guarantor or any other relevant party to the Programme during the life of the Programme or to advise any investor in the Covered Bonds of any information coming to their attention. Investors should review, inter alia, the most recently published documents incorporated by reference into this Offering Circular when deciding whether or not to purchase any Covered Bonds.

The Covered Bonds are being offered and sold without registration under the Securities Act (a) in reliance on Section 4(a)(2) of, and Rule 144A and Regulation D under, the Securities Act to QIBs and/or (b) in accordance with Regulation S to non-U.S. persons in offshore transactions. Prospective purchasers are hereby notified that the sellers of the Covered Bonds may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

The Covered Bonds (including N Covered Bonds) may also be offered and sold in accordance with Regulation S solely to non-U.S. persons outside the United States in offshore transactions under a separate offering document. In addition, A\$ Registered Covered Bonds may also be offered and sold under a separate offering document. Accordingly, unless the context otherwise requires or as otherwise stated in this Offering Circular, references to Covered Bonds in this Offering Circular are references to both Covered Bonds issued pursuant to this Offering Circular and Covered Bonds issued pursuant to the separate offering documents. All such Covered Bonds will rank *pari passu* without any preference or priority among themselves and all payments of principal and interest payable under all such Covered Bonds will be guaranteed by the Covered Bond Guarantor pursuant to the terms of the Covered Bond Guarantee.

The Arranger is not acting as a Dealer under the Programme. The Arranger has not made, and reference to it in this Offering Circular as the Arranger does not constitute, an offer to sell or the solicitation of an offer to buy any Covered Bonds in any jurisdiction to any person.

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Covered Bonds in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of Covered Bonds may be restricted by law in certain jurisdictions. The Issuer, the Covered Bond Guarantor, the Arranger, the Lead Manager (if applicable), the Dealers, the Bond Trustee, the Trust Manager, the Seller, the Servicer, the Intercompany Loan Provider, the Demand Loan Provider, the Security Trustee, the Account Bank, the Cover Pool Monitor and any Swap Provider do not represent that this Offering Circular may be lawfully distributed, or that any Covered Bonds may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Covered Bond Guarantor, the Arranger, the Lead Manager (if applicable), the Dealers, the Bond Trustee, the Trust Manager, the Seller, the Servicer, the Intercompany Loan Provider, the Demand Loan Provider, the Security Trustee, the Account Bank, the Cover Pool Monitor and any Swap Provider which would permit a public offering of the Covered Bonds offered under this Offering Circular or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Covered Bonds may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular or any Covered Bonds may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Covered Bonds. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Covered Bonds in Australia, New Zealand, the United States, the European Economic Area (including the United Kingdom and the Grand Duchy of Luxembourg), Hong Kong, Singapore, Taiwan and Japan (see the section “*Subscription and Sale and Selling Restrictions*” in this Offering Circular).

All references to **U.S. dollars** and **U.S.\$** are to the currency of the United States of America, to **A\$, Australian \$, AUD Dollars** and **Australian dollars** are to the lawful currency of Australia, to **NZ\$** are to the lawful

currency of New Zealand, to **Sterling** and **£** are to the lawful currency of the United Kingdom and to **euro** and **€** are to the currency introduced at the start of the third stage of the European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

In connection with the issue of any Covered Bonds, the Dealer(s) (if any) named as the Stabilising Manager(s) (or person acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Covered Bonds or effect transactions with a view to supporting the market price of the Covered Bonds at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Covered Bonds is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Covered Bonds and 60 days after the date of the allotment of the relevant Covered Bonds. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

None of the Issuer, the Arranger, the Lead Manager (if applicable), the Dealers, the Covered Bond Guarantor, the Agents, the Security Trustee, the Trust Manager, the Bond Trustee nor any other party to the Programme Documents makes any representation to any investor in the Covered Bonds regarding the legality of its investment under any applicable laws. Any investor in the Covered Bonds should be able to bear the economic risk of an investment in the Covered Bonds for an indefinite period of time.

Each potential investor in the Covered Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should: (a) have sufficient knowledge and experience to make a meaningful evaluation of the Covered Bonds, the merits and risks of investing in the Covered Bonds and the information contained or incorporated by reference in this Offering Circular or any applicable supplement; (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Covered Bonds and the impact the Covered Bonds will have on its overall investment portfolio; (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Covered Bonds, including Covered Bonds with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency; (d) understand thoroughly the terms of the Covered Bonds; and (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Covered Bonds are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Covered Bonds unless it has the expertise (either alone or with a financial adviser) to evaluate how the Covered Bonds will perform under changing conditions, the resulting effects on the value of the Covered Bonds and the impact this investment will have on the potential investor's overall investment portfolio.

Subject as provided in the applicable Final Terms, the only persons authorised to use this Offering Circular (and, therefore, acting in association with the Issuer) in connection with an offer of Covered Bonds are the persons named in the applicable Final Terms as the Relevant Dealer(s).

Copies of the Final Terms for each Tranche of Covered Bonds issued under this Offering Circular will be available from the registered office of the Issuer and the specified office set out below of the U.S. Paying Agent (as defined below).

## NOTICE TO PURCHASERS

THE COVERED BONDS OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE AND HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION (THE SEC) OR ANY STATE SECURITIES AUTHORITY. NEITHER THE SEC NOR ANY STATE SECURITIES AUTHORITY HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFERING CIRCULAR OR ANY SUPPLEMENT HERETO. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THE COVERED BONDS ARE BEING OFFERED AND SOLD TO QUALIFIED INSTITUTIONAL BUYERS IN THE UNITED STATES WITHIN THE MEANING OF AND IN RELIANCE UPON THE EXEMPTION PROVIDED BY RULE 144A, SECTION 4(a)(2) OF AND REGULATION D UNDER THE SECURITIES ACT AND OUTSIDE THE UNITED STATES TO CERTAIN PERSONS IN RELIANCE ON REGULATION S UNDER THE SECURITIES ACT.

Each purchaser of a Covered Bond or Covered Bonds will be deemed to have acknowledged, represented and agreed as follows:

- (1) The Covered Bonds have not been and will not be registered under the Securities Act or any other applicable securities law and, accordingly, none of the Covered Bonds may be offered, sold, transferred, pledged, encumbered or otherwise disposed of unless in a transaction exempt from registration under the Securities Act and any other applicable securities law.
- (2) (A) It is a QIB, and is purchasing for its own account or solely for the account of one or more accounts for which it acts as a fiduciary or agent, each of which is a QIB, and such purchaser acknowledges that it is aware that the seller may rely upon the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A thereunder or (B) it is a purchaser acquiring such Covered Bonds in an offshore transaction occurring outside the United States within the meaning of Regulation S and that it is not a “U.S. person” (and is not acquiring such Covered Bonds for the account or benefit of a U.S. person) within the meaning of Regulation S.
- (3) It agrees on its own behalf and on behalf of any account for which it is purchasing Covered Bonds, to offer, sell or otherwise transfer such Covered Bonds (A) only in the minimum principal amounts specified in the applicable Final Terms and (B) prior to the date that is one year after the later of (i) the last issue date for the Series or Tranche of such Covered Bonds and (ii) the last date on which the Issuer or any of its affiliates was the beneficial owner of such Covered Bonds (or any predecessor of such Covered Bonds) only (a) pursuant to the exemption from the registration requirements of the Securities Act provided by either Rule 144A or Regulation S, (b) to the Issuer or any of its affiliates, (c) pursuant to an effective registration statement under the Securities Act or (d) pursuant to an exemption from such registration requirements as confirmed in an opinion of counsel satisfactory to the Issuer. It acknowledges that each Covered Bond will contain a legend substantially to the effect of the foregoing paragraph (1) and this paragraph (3).
- (4) It acknowledges that the U.S. Transfer Agent referred to herein will register the transfer of any Covered Bonds resold or otherwise transferred by such purchaser pursuant to clause (c) of the foregoing paragraph (3) only upon receipt of an opinion of counsel satisfactory to the Issuer.
- (5) That either (A) it is not an employee benefit plan subject to the U.S. Employee Retirement Income Security Act of 1974, as amended (**ERISA**) or a plan subject to Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the **Code**), it is not purchasing the Covered Bonds on behalf of or with “plan assets” of any such plan, and it is not a governmental or church or other plan (**non-ERISA arrangement**) subject to provisions under applicable federal, state, local or foreign law that are similar to the requirements of ERISA or Section 4975 of the Code (**similar law**) or (B) its purchase and holding of such Covered Bonds is eligible for exemptive relief under U.S. Department of Labor Prohibited Transaction Class Exemption 96-23, 95-60, 91-38, 90-1, 84-14, under Section 408(b)(17) of ERISA or Section 4975(d)(20) of the Code, or pursuant to another applicable exemption or, in the case of a non-ERISA arrangement, its purchase and holding of such Covered Bonds will not constitute or result in a non-exempt violation of the provisions of any similar law.
- (6) It agrees to notify each person to whom it transfers the Covered Bonds of the foregoing restrictions.

- (7) It acknowledges that the Issuer, the Covered Bond Guarantor, the Dealers and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements and it agrees that, if any of the acknowledgments, representations or warranties deemed to have been made by it in connection with its purchase of Covered Bonds are no longer accurate, it shall promptly notify the Issuer and the Dealer, if any, through which it purchased any Covered Bonds. If it is acquiring any Covered Bonds as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such account.

Each person receiving this Offering Circular and any supplement acknowledges that (i) such person has been afforded an opportunity to request from the Issuer or the Covered Bond Guarantor and to review, and has received, all additional information considered by it to be necessary to verify the accuracy and completeness of the information contained herein, (ii) it has not relied on any Dealer or any person affiliated with any Dealer in connection with its investigation of the accuracy and completeness of such information or its investment decision and (iii) no person has been authorized to give any information or to make any representation concerning the Issuer, the Covered Bond Guarantor or the Covered Bonds offered hereby other than those contained herein and, if given or made, such other information or representation should not be relied upon as having been authorized by the Issuer, the Covered Bond Guarantor or any Dealer.

Notwithstanding anything to the contrary contained herein, each prospective investor (and each employee, representative or other agent of each prospective investor) may disclose to any and all persons, without limitation of any kind, the United States federal income tax treatment and United States federal income tax structure (as such terms are used in Sections 6011, 6111 and 6112 of the Code and the Treasury Regulations promulgated thereunder) of the offering of the Covered Bonds and all materials of any kind (including opinions or other tax analyses) that are provided relating to such tax treatment and tax structure.

This Offering Circular and any supplement does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the Covered Bonds or the distribution of this Offering Circular or any supplement in any jurisdiction where such action is required.

The Covered Bonds are subject to restrictions on transferability and resale. Investors may not transfer or resell the Covered Bonds except as described in this Offering Circular or any supplement and as permitted under the Securities Act and other applicable securities laws. Investors may be required to bear the financial risks of an investment in the Covered Bonds for an indefinite period of time.

#### **NOTICE TO NEW HAMPSHIRE RESIDENTS**

**NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES, 1955, AS AMENDED (RSA) WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF THE STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER CHAPTER 421-B OF THE RSA IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE OF THE STATE OF NEW HAMPSHIRE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.**

#### **NOTICE TO INVESTORS IN THE EUROPEAN ECONOMIC AREA**

This Offering Circular has been prepared on the basis that any offer of Covered Bonds in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**) will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of Covered Bonds. Accordingly any person making or intending to make an offer in that Relevant Member State of Covered Bonds which are the subject of the offering contemplated in this Offering

Circular may only do so in circumstances in which no obligation arises for the Issuer or any of the Dealers to publish a prospectus pursuant to Article 3 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any of the Dealers have authorised, nor do they authorise, the making of any offer of Covered Bonds in circumstances in which an obligation arises for the Issuer or the Dealers to publish a prospectus for such offer. The expression Prospectus Directive means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression 2010 PD Amending Directive means Directive 2010/73/EU.

## NOTICE TO INVESTORS IN THE UNITED KINGDOM

In the United Kingdom, this Offering Circular is directed only at (i) persons who are investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the **FPO**); or (ii) are persons falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations etc”) of the FPO (all such persons together being referred to as “relevant persons”). This Offering Circular must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Offering Circular relates is available only to relevant persons and will be engaged in only with relevant persons.

## DOCUMENTS INCORPORATED BY REFERENCE

In this Offering Circular, the Issuer “incorporates by reference” certain information that the Issuer makes available to prospective purchasers of Covered Bonds regarding itself and the Covered Bond Guarantor as described below. The information incorporated by reference is considered part of this Offering Circular and later information made available to prospective purchasers of Covered Bonds as described below will update and, to the extent inconsistent, supersede earlier information included or incorporated by reference in this Offering Circular and any supplement hereto. The Issuer incorporates by reference into this Offering Circular the following documents contained on the “US Investors – Supplemental Information” page of the Issuer’s website at <http://www.commbank.com.au/about-us/shareholders/us-investors/supplemental-information.htm> (the **US Covered Bond Investor Website**):

- (a) the Bank’s and its subsidiaries’ (collectively, the **Group**) Annual U.S. Disclosure Document for the year ended June 30, 2012 (the **2012 U.S. Disclosure Report**);
- (b) the Group’s annual Financial Report for the year ended June 30, 2012, which contains the Group’s financial statements for the years ended June 30, 2010, 2011 and 2012 and as of June 30, 2011 and 2012 (the **2012 Financial Report**);
- (c) the Group’s annual Financial Report for the year ended June 30, 2011, which contains the Group’s financial statements for the years ended June 30, 2009, 2010 and 2011 and as of June 30, 2010 and 2011 (the **2011 Financial Report**); and
- (d) the Group’s June 2012 Basel II Pillar 3 Capital Adequacy and Risk Disclosures as of June 30, 2012 (the **Pillar 3 Report**).

The other materials on the US Covered Bond Investor Website dated prior to the date of this Offering Circular are not incorporated by reference herein.

After the date of this Offering Circular, the Issuer may put additional information on the US Covered Bond Investor Website regarding itself and the Covered Bond Guarantor. Such additional information shall be deemed to be incorporated by reference in this Offering Circular and any supplement hereto and shall be deemed to update and, to the extent inconsistent, supersede prior information included or incorporated by reference in this Offering Circular and any supplement hereto. Each person who receives this Offering Circular and each purchaser of Covered Bonds hereunder expressly acknowledges and agrees that the information included or incorporated by reference herein shall for all purposes form a part of this Offering Circular and be deemed to have been delivered to such person herewith.

Except with respect to the documents available on the US Covered Bond Investor Website at the address designated above that are incorporated or deemed to be incorporated by reference in this Offering Circular, none of the information on the Issuer’s website is incorporated by reference in this Offering Circular or otherwise deemed to be a part of this Offering Circular and any references thereto are for information purposes only. Copies of the 2012 U.S. Disclosure Report, the 2012 Financial Report, the 2011 Financial Report, the Pillar 3

Report and all other information incorporated by reference in this Offering Circular, can also be obtained from the Issuer upon request. Requests should be directed to the Commonwealth Bank of Australia, Ground Floor, Tower 1, 201 Sussex Street, Sydney, New South Wales, 2000, Australia; Attention: Company Secretary. Telephone requests may be directed to (61-2) 9118 1335 or (212) 848-9391.

### AVAILABLE INFORMATION

Each prospective purchaser of the Covered Bonds is hereby offered the opportunity to ask questions of the Issuer and the Covered Bond Guarantor concerning the terms and conditions of the offering and to request from the Issuer and the Covered Bond Guarantor any additional information such prospective purchaser may consider necessary in making an informed investment decision or in order to verify the information contained or incorporated by reference in this Offering Circular.

While any Covered Bonds remain outstanding, the Issuer and the Covered Bond Guarantor will, during any period in which it is not subject to Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the **Exchange Act**), or exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act, make available to any QIB who holds any Covered Bond and any prospective purchaser of a Covered Bond who is a QIB designated by such holder of such Covered Bond, upon the request of such holder or prospective purchaser, the information concerning the Issuer, the Trust and the Covered Bond Guarantor required to be provided to such holder or prospective purchaser by Rule 144A(d)(4) under the Securities Act.

The Issuer will provide, without charge, to each person to whom a copy of this Offering Circular has been delivered, upon the request of such person, a copy of certain documents relating to the Programme, as described under “*General Information—Documents Available*”.

### ENFORCEMENT OF LIABILITIES; SERVICE OF PROCESS

The Issuer is a public limited liability company incorporated in Australia and Perpetual Corporate Trust Limited is a limited liability company incorporated in Australia and as Covered Bond Guarantor is the trustee of the Trust, a trust established under the laws of New South Wales, Australia. All of the Issuer’s and Covered Bond Guarantor’s directors reside outside the United States (principally in Australia); and all or a substantial portion of the assets of the Issuer and the Covered Bond Guarantor and of such directors are located outside the United States (principally in Australia). As a result, it may not be possible for investors to effect service of process within the United States upon the Issuer or the Covered Bond Guarantor, as applicable, or such directors, or to enforce in foreign courts judgments against them obtained in the United States predicated upon, among other things, civil liabilities of the Issuer or the Covered Bond Guarantor, as applicable, or such directors, including any judgment predicated upon United States federal securities laws. There is doubt as to the enforceability in Australia in original actions or in actions for enforcement of judgments of United States courts of civil liabilities predicated solely upon federal or state securities laws of the United States.

The Group’s and the Trust’s respective auditors may be able to assert a limitation of liability with respect to claims arising out of their audit reports to the extent it is subject to the limitations set forth in the Professional Standards Act of 1994 of New South Wales, Australia (the **Professional Standards Act**) and the Institute of Chartered Accountants in Australia (NSW) Scheme adopted by The Institute of Chartered Accountants in Australia and approved by the New South Wales Professional Standards Council pursuant to the Professional Standards Act (the **NSW Accountants Scheme**) (or, in relation to matters occurring prior to October 7, 2007, the predecessor scheme). The Professional Standards Act and the NSW Accountants Scheme may limit the liability of the Group’s and the Trust’s respective auditors for damages with respect to certain civil claims arising in, or governed by the laws of, New South Wales directly or vicariously from anything done or omitted in the performance of their professional services to the Group or the Trust, including, without limitation, their audits of the Group’s or the Trust’s financial statements, to the lesser of ten times the reasonable charge for the service by such auditor that gave rise to the claim and a maximum liability for audit work of A\$75 million and for other work of A\$20 million (or, in relation to matters occurring prior to October 7, 2007, A\$20 million). The limit does not apply to claims for breach of trust, fraud or dishonesty.

In addition, there are equivalent professional standards legislation in place in each state and territory in Australia (except Tasmania where its introduction has been deferred) and amendments have been made to a number of Australian federal statutes to limit liability under those statutes to the same extent as liability is limited under state and territory laws by professional standards legislation.

The foregoing limitations of liability may limit enforcement in Australian courts of any judgment under United States or other foreign laws rendered against the Group's or the Trust's respective auditors based on or related to its audit of the Group's or the Trust's respective financial statements. However, the Professional Standards Act and the NSW Accountants Scheme have not been subject to judicial consideration and, therefore, how the limitations will be applied by courts and the effect of the limitations on the enforcement of foreign judgments is untested.

## FORWARD-LOOKING STATEMENTS

This Offering Circular contains various forward-looking statements regarding events and trends that are subject to risks and uncertainties that could cause the actual results and financial position of the Bank and its subsidiaries (collectively, the **Group**) to differ materially from the information presented in this Offering Circular. When used in this Offering Circular, the words "estimate", "project", "intend", "anticipate", "believe", "expect", "should" and similar expressions as they relate to the Group and its management, are intended to identify such forward-looking statements.

Projections are necessarily speculative in nature, and some or all of the assumptions underlying the projections may not materialise or may vary significantly from actual results. Consequently, future results may differ from the Issuer's expectations due to a variety of factors, including (but not limited to) changes in political, social, credit, liquidity, investor confidence and economic conditions in Australia, New Zealand or elsewhere; global credit and equity market conditions; the impact of natural disasters, such as the Queensland floods and Christchurch earthquakes; demographic changes; technological changes; changes in competitive conditions in Australia, New Zealand, Asia, the United States or the United Kingdom; changes in the regulatory structure of the banking, life insurance and funds management industries in Australia, New Zealand, the United States, the United Kingdom or Asia; changes in global credit market conditions including funding costs, credit ratings and access; regulatory proposals for reform of the banking, life insurance and funds management industries in Australia, and various other factors beyond the Group's control. Given these risks, uncertainties and other factors, potential investors are cautioned not to place undue reliance on such forward-looking statements. Details on significant risk factors applicable to the Issuer and the Covered Bond Guarantor are detailed under the section "*Risk Factors*" in this Offering Circular.

Moreover, past financial performance should not be considered a reliable indicator of future performance and prospective purchasers of the Covered Bonds are cautioned that any such statements are not guarantees of performance and involve risks and uncertainties, many of which are beyond the control of the Issuer and/or the Covered Bond Guarantor. Neither the Arranger nor the Dealers have attempted to verify any such statements, nor do they make any representations, express or implied, with respect to such statements.

None of the Arranger, the Dealers, the Issuer, the Covered Bond Guarantor, the Security Trustee, the Bond Trustee nor any other party to a Programme Document has any obligation to update or otherwise revise any projections, including any revisions to reflect changes in economic conditions or other circumstances arising after the date of this Offering Circular or to reflect the occurrence of unanticipated events, even if the underlying assumptions do not come to fruition.

## GLOSSARY

Unless otherwise indicated, capitalised terms used in this Offering Circular have the meaning set out in this Offering Circular. A glossary of defined terms appears at the back of this Offering Circular in the section entitled "*Glossary*".



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## PRINCIPAL CHARACTERISTICS OF THE CBA COVERED BOND PROGRAMME

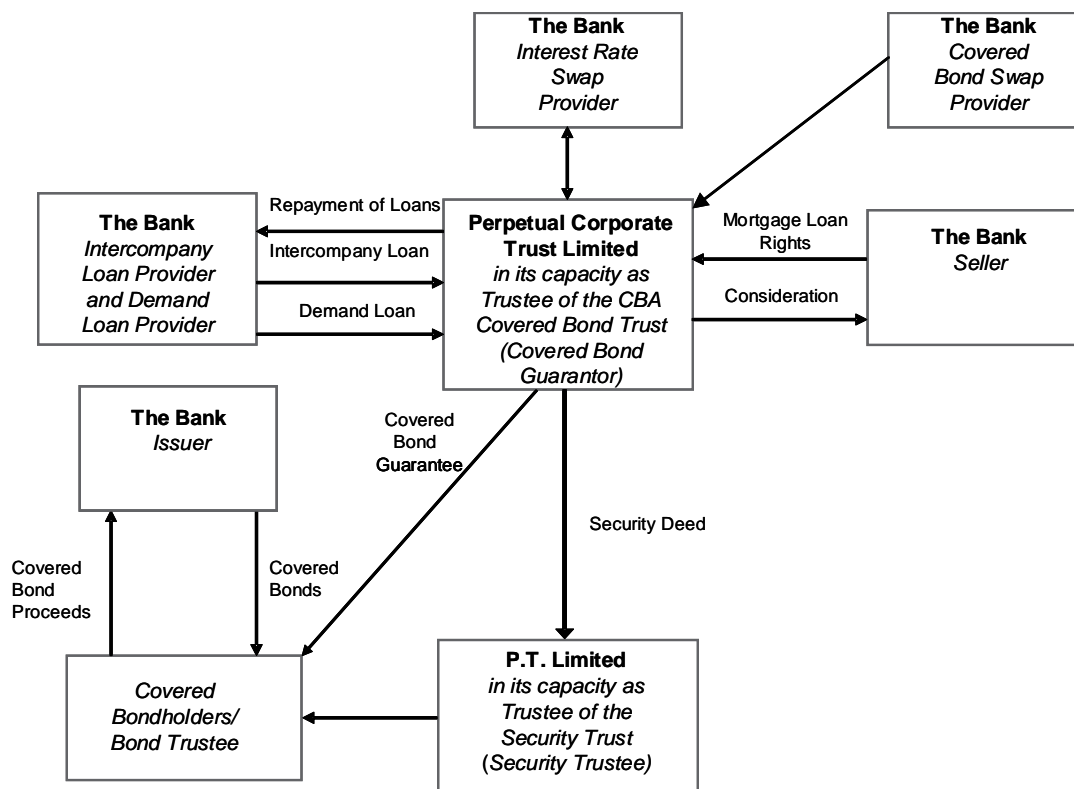
*The following synopsis does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Circular.*

|                                       |   |
|---------------------------------------|---|
| <b>Issuer:</b>                        | Commonwealth Bank of Australia ABN 48 123 123 124.  |
| <b>Covered Bond Guarantor:</b>        | Perpetual Corporate Trust Limited ABN 99 000 341 533 in its capacity as trustee of the Trust.   |
| <b>Nature of eligible property:</b>   | Mortgage Loan Rights, Substitution Assets and Authorised Investments.   |
| <b>Location of eligible property:</b> | Australia.  |
| <b>Asset Coverage Test:</b>           | Yes, see the sections “ <i>Summary of the Principal Documents – The Establishment Deed – Asset Coverage Test</i> ” and “ <i>Credit Structure – Asset Coverage Test</i> ” in this Offering Circular for further information.   |
| <b>Amortisation Test:</b>             | Yes, see the sections “ <i>Summary of the Principal Documents – The Establishment Deed – Amortisation Test</i> ” and “ <i>Credit Structure – Amortisation Test</i> ” in this Offering Circular for further information.   |
| <b>Pre-Maturity Test:</b>             | Yes, see the section “ <i>Credit Structure – Pre-Maturity Test</i> ” in this Offering Circular.   |
| <b>Reserve Fund:</b>                  | A Reserve Fund to be funded from the Available Income Amounts or the proceeds of a Term Advance or Demand Loan Advance will be established if the Issuer’s credit ratings fall below the Moody’s Specified Rating and/or the Fitch Specified Rating.  |
| <b>Maximum Asset Percentage:</b>      | 95%.  |
| <b>Extendable Maturities:</b>         | Available.  |
| <b>Hard Bullet Maturities:</b>        | Available.  |
| <b>Cover Pool Monitor:</b>            | PricewaterhouseCoopers ABN 52 780 433 757.  |
| <b>Asset Segregation:</b>             | Yes.  |
| <b>Terms:</b>                         | As set out in the Final Terms for the relevant Series or Tranche of Covered Bonds.  |
| <b>Clearing Systems:</b>              | Covered Bonds may be traded on the settlement system operated by DTC, the settlement system operated by Euroclear, the settlement system operated by Clearstream, Luxembourg, and/or any other clearing system outside Australia specified in the applicable Final Terms.   |
| <b>Listing:</b>                       | Unless otherwise indicated in the applicable Final Terms, the Covered Bonds issued pursuant to this Offering Circular will not be listed or admitted to trading on any securities exchange or regulated or unregulated markets. Covered Bonds may be unlisted or may be listed or admitted to trading, as the case may be, on stock exchanges or regulated or unregulated markets, as may be agreed between the Issuer and the Relevant Dealer(s) or Lead Manager in relation to each issue. The Final Terms relating to each Series or Tranche of the Covered Bonds will state whether or not the Covered Bonds are to be listed and/or admitted to trading and, if so, on which stock exchange(s) and/or markets. |

## STRUCTURE OVERVIEW

*The information in this section is an overview of the structure relating to the Programme and does not purport to be complete. The information is taken from, and is qualified in its entirety by, the remainder of this Offering Circular. Words and expressions defined elsewhere in this Offering Circular shall have the same meanings in this overview.*

### Structure Diagram



### Credit Structure

The Covered Bonds will be direct, unsecured, unsubordinated and unconditional obligations of the Issuer. The Covered Bond Guarantor has no obligation to pay the Guaranteed Amounts under the Covered Bond Guarantee until the occurrence of: (i) an Issuer Event of Default and service by the Bond Trustee on the Issuer of an Issuer Acceleration Notice and on the Covered Bond Guarantor of a Notice to Pay; or (ii) if earlier, following the occurrence of a Covered Bond Guarantor Event of Default and service by the Bond Trustee on the Covered Bond Guarantor and the Issuer of a Covered Bond Guarantee Acceleration Notice. The Issuer will not be relying on any payments by the Covered Bond Guarantor under the Intercompany Loan Agreement or the Demand Loan Agreement in order to pay interest or repay principal under the Covered Bonds.

There are a number of features of the Programme which enhance the likelihood of timely and, as applicable, ultimate payments to Covered Bondholders, as follows:

- the Covered Bond Guarantee provides credit support in respect of obligations of the Issuer under the Covered Bonds and the Assets of the Trust provide security for the obligations of the Covered Bond Guarantor;
- the Pre-Maturity Test is intended to provide liquidity to the Covered Bond Guarantor in relation to amounts of principal due on the Final Maturity Date of the Hard Bullet Covered Bonds;
- the Asset Coverage Test is intended to test, on a monthly basis, prior to the service of a Notice to Pay on the Covered Bond Guarantor, the asset coverage of the Assets of the Trust held from time to time by the Covered Bond Guarantor in respect of the Covered Bonds;

- (d) the Amortisation Test is intended to test, on a monthly basis, following the service of a Notice to Pay on the Covered Bond Guarantor (but prior to the service of a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer), the asset coverage of the Assets of the Trust held from time to time by the Covered Bond Guarantor in respect of the Covered Bonds;
- (e) a Reserve Fund will be established in the GIC Account, which will be funded from Available Income Amounts or by crediting the remaining proceeds of a Term Advance or a Demand Loan Advance up to the Reserve Fund Required Amount, if the Issuer's credit rating falls below the Moody's Specified Ratings and/or the Fitch Specified Rating; and
- (f) under the terms of the Account Bank Agreement, the Account Bank has agreed to pay a rate of interest per annum equal to the 30 day Bank Bill Rate which will be at the rate determined by the Account Bank on the first day of each Collection Period (or, in the case of the first Collection Period, the first Closing Date) on all amounts held by the Covered Bond Guarantor in the GIC Account.

Certain of these factors are considered more fully in the remainder of this section and in the section entitled "*Credit Structure*" in this Offering Circular.

#### *Asset Coverage Test*

The Programme provides that, prior to the service of a Notice to Pay on the Covered Bond Guarantor and/or the service of a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer, the Assets of the Trust held from time to time by the Covered Bond Guarantor are subject to the Asset Coverage Test. Accordingly, for so long as Covered Bonds remain outstanding, the Trust Manager must ensure that on each Determination Date prior to the service of a Notice to Pay on the Covered Bond Guarantor and/or the service of a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer, the Adjusted Aggregate Mortgage Loan Amount is an amount at least equal to the Australian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds as calculated on the relevant Determination Date. The Asset Coverage Test will be tested on a monthly basis by the Trust Manager on each Determination Date.

If on any Determination Date the Adjusted Aggregate Mortgage Loan Amount is less than the Australian Dollar Equivalent of the aggregate Principal Amount Outstanding of all Covered Bonds on that Determination Date, the Asset Coverage Test will not be satisfied. If on the immediately following Determination Date the Asset Coverage Test remains unsatisfied, the Bond Trustee will serve an Asset Coverage Test Breach Notice on the Covered Bond Guarantor (subject to the Bond Trustee receiving notification from the Trust Manager or, if earlier, having actual knowledge or express notice that the Asset Coverage Test remains unsatisfied). The Bond Trustee will be deemed to revoke an Asset Coverage Test Breach Notice if, on the next Determination Date to occur following the service of an Asset Coverage Test Breach Notice, the Asset Coverage Test is satisfied and neither a Notice to Pay nor a Covered Bond Guarantee Acceleration Notice has been served. If an Asset Coverage Test Breach Notice is not deemed to have been revoked on the next Determination Date after service of such Asset Coverage Test Breach Notice, an Issuer Event of Default will occur and the Bond Trustee will be entitled (and in certain circumstances may be required) to serve an Issuer Acceleration Notice. Following service of an Issuer Acceleration Notice, the Bond Trustee will be required to serve a Notice to Pay on the Covered Bond Guarantor. The Asset Coverage Test will also be tested by the Trust Manager at any time required for the purposes of facilitating repayment of the Demand Loan to the extent such repayment is subject to the Asset Coverage Test being satisfied (notwithstanding the service of a Notice to Pay on the Covered Bond Guarantor).

#### *Amortisation Test*

On each Determination Date following service of a Notice to Pay on the Covered Bond Guarantor (but prior to the service of a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer) and, for so long as Covered Bonds remain outstanding, the Trust Manager must ensure that the Amortisation Test Aggregate Mortgage Loan Amount, as calculated on such Determination Date, will be at least equal to the Australian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds on such Determination Date. A breach of the Amortisation Test will constitute a Covered Bond Guarantor Event of Default and the Bond Trustee will be entitled (and, in certain circumstances, may be required) to serve a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer declaring the Covered Bonds immediately due and repayable and the Security Trustee will be entitled and, in certain circumstances, may be required, to enforce the Security.

### *Legislated Collateralisation Test*

In addition to the Asset Coverage Test and the Amortisation Test, the Programme benefits from the Issuer's obligation to comply with the minimum over-collateralisation requirements set out in the Australian Banking Act and, for that purpose, the Legislated Collateralisation Test as described in the section "*Summary of the Principal Documents – Establishment Deed – Legislated Collateralisation Test*" in this Offering Circular. As the Legislated Collateralisation Test is a minimum requirement, the Issuer expects that the Legislated Collateralisation Test will be satisfied in all circumstances in which the Asset Coverage Test or the Amortisation Test, as applicable, is satisfied.

### *Pre-Maturity Test*

Each Series of Hard Bullet Covered Bonds is subject to the Pre-Maturity Test on each Local Business Day during the Pre-Maturity Test Period for that Series of Hard Bullet Covered Bonds prior to the occurrence of an Issuer Event of Default and/or a Covered Bond Guarantor Event of Default. The Pre-Maturity Test is intended to provide liquidity for such Covered Bonds when the Issuer's short term credit ratings are below a certain level within a specified period prior to the maturity of such Covered Bonds. If the Pre-Maturity Test is breached within such specified period and certain actions are not taken, an Issuer Event of Default will occur (and the Bond Trustee will be entitled (and in certain circumstances may be required) to serve an Issuer Acceleration Notice. Following service of an Issuer Acceleration Notice, the Bond Trustee will be required to serve a Notice to Pay on the Covered Bond Guarantor (see the section "*Summary of the Principal Documents – Establishment Deed - Sale of Selected Mortgage Loan Rights if the Pre-Maturity Test is Breached*" in this Offering Circular for further information).

### *Extendable Obligations under the Covered Bond Guarantee*

An Extended Due for Payment Date may be specified as applying in relation to a Series of Covered Bonds in the applicable Final Terms. This means that if the Issuer fails to pay the Final Redemption Amount of the relevant Series of Covered Bonds on the Final Maturity Date (subject to applicable grace periods) and if the Covered Bond Guarantor, following service of a Notice to Pay, fails to pay the Guaranteed Amounts equal to the unpaid portion of the Final Redemption Amount of the relevant Series of Covered Bonds in full by the Extension Determination Date (for example, because following the service of a Notice to Pay on the Covered Bond Guarantor, the Covered Bond Guarantor has insufficient moneys available in accordance with the Guarantee Priority of Payments to pay in full the Guaranteed Amounts corresponding to the unpaid portion of the Final Redemption Amount of the relevant Series of Covered Bonds) then payment of the unpaid amount pursuant to the Covered Bond Guarantee will be automatically deferred (without a Covered Bond Guarantor Event of Default occurring as a result of such non payment) and will be due and payable on the Extended Due for Payment Date (subject to any applicable grace period). However, to the extent that monies are available in accordance with the Guarantee Priority of Payments, any amount representing the Final Redemption Amount due and remaining unpaid on the Extension Determination Date may be paid by the Covered Bond Guarantor on any Interest Payment Date thereafter, up to (and including) the relevant Extended Due for Payment Date. Interest will continue to accrue on any unpaid amount during such extended period and be payable on the Original Due for Payment Date and on the Extended Due for Payment Date in accordance with Condition 4 of the Programme Conditions and Condition 3 of the N Covered Bond Confirmation Terms (as applicable).

### *Reserve Fund*

The Covered Bond Guarantor may be required, on a Distribution Date, to deposit into the GIC Account (with a corresponding credit to the Reserve Ledger) any Available Income Amount or the relevant proceeds of a Term Advance or Demand Loan Advance up to an amount equal to the Reserve Fund Required Amount. The Reserve Fund Required Amount on any day will depend on the credit ratings of the Issuer. If the Issuer's short-term unsecured, unsubordinated and unguaranteed debt obligations are rated at least F1+ by Fitch (the **Fitch Specified Rating**) and at least P-1 by Moody's (the **Moody's Specified Rating**), the Reserve Fund Required Amount is nil (or such other amount as the Issuer notifies the Covered Bond Guarantor). If the Issuer is not rated the Fitch Specified Rating and/or the Moody's Specified Rating the determination of the Reserve Fund Required Amount will depend on the relevant rating trigger(s) not met.

## The Programme

Pursuant to the terms of the Programme, the Issuer will issue Covered Bonds to the Covered Bondholders on an Issue Date. The Covered Bonds will be direct, unsecured, unsubordinated and unconditional obligations of the Issuer.

The Issuer's indebtedness in respect of the Covered Bonds is affected by applicable laws which include (but are not limited to) sections 13A and 16 of the Australian Banking Act and section 86 of the Australian 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, APRA, the RBA and holders of protected accounts held in Australia, in priority to all other liabilities, including the Covered Bonds.

The Covered Bonds will not be protected accounts or deposit liabilities of the Issuer for the purposes of the Australian Banking Act.

The Australian Banking Act also provides that the Issuer's assets in Australia for these purposes does not include the assets in a cover pool (as defined in the Australian Banking Act).

In addition, the Issuer's indebtedness is not guaranteed or insured by any government, government agency or compensation scheme of Australia or any other jurisdiction.

### *Covered Bonds issued under the Programme*

Except in respect of the first issue of Covered Bonds, Covered Bonds issued under the Programme will either be fungible with an existing Series of Covered Bonds (in which case they will form part of such Series) or have different terms to an existing Series of Covered Bonds (in which case they will constitute a new Series).

All Covered Bonds issued from time to time will rank *pari passu* with each other in all respects (except as set out in the Guarantee Priority of Payments) and will share in the Security granted by the Covered Bond Guarantor under the Security Deed.

In order to ensure that any further issue of Covered Bonds under the Programme does not adversely affect existing Covered Bondholders:

- (a) the Bank (as Intercompany Loan Provider) will, subject to certain conditions precedent, be obliged to make a Term Advance to the Covered Bond Guarantor in an amount equal to either (i) the Principal Amount Outstanding on the Issue Date of such further issue of Covered Bonds in the Specified Currency of the relevant Series or Tranche of Covered Bonds; or (ii) the Australian Dollar Equivalent of the Principal Amount Outstanding on the Issue Date of such further issue of Covered Bonds, and (in each case) for a matching term.

The Covered Bond Guarantor may only use the proceeds of such Term Advance (if not denominated in Australian Dollars, upon exchange into Australian Dollars under the applicable Non-Forward Starting Covered Bond Swap): (i) to fund (in whole or in part) the Consideration for any Mortgage Loan Rights to be acquired from the Seller in accordance with the terms of the Mortgage Sale Agreement; and/or (ii) acting in accordance with the Establishment Deed, to invest in Substitution Assets in an amount not exceeding the prescribed limit (as set out in the section "*Summary of the Principal Documents – Establishment Deed – Limits on investing in Substitution Assets and Authorised Investments*" in this Offering Circular) to the extent required to meet the Asset Coverage Test; and thereafter or otherwise the Covered Bond Guarantor may use such proceeds (subject to complying with the Asset Coverage Test): (A) if an existing Series or Tranche or part of an existing Series or Tranche of Covered Bonds is being refinanced (by the issue of a further Series or Tranche of Covered Bonds to which the Term Advance relates) to repay the Term Advance(s) corresponding to the Covered Bonds being so refinanced (after exchange into the currency of the Term Advance(s) being repaid, if necessary); and/or (B) to make a repayment of the Demand Loan, provided that the Trust Manager has determined the outstanding balance of the Demand Loan by calculating the Asset Coverage Test as at the Intercompany Loan Drawdown Date having taken into account such repayment and the Trust Manager has confirmed that the Asset Coverage Test will continue to be met after giving effect to such repayment; and/or (C) subject to the terms of the Establishment Deed, to make a deposit of all or part of the proceeds into the GIC Account (including, without limitation, to fund the Reserve Fund to an amount not exceeding the Reserve Fund Required Amount); and

- (b) further Covered Bonds may not be issued if an Asset Coverage Test Breach Notice has been served and is outstanding.

There is no assurance that the issue of a further Series of Covered Bonds will not be ultimately adverse to the interests of any existing holder of Covered Bonds because, for instance, the level of collateralisation in the cover pool is reduced or because of the timing subordination risk (as described in the section “*Risk Factors – General Risk Factors relating to the Covered Bonds – Final Maturity Date and Extendable Obligations under the Covered Bond Guarantee*” in this Offering Circular). See also the section “*Risk Factors – APRA’s powers under the Australian Banking Act – Power to prevent further issue of Covered Bonds*” below in relation to restrictions on the Bank (as Issuer) from issuing covered bonds under the Australian Banking Act.

The Seller will, subject to the satisfaction of certain conditions (including the criteria for Eligible Mortgage Loans) offer to sell Mortgage Loan Rights to the Covered Bond Guarantor from time to time.

#### *Intercompany Loan Agreement*

Pursuant to the terms of the Intercompany Loan Agreement, the Bank as Intercompany Loan Provider will make a Term Advance to the Covered Bond Guarantor in an amount equal to either (i) if a Non-Forward Starting Covered Bond Swap is entered into on the relevant Issue Date, the Principal Amount Outstanding on the Issue Date of the relevant Series or, as applicable, Tranche of Covered Bonds in the Specified Currency of the relevant Series or Tranche of Covered Bonds or (ii) if a Forward Starting Covered Bond Swap is entered into on the relevant Issue Date, the Australian Dollar Equivalent of the Principal Amount Outstanding on the Issue Date of the relevant Series or, as applicable, Tranche of Covered Bonds, and (in each case) for a matching term. Payments by the Issuer of amounts due under the Covered Bonds will not be conditional upon receipt by the Bank of payments from the Covered Bond Guarantor pursuant to the Intercompany Loan Agreement. The payment of amounts owed by the Covered Bond Guarantor under the Intercompany Loan Agreement will be subordinated to the payment of amounts owed by the Covered Bond Guarantor under the Covered Bond Guarantee in accordance with the Guarantee Priority of Payments and the Post-Enforcement Priority of Payments.

The Covered Bond Guarantor may only use the proceeds of the Term Advances received under the Intercompany Loan Agreement from time to time (if not denominated in Australian Dollars, upon exchange into Australian Dollars under the applicable Non-Forward Starting Covered Bond Swap): (i) to fund (in whole or part) the Consideration payable to the Seller for the Mortgage Loan Rights to be acquired from the Seller in accordance with the terms of the Mortgage Sale Agreement; and/or (ii) acting in accordance with the Establishment Deed, to invest in Substitution Assets in an amount not exceeding the prescribed limit (as set out in the section “*Summary of the Principal Documents – Establishment Deed – Limits on investing in Substitution Assets and Authorised Investments*” in this Offering Circular) to the extent required to meet the Asset Coverage Test; and thereafter or otherwise the Covered Bond Guarantor may use such proceeds (subject to complying with the Asset Coverage Test (as described below)): (A) if an existing Series or Tranche or part of an existing Series or Tranche of Covered Bonds is being refinanced (by the issue of a further Series or Tranche of Covered Bonds to which the Term Advance relates) to repay the Term Advance(s) corresponding to the Covered Bonds being so refinanced (after exchange into the currency of the Term Advance(s) being repaid, if necessary); and/or (B) to make a repayment of the Demand Loan, provided that the Trust Manager has determined the outstanding balance of the Demand Loan by calculating the Asset Coverage Test as at the Intercompany Loan Drawdown Date having taken into account such repayment and the Trust Manager has confirmed that the Asset Coverage Test will continue to be met after giving effect to such repayment; and/or (C) subject to the terms of the Establishment Deed, to make a deposit of all or part of the proceeds into the GIC Account (including, without limitation, to fund the Reserve Fund).

#### *Demand Loan Agreement*

Pursuant to the Demand Loan Agreement, the Bank as Demand Loan Provider will make a Demand Loan Facility available to the Covered Bond Guarantor. The Covered Bond Guarantor may draw Demand Loan Advances denominated in Australian Dollars from time to time under the Demand Loan Facility. The Demand Loan Facility is a revolving credit facility. Demand Loan Advances may only be used by the Covered Bond Guarantor: (i) to fund (in whole or in part) the Consideration payable to the Seller for the acquisition of Mortgage Loan Rights from the Seller on a Closing Date to the extent the aggregate of the proceeds of a Term Advance and/or the Available Principal Amount on that date are not sufficient to pay such Consideration; (ii) to repay a Term Advance on the date on which the Series of Covered Bonds corresponding to such Term Advance matures; (iii) to rectify a failure to meet the Asset Coverage Test, such funds to be deposited into the GIC

Account, invested in Substitution Assets (not exceeding the prescribed limit described in the section “*Summary of the Principal Documents – Establishment Deed – Limits on investing in Substitution Assets and Authorised Investments*” in this Offering Circular) and/or used to purchase Mortgage Loan Rights from the Seller; (iv) to rectify a breach of the Pre-Maturity Test; (v) to rectify an Interest Rate Shortfall; (vi) to make a deposit to the OC Account if agreed between the Trust Manager and the Demand Loan Provider; or (vii) for any other purpose whatsoever as may be agreed from time to time between the Covered Bond Guarantor (acting on the directions of the Trust Manager) and the Demand Loan Provider (including, without limitation, to fund the Reserve Fund if required). Each Demand Loan Advance will be consolidated to form the Demand Loan.

Repayment of the principal amount owed by the Covered Bond Guarantor under the Demand Loan Agreement may:

- (i) provided that the Asset Coverage Test is met after giving effect to such repayment, be made:
  - (A) on any day an applicable Term Advance is made, by way of set-off by application of the proceeds of the Term Advance as described in “*Summary of the Principal Documents – Intercompany Loan Agreement*” below;
  - (B) on any Local Business Day, by the Demand Loan Provider (in its capacity as the Account Bank in respect of the OC Account) setting-off the balance standing to the credit of the OC Account against the repayment amount (if the Local Business Day is a Distribution Date, in priority to amounts owed by the Covered Bond Guarantor under the Intercompany Loan Agreement and the Covered Bond Guarantee); or
  - (C) on any Distribution Date, by an in specie distribution of Mortgage Loan Rights (the value of which will be determined by reference to the Current Principal Balance plus arrears of interest and accrued interest thereon in respect of the corresponding Mortgage Loans calculated as at the date of the relevant in specie distribution) to the Demand Loan Provider in priority to amounts owed by the Covered Bond Guarantor under the Intercompany Loan Agreement and the Covered Bond Guarantee; or
- (ii) otherwise, be subordinated to amounts owed by the Covered Bond Guarantor under the Covered Bond Guarantee and under the Intercompany Loan Agreement, as applicable, in accordance with the applicable Priority of Payments (and repayment of such amounts may be also satisfied by an in specie distribution of Mortgage Loan Rights, at the discretion of the Trust Manager or, in the case of the Post-Enforcement Priority of Payments, the Security Trustee).

For further details see the section “*Summary of the Principal Documents – Demand Loan Agreement*” in this Offering Circular.

#### *Mortgage Sale Agreement*

The Seller may, subject to the satisfaction of certain conditions (including the criteria for Eligible Mortgage Loans), offer to sell Mortgage Loan Rights to the Covered Bond Guarantor from time to time.

Under the terms of the Mortgage Sale Agreement, the consideration payable to the Seller for the sale of Mortgage Loan Rights, originated by the Seller, to the Covered Bond Guarantor will be a payment paid by the Covered Bond Guarantor to the Seller on the applicable Closing Date (except to the extent the Seller and the Covered Bond Guarantor have agreed that the Consideration will be set-off against any amount payable on the relevant Closing Date by the Bank as Intercompany Loan Provider and/or Demand Loan Provider).

#### *Servicing Deed*

In its capacity as Servicer, the Bank has entered into the Servicing Deed with, amongst others, the Covered Bond Guarantor and the Security Trustee, pursuant to which the Servicer has agreed to administer and service the Mortgage Loan Rights sold by the Bank (in its capacity as Seller) to the Covered Bond Guarantor.

#### *Covered Bond Guarantee*

Pursuant to the terms of the Bond Trust Deed, the Covered Bond Guarantor has guaranteed payments of interest and principal under the Covered Bonds issued by the Issuer. The Covered Bond Guarantor has agreed to pay an amount equal to the Guaranteed Amounts when the same become Due for Payment but which would otherwise



be unpaid by the Issuer. The obligations of the Covered Bond Guarantor under the Covered Bond Guarantee constitute (following service of a Notice to Pay or a Covered Bond Guarantee Acceleration Notice) direct and unconditional obligations of the Covered Bond Guarantor, secured against the Assets of the Trust held from time to time by the Covered Bond Guarantor as provided in the Security Deed and recourse against the Covered Bond Guarantor is limited to such Assets (see “*Covered Bond Guarantor’s Liability*” below). Following the occurrence of an Issuer Event of Default and service of an Issuer Acceleration Notice upon the Issuer (whereupon the Covered Bonds will become immediately due and payable as against the Issuer but not at such time as against the Covered Bond Guarantor), the Bond Trustee will be required to serve a Notice to Pay on the Covered Bond Guarantor (copied to the Trust Manager and the Security Trustee).

A Covered Bond Guarantee Acceleration Notice may be served by the Bond Trustee on the Issuer and the Covered Bond Guarantor following the occurrence of a Covered Bond Guarantor Event of Default. If a Covered Bond Guarantee Acceleration Notice is served, the Covered Bonds will become immediately due and payable against the Issuer (if they have not already become due and payable) and the obligations of the Covered Bond Guarantor under the Covered Bond Guarantee will be accelerated and the Security Trustee will be entitled to enforce the Security. Prior to the service of a Covered Bond Guarantee Acceleration Notice, payments made by the Covered Bond Guarantor under the Covered Bond Guarantee will be made subject to, and in accordance with, the Guarantee Priority of Payments. All monies recovered or received by the Security Trustee or any receiver after the service of a Covered Bond Acceleration Notice will be held by it in the Trust Accounts to be applied, together with any applicable In Specie Mortgage Loan Rights, in accordance with the Post-Enforcement Priority of Payments (other than Third Party Amounts due to the Seller and any Swap Collateral Excluded Amounts due to the relevant Swap Providers by the Covered Bond Guarantor under the relevant Swap Agreements which will be paid directly to the relevant Swap Providers in accordance with the relevant Swap Agreements).

#### ***Covered Bond Guarantor’s Liability***

The Covered Bond Guarantor is party to the Programme Documents only in its capacity as trustee of the Trust and in no other capacity. A liability arising under or in connection with the Programme Documents is limited to and can be enforced against the Covered Bond Guarantor only to the extent to which it can be satisfied out of Assets of the Trust out of which the Covered Bond Guarantor is actually indemnified for the liability. This limitation of the Covered Bond Guarantor’s liability applies despite any other provision of the Programme Documents (other than as a result of the Covered Bond Guarantor’s fraud, negligence or wilful default) and extends to all liabilities and obligations of the Covered Bond Guarantor in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to a Programme Document.

In relation to the Trust, no party to a Programme Document other than the Covered Bond Guarantor may sue the Covered Bond Guarantor in any capacity other than as trustee of the Trust, including seeking the appointment of a receiver (except in relation to the Assets of the Trust), a liquidator, an administrator or any similar person to the Covered Bond Guarantor or prove in any liquidation, administration or arrangements of or affecting the Covered Bond Guarantor (except in relation to the Assets of the Trust).

The above will not apply to any obligation or liability of the Covered Bond Guarantor to the extent that it is not satisfied because under the Programme Documents or by operation of law there is a reduction in the extent of the Covered Bond Guarantor’s indemnification out of the Assets of the Trust, as a result of the Covered Bond Guarantor’s fraud, negligence or wilful default. See further the definitions of “fraud”, “negligence” and “wilful default” in the section “*Glossary*” in this Offering Circular.

The Transaction Parties are each responsible under the Programme Documents for performing a variety of obligations relating to the Trust. No act or omission of the Covered Bond Guarantor (including any related failure to satisfy its obligations or breach of representation or warranty under any Programme Document) will be considered fraud, negligence or wilful default of the Covered Bond Guarantor to the extent to which the act or omission was caused or contributed to by any failure by any Transaction Party (other than the Covered Bond Guarantor) or any other person to fulfil its obligations relating to the Trust or by any other act or omission of any Transaction Party (other than the Covered Bond Guarantor) or any other person.

No attorney, agent, receiver or receiver and manager appointed in accordance with the Programme Documents has authority to act on behalf of the Covered Bond Guarantor in a way which exposes the Covered Bond Guarantor to any personal liability and no act or omission of any such person will be considered fraud, negligence or wilful default of the Covered Bond Guarantor.

The Covered Bond Guarantor is not obliged to do or refrain from doing anything under the Programme Documents (including incur any liability) unless the Covered Bond Guarantor's liability is limited in the same manner as described above.

*Dual recourse: Excess Proceeds to be paid to Covered Bond Guarantor*

Following the occurrence of an Issuer Event of Default, the Bond Trustee may (and, in certain circumstances, must) serve an Issuer Acceleration Notice on the Issuer and a Notice to Pay on the Covered Bond Guarantor.

Following service of an Issuer Acceleration Notice and a Notice to Pay, any moneys received by the Bond Trustee from the Issuer (or any administrator, receiver, manager, liquidator, controller, statutory manager or other similar official appointed in relation to the Issuer) (**Excess Proceeds**) will be paid by the Bond Trustee to the Covered Bond Guarantor and shall be used by the Covered Bond Guarantor in the same manner as all other moneys standing to the credit of the GIC Account pursuant to the Security Deed and the Establishment Deed.

At any time after the service of a Notice to Pay but prior to the service of a Covered Bond Guarantee Acceleration Notice, payments by the Covered Bond Guarantor under the Covered Bond Guarantee will be made in accordance with the Guarantee Priority of Payments.

*Security Deed*

To secure its obligations under the Covered Bond Guarantee and the Programme Documents to which it is a party, the Covered Bond Guarantor has granted security over the Charged Property (being all the Assets of the Trust acquired by or accruing to the Covered Bond Guarantor after the date of first execution of the Security Deed) in favour of the Security Trustee (for itself and on behalf of the other Secured Creditors) pursuant to the Security Deed.

*Security Trustee's Liability*

Notwithstanding any provision of the Programme Documents, the Security Trustee is party to the Programme Documents only in its capacity as trustee of the Security Trust and in no other capacity and the Security Trustee has no liability under or in connection with the Programme Documents (whether to the Secured Creditors, the Covered Bond Guarantor or any other person) other than to the extent to which the liability is able to be satisfied out of the property of the Security Trust from which the Security Trustee is actually indemnified for the liability. This limitation will not apply to a liability of the Security Trustee to the extent that it is not satisfied because, under the Programme Documents or by operation of law, there is a reduction in the extent of the Security Trustee's indemnification out of the Security Trust as a result of the Security Trustee's fraud, negligence or wilful default. See further the definitions of "fraud", "negligence" and "wilful default" in the section "*Glossary*" in this Offering Circular.

**Priorities of Payment**

*Pre-Acceleration Income Priority of Payments and Pre-Acceleration Principal Priority of Payments*

Prior to the service of a Notice to Pay and/or service of a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer, the Covered Bond Guarantor (acting on the directions of the Trust Manager) will, on each Distribution Date:

- (a) apply the Available Income Amount (A) to pay amounts due, or to become due and payable (excluding principal amounts) on the Term Advances and/or (B) to pay amounts due, or to become due and payable (excluding principal amounts) on the Demand Loan. However, these payments will only be made after payment of certain items ranking higher in the Pre-Acceleration Income Priority of Payments (including, but not limited to, certain expenses and amounts due to the Interest Rate Swap Provider); and
- (b) apply the Available Principal Amount, together with (in relation to the repayment of the Demand Loan only) any applicable In Specie Mortgage Loan Rights and any amount standing to the credit of the OC Account, towards making repayments of the principal amount outstanding on the Demand Loan (by way of setting-off the amount standing to the credit of the OC Account and, if applicable, by an in specie distribution of Mortgage Loan Rights) and the Term Advances but only after payment of certain items ranking higher in the Pre-Acceleration Principal Priority of Payments (including, but not limited to, the reimbursement of Trust Further Advances made by the Seller, funding any liquidity that may be

required in respect of Hard Bullet Covered Bonds following any breach of the Pre-Maturity Test and acquiring Mortgage Loans Rights offered by the Seller to the Covered Bond Guarantor from time to time). Provided that the Asset Coverage Test will be satisfied following any such repayment of the Demand Loan, the repayment of the Demand Loan will rank in priority to the repayment of the Term Advances to the extent of a demand made by the Demand Loan Provider for repayment. Such a demand may only be satisfied by setting-off the balance standing to the credit of the OC Account and, if applicable, by an in specie distribution of Mortgage Loan Rights to the Demand Loan Provider. However, if for any reason an in specie distribution is not made by the Covered Bond Guarantor following such demand (being an **In Specie Failure**), such repayment along with the repayment of the remaining portion of the Demand Loan under the terms of the Demand Loan Agreement will be subordinated to the repayment of the Term Advances.

*Application of moneys following service of an Asset Coverage Test Breach Notice*

At any time after service on the Covered Bond Guarantor of an Asset Coverage Test Breach Notice (which has not been deemed to have been revoked), but prior to the occurrence of an Issuer Event of Default and service of an Issuer Acceleration Notice (or the occurrence of a Covered Bond Guarantor Event of Default and service of a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer):

- (a) the Available Income Amount will continue to be applied in accordance with the Pre-Acceleration Income Priority of Payments except that, whilst any Covered Bonds remain outstanding, no moneys will be applied: (i) to pay any amounts due or to become due and payable (excluding principal amounts) to the Intercompany Loan Provider in respect of each Term Advance; (ii) to pay any amounts due or to become due and payable (excluding principal amounts) on the Demand Loan; or (iii) to the Income Unitholder in whole or partial satisfaction of any entitlement to the Net Trust Income of the Trust, and the remainder (if any) after such application will be deposited into the GIC Account and will form part of the Available Income Amount to be applied on the next following Distribution Date; and
- (b) the Available Principal Amount will continue to be applied in accordance with the Pre-Acceleration Principal Priority of Payments except that, whilst any Covered Bonds remain outstanding, moneys will not be applied: (i) to acquire Mortgage Loan Rights from the Seller and/or to acquire Substitution Assets in an amount sufficient to ensure the Asset Coverage Test is satisfied; (ii) to pay any amounts in respect of principal due or payable or to become due and payable to the Intercompany Loan Provider in respect of each Term Advance; (iii) to pay the Consideration for Mortgage Loan Rights assigned by the Seller to the Covered Bond Guarantor in accordance with the Mortgage Sale Agreement; (iv) to repay principal amounts outstanding under the Demand Loan; (v) to the Income Unitholder (in whole or partial satisfaction of any entitlement to Net Trust Income of the Trust); or (vi) to pay any amounts to the Capital Unitholder, and the remainder (if any) after such application will be deposited into the GIC Account and will form part of the Available Principal Amount to be applied on the following Distribution Date.

*Application of moneys following service of a Notice to Pay*

Following service on the Covered Bond Guarantor of a Notice to Pay (but prior to the occurrence of a Covered Bond Guarantor Event of Default and service of a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer) the Covered Bond Guarantor will apply the Available Income Amount and the Available Principal Amount on each Distribution Date to pay Guaranteed Amounts in respect of the Covered Bonds when the same become Due for Payment, subject to paying certain higher ranking obligations of the Covered Bond Guarantor in the Guarantee Priority of Payments. In such circumstances:

- (a) the Demand Loan Provider will be entitled to repayment of the Demand Loan pursuant to the terms of the Demand Loan Agreement, provided that the Asset Coverage Test is satisfied after giving effect to such repayment, in priority to payment of Guaranteed Amounts in respect of the Covered Bonds, in circumstances where the Demand Loan Provider has demanded repayment of the Demand Loan or there are no Covered Bonds outstanding and the Issuer has confirmed that no further Covered Bonds will be issued under the Programme. The Covered Bond Guarantor (acting on the directions of the Trust Manager) must only set-off the balance standing to the credit of the OC Account or, if applicable, distribute Mortgage Loan Rights of the Trust in specie (the value of which will be determined by reference to the Current Principal Balance plus arrears of interest and accrued interest thereon in respect of the corresponding Mortgage Loan calculated as at the date of the in specie distribution) to

satisfy any such repayment obligation of the Covered Bond Guarantor to the Demand Loan Provider; and

- (b) the Intercompany Loan Provider and the Demand Loan Provider will only be entitled to receive any remaining amounts (in the case of the Demand Loan Provider, to the extent any amounts due and payable have not been satisfied as described in paragraph (a) above) after all amounts due under the Covered Bond Guarantee in respect of the Covered Bonds have been paid in full or have otherwise been provided for. The Trust Manager may (at its discretion) direct the Covered Bond Guarantor to distribute any Mortgage Loan Rights of the Trust in full in specie to satisfy any such outstanding payment obligations to the Demand Loan Provider.

*Acceleration of the Covered Bonds following a Covered Bond Guarantor Event of Default*

Following the occurrence of a Covered Bond Guarantor Event of Default and service of a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer, the Covered Bonds will become immediately due and repayable (if not already due and payable as against the Issuer) and each of the Bond Trustee and the Security Trustee may or must take such proceedings or steps in accordance with the first and third paragraphs, respectively, of Condition 9.3 of the Programme Conditions and the Bond Trustee (for the benefit of the Covered Bondholders) will have a claim against the Covered Bond Guarantor, under the Covered Bond Guarantee, for an amount equal to the Early Redemption Amount in respect of each Covered Bond of each Series together with accrued interest and any other amount due under the Covered Bonds (other than additional amounts payable by the Issuer under Condition 7 of the Programme Conditions and Condition 6 of the N Covered Bond Conditions (as applicable) and the Security created by the Covered Bond Guarantor over the Charged Property will become enforceable (if not already realised). Any moneys received or recovered by the Security Trustee (or a Receiver) following service of a Covered Bond Guarantee Acceleration Notice, together with any applicable In Specie Mortgage Loan Rights and the amount standing to the credit of the OC Account, will be distributed according to the Post-Enforcement Priority of Payments (other than Third Party Amounts due to the Seller and any Swap Collateral Excluded Amounts due to the relevant Swap Providers by the Covered Bond Guarantor under the relevant Swap Agreements, which will be paid directly to the relevant Swap Providers in accordance with the relevant Swap Agreements).

For a more detailed description of the transactions summarised above relating to the Covered Bonds see, among other relevant sections, the sections “*Programme Overview*”, “*Risk Factors*”, “*Summary of The Principal Documents*”, “*Credit Structure*”, “*Cashflows*”, “*The Mortgage Loan Rights*” and “*Terms and Conditions of the Covered Bonds*” in this Offering Circular.

## PROGRAMME OVERVIEW

*The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Circular and, in relation to the terms and conditions of any particular Series or Tranche of Covered Bonds, the applicable Final Terms. Words and expressions defined elsewhere in this Offering Circular will have the same meanings in this overview.*

### **The Parties**

#### **Issuer:**

Commonwealth Bank of Australia ABN 48 123 123 124, incorporated as a company with limited liability in the Commonwealth of Australia and having an office at Ground Floor Tower 1, 201 Sussex Street, Sydney NSW 2000, Australia.

For a more detailed description of the Issuer see “*Commonwealth Bank of Australia*”.

#### **Covered Bond Guarantor:**

Perpetual Corporate Trust Limited ABN 99 000 341 533, incorporated as a company with limited liability in the Commonwealth of Australia and having an office at Level 12, 123 Pitt Street, Sydney NSW 2000, Australia, as trustee of the CBA Covered Bond Trust.

In its capacity as trustee of the Trust, the Covered Bond Guarantor’s principal business is to acquire, inter alia, Mortgage Loan Rights from the Seller pursuant to the terms of the Mortgage Sale Agreement and to guarantee certain payments in respect of the Covered Bonds. The Covered Bond Guarantor will hold the Mortgage Loan Rights forming part of the Assets of the Trust and the other Charged Property in accordance with the terms of the Programme Documents.

The Covered Bond Guarantor has provided a guarantee covering all Guaranteed Amounts when the same become Due for Payment, but only following service on the Issuer of an Issuer Acceleration Notice and service on the Covered Bond Guarantor of a Notice to Pay, or if earlier, service of a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer. The obligations of the Covered Bond Guarantor under the Covered Bond Guarantee and the other Programme Documents to which it is a party are secured by the Security Deed over the Charged Property from time to time of the Covered Bond Guarantor.

The liability of the Covered Bond Guarantor to make payments under the Programme Documents (including under the Covered Bond Guarantee) is limited to its right of indemnity from the Assets of the Trust. Except in the case of, and to the extent that the Covered Bond Guarantor’s right of indemnification against the Assets of the Trust is reduced as a result of fraud, negligence or wilful default, no rights may be enforced against the personal assets of the Covered Bond Guarantor by any person and no proceedings may be brought against the Covered Bond Guarantor except to the extent of the Covered Bond Guarantor’s right of indemnity and reimbursement out of the Assets of the Trust. Other than in the exception previously mentioned, the personal assets of the Covered Bond Guarantor are not available to meet payments under the Covered Bond Guarantee.

|  |   |
|--|---|
| <b>The Trust:</b>  | The CBA Covered Bond Trust is established for purposes relating only to the Covered Bonds, including (without limitation) the acquisition, management and sale of, amongst other things, Mortgage Loan Rights, the borrowing of moneys to fund the acquisition of such assets, the hedging of risks associated with such assets and such funding, the acquisition, management and sale of Substitution Assets and Authorised Investments, the giving of guarantees in respect of any Covered Bonds issued by the Issuer, the granting of security to secure repayment of Covered Bonds and other liabilities in connection with the Programme and any purpose which is ancillary or incidental to any of the foregoing. |
| <b>The Bank:</b>   | Commonwealth Bank of Australia ABN 48 123 123 124.  |
| <b>The Capital Unitholder:</b>   | The Bank.   |
| <b>The Income Unitholder:</b>  | The Bank.   |
| <b>Trust Manager:</b>  | Securitisation Advisory Services Pty. Limited ABN 88 064 133 946 ( <b>SASPL</b> ).  |
| <b>Seller:</b>   | The Bank.   |
| <b>Servicer / Interest Rate Swap Provider / Covered Bond Swap Provider / Account Bank / Intercompany Loan Provider / Demand Loan Provider:</b> | The Bank.   |
| <b>Bond Trustee:</b>   | Deutsche Trustee Company Limited.   |
| <b>Security Trustee:</b>   | P.T. Limited ABN 67 004 454 666.  |
| <b>Cover Pool Monitor:</b>   | PricewaterhouseCoopers ABN 52 780 433 757.  |
| <b>Arranger:</b>   | The Bank.   |
| <b>Dealers:</b>  | Barclays Capital Inc.<br>BNP Paribas Securities Corp.<br>Citigroup Global Markets Inc.<br>Credit Suisse Securities (USA) LLC<br>Deutsche Bank Securities Inc.<br>Goldman, Sachs & Co.<br>HSBC Securities (USA) Inc.<br>J.P. Morgan Securities plc<br>Morgan Stanley & Co. LLC<br>RBS Securities Inc.<br>UBS Securities LLC  |
| <b>Principal Paying Agent / Transfer Agent / Exchange Agent:</b>   | Deutsche Bank AG, London Branch.  |

**U.S. Paying Agent / U.S. Transfer Agent / U.S. Registrar:** Deutsche Bank Trust Company Americas.

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

**Rating Agencies:** Fitch Australia Pty Ltd ABN 93 081 339 184.

Moody's Investors Service Pty Ltd ABN 61 003 399 657.

### ***The Covered Bonds***

**Programme Size:** Up to U.S.\$30,000,000,000 (or its equivalent in other currencies determined in relation to a Tranche of Covered Bonds by reference to the spot rate for the sale of U.S. dollars against the purchase of the currency of such Covered Bonds in the London foreign exchange market quoted by any leading bank selected by the Issuer on the date of the agreement to issue such Covered Bonds between the Issuer and the Relevant Dealer(s)) outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreements.

**Distribution:** Covered Bonds may be distributed by way of private placement and in each case on a syndicated or non-syndicated basis, subject to the restrictions set forth in "*Subscription and Sale and Selling Restrictions*" below.

**Specified Currencies:** Subject to any applicable legal or regulatory restrictions, Covered Bonds may be issued in such currency or currencies as may be agreed from time to time by the Issuer, the Relevant Dealer(s), the U.S. Paying Agent and the Bond Trustee (as set out in the applicable Final Terms).

**Certain Restrictions:** Each issue of Covered Bonds 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 (see "*Subscription and Sale and Selling Restrictions*").

**Issue Price:** Covered Bonds may be issued at par or at a premium or discount to par on a fully-paid basis or partly-paid basis (as set out in the applicable Final Terms).

**Form of Covered Bonds:** The Covered Bonds will be issued in registered form as described in "*Form of the Covered Bonds*".

Covered Bonds may be Fixed Rate Covered Bonds, Floating Rate Covered Bonds, Zero Coupon Covered Bonds, Low Interest (discount) Covered Bonds, High Interest (premium) Covered Bonds, Index Linked Interest Covered Bonds, Dual Currency Interest Covered Bonds, Index Linked Redemption Covered Bonds, Instalment Covered Bonds, Dual Currency Redemption Covered Bonds, Partly-Paid Covered Bonds or a combination of any of the foregoing, depending on the applicable Final Terms, and subject, in each case, to issuance of a Rating Affirmation Notice by the Issuer.

**Fixed Rate Covered Bonds:** Fixed Rate Covered Bonds will bear interest at a fixed rate which will be payable on such date or dates as may be agreed between the Issuer and the Relevant Dealer(s) 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(s) (in each case as set out in the applicable Final Terms).

**Floating Rate Covered Bonds:**

Floating Rate Covered Bonds will bear interest at a rate determined:

- (i) 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 ISDA Definitions; or
- (ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or
- (iii) on such other basis as may be specified in the applicable Final Terms,

in each case as set out in the applicable Final Terms.

The Margin (if any) relating to such floating rate will be agreed between the Issuer and the Relevant Dealer(s) for each issue of Floating Rate Covered Bonds (as set out in the applicable Final Terms).

**Index Linked Covered Bonds:**

Payments of principal in respect of Index Linked Redemption Covered Bonds or of interest in respect of Index Linked Interest Covered Bonds will be calculated by reference to such index, commodity, currency or event (or any combination of the same) and/or formula or formulae as the Issuer and the Relevant Dealer(s) may agree (in each case as set out in the applicable Final Terms).

**Other provisions in relation to Floating Rate Covered Bonds and Index Linked Interest Covered Bonds:**

Floating Rate Covered Bonds and Index Linked Interest Covered Bonds may also have a maximum interest rate, a minimum interest rate or both.

**Hard Bullet Covered Bonds:**

Hard Bullet Covered Bonds may be offered and will be subject to a Pre-Maturity Test. The intention of the Pre-Maturity Test is to provide liquidity for the Hard Bullet Covered Bonds if the Issuer's credit ratings have fallen below a certain level.

**Maturities:**

Subject to compliance with all applicable legal, regulatory and/or central bank requirements, Covered Bonds may be issued with such maturities as may be agreed between the Issuer and the Relevant Dealer(s) (as set out in the applicable Final Terms).

**Redemption:**

The applicable Final Terms for a Series of Covered Bonds will indicate either that the relevant Covered Bonds of such Series cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable, or for taxation reasons or if it becomes unlawful for any Term Advance or the Demand Loan to remain outstanding) or that such Covered Bonds will be redeemable at the option of the Issuer upon giving notice to the Covered Bondholders, 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 agreed between the Issuer and the Relevant Dealer(s) or that such Covered Bonds will be redeemable at the option of the Covered Bondholders upon giving notice to the Issuer, on a date or dates specified prior to such stated maturity and at their Optional Redemption Amount as specified in the



applicable Final Terms.

The applicable Final Terms may provide that Covered Bonds may be redeemable in two or more instalments of such amounts and on such dates as are indicated in the applicable Final Terms.

**Final Redemption:**

Unless an Extended Due for Payment Date is specified as applicable in the applicable Final Terms for a Series of Covered Bonds, if that Series of Covered Bonds has not already been redeemed or purchased and cancelled in full in accordance with their terms and conditions, those Covered Bonds will be redeemed at their Final Redemption Amount on the Final Maturity Date for such Covered Bonds, as set out in the applicable Final Terms.

**Extendable obligations under the Covered Bond Guarantee:**

If an Extended Due for Payment Date is specified as applicable in the Final Terms for a Series of Covered Bonds and (i) the Issuer fails to pay, in full, the Final Redemption Amount for such Covered Bonds on the Final Maturity Date for such Covered Bonds (or by the end of the applicable grace period) and (ii) following the service of a Notice to Pay on the Covered Bond Guarantor by no later than the date falling one Business Day prior to the Extension Determination Date, the Covered Bond Guarantor has insufficient monies available under the Guarantee Priority of Payments to pay, in full, the Guaranteed Amounts equal to the unpaid portion of such Final Redemption Amount by the earlier of (a) the date which falls two Business Days after service of such Notice to Pay on the Covered Bond Guarantor (or if later, the Final Maturity Date) under the terms of the Covered Bond Guarantee and (b) the Extension Determination Date for such Covered Bonds in accordance with the terms of the Covered Bond Guarantee (for example because, following the service of a Notice to Pay on the Covered Bond Guarantor, there are insufficient moneys available to it to pay, in accordance with the Guarantee Priority of Payments, such Guaranteed Amounts in full), then the obligation of the Covered Bond Guarantor to pay the unpaid portion of such Guaranteed Amount, or any part thereof will be deferred (and a Covered Bond Guarantor Event of Default will not occur as a result of such failure) until the Interest Payment Date thereafter on which sufficient moneys are available (after providing for liabilities ranking in priority thereto or *pari passu* therewith subject to and in accordance with the Guarantee Priority of Payments) to fund the payment of such unpaid portion, or any part thereof, provided that such payment shall not be deferred beyond the Extended Due for Payment Date when the unpaid portion of such Guaranteed Amount (together with accrued interest) will be due and payable. Interest will accrue on any such unpaid portion during such extended period and will be due and payable on each Interest Payment Date up to, and including, the Extended Due for Payment Date in accordance with Condition 4 of the Programme Conditions and Condition 3.3 of the N Covered Bond Conditions (as applicable).

For further information see the section “*Risk Factors – Final Maturity Date and Extendable Obligations under the Covered Bond Guarantee*” in this Offering Circular.

**Denomination of Covered Bonds:**

The Covered Bonds will be issued in such denominations as may be agreed between the Issuer and the Relevant Dealer(s) and set out in the applicable Final Terms except that, other than in certain limited circumstances (including as stated below), the minimum denomination of each Covered Bond will be €100,000 (or, if the Covered Bonds are denominated in a currency other than euro, the equivalent amount in such currency) or such other higher amount as is required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency.

Unless otherwise stated in the applicable Final Terms, the minimum denomination of each Rule 144A Covered Bond will be at least U.S.\$250,000 and integral multiples of U.S.\$1,000, or its approximate equivalent in other Specified Currencies.

**Taxation:**

All payments in respect of principal and interest on the Covered Bonds will be made without deduction or withholding for or on account of any taxes whatsoever, subject as provided in Condition 7 of the Programme Conditions and Condition 6 of the N Covered Bond Conditions (as applicable). If any such deduction or withholding is made by the Issuer, the Issuer will, except in the limited circumstances provided in Condition 7 of the Programme Conditions and Condition 6 of the N Covered Bond Conditions (as applicable), pay additional amounts in respect of the amounts so deducted or withheld. If any payments made by the Covered Bond Guarantor under the Covered Bond Guarantee are or become subject to any such withholding or deduction, the Covered Bond Guarantor will not be obliged to pay any additional amount as a consequence under Condition 7 of the Programme Conditions and Condition 6 of the N Covered Bond Conditions (as applicable). The Guaranteed Amounts payable by the Covered Bond Guarantor under the Covered Bond Guarantee will not include any additional amounts the Issuer would be obliged to pay as a result of any deduction or withholding in accordance with Condition 7 of the Programme Conditions and Condition 6 of the N Covered Bond Conditions (as applicable). For a further discussion of any withholding tax obligations see the section “Taxation” in this Offering Circular.

**Payments under Covered Bond Guarantee:**

If a Notice to Pay is served in respect of any Series of Covered Bonds, then the Covered Bond Guarantor will be required to make payments of Guaranteed Amounts in respect of all Series of Covered Bonds outstanding when the same becomes Due for Payment in accordance with the terms of the Covered Bond Guarantee. If a Covered Bond Guarantee Acceleration Notice is served in respect of any Series of Covered Bonds, then the obligation of the Covered Bond Guarantor to pay Guaranteed Amounts in respect of all Series of Covered Bonds outstanding will be accelerated.

**Status of the Covered Bonds:**

The Covered Bonds will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and will rank *pari passu* without any preference or priority among themselves and at least equally with all other present and future unsecured and unsubordinated obligations of the Issuer (other than any obligation preferred by mandatory provisions of applicable law including, without limitation, sections 13A and 16 of the Australian Banking Act and Section 86 of the

Australian Reserve Bank Act), from time to time outstanding.

The Covered Bonds will not be protected accounts or deposit liabilities of the Issuer for the purposes of the Australian Banking Act and are not insured by the United States Federal Deposit Insurance Corporation or any other governmental agency. In addition, the Issuer's indebtedness in respect of the Covered Bonds is not guaranteed or insured by any government, government agency or compensation scheme of Australia or any other jurisdiction.

**Covered Bond Guarantee:**

Payment of Guaranteed Amounts in respect of the Covered Bonds when Due for Payment will be unconditionally and irrevocably guaranteed by the Covered Bond Guarantor under the Covered Bond Guarantee. The Covered Bond Guarantor will be under no obligation to make payment in respect of the Guaranteed Amounts when Due for Payment unless (i) an Issuer Event of Default has occurred, an Issuer Acceleration Notice is served on the Issuer by the Bond Trustee and a Notice to Pay is served on the Covered Bond Guarantor, or (ii) a Covered Bond Guarantor Event of Default has occurred and a Covered Bond Guarantee Acceleration Notice is served on the Covered Bond Guarantor and the Issuer by the Bond Trustee. The obligations of the Covered Bond Guarantor under the Covered Bond Guarantee will accelerate against the Covered Bond Guarantor and the Guaranteed Amounts will become immediately due and payable upon the service of a Covered Bond Guarantee Acceleration Notice. The obligations of the Covered Bond Guarantor under the Covered Bond Guarantee constitute (following service of a Notice to Pay or a Covered Bond Guarantee Acceleration Notice) direct and unconditional obligations of the Covered Bond Guarantor secured against the Assets of the Trust held from time to time by the Covered Bond Guarantor as provided in the Security Deed.

The liability of the Covered Bond Guarantor to make payments under the Programme Documents (including under the Covered Bond Guarantee) is limited to its right of indemnity from the Assets of the Trust. Except and to the extent that the Covered Bond Guarantor's right of indemnification against the Assets of the Trust is reduced as a result of fraud, negligence or wilful default, no rights may be enforced against the personal assets of the Covered Bond Guarantor by any person and no proceedings may be brought against the Covered Bond Guarantor except to the extent of the Covered Bond Guarantor's right of indemnity and reimbursement out of the Assets of the Trust. Other than in the exception previously mentioned, the personal assets of the Covered Bond Guarantor are not available to meet payments under the Covered Bond Guarantee.

**Ratings:**

Unless otherwise specified in the applicable Final Terms, each Series or Tranche of Covered Bonds to be issued under the Programme is expected to be rated "Aaa" by Moody's and "AAA" by Fitch. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning Rating Agency. There is no obligation on the Issuer to maintain the credit ratings in respect of any Series of Covered Bonds.

The credit rating of a Series of Covered Bonds to be issued under the Programme will be specified in the applicable Final Terms on issuance.

Credit ratings are not a recommendation or suggestion, directly or indirectly, to any investor or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. The Rating Agencies are not advisers, and nor do the Rating Agencies provide investors or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A credit rating should not be viewed as a replacement for such advice or services.

**Listing and admission to trading:**

Unless otherwise indicated in the applicable Final Terms, the Covered Bonds issued pursuant to this Offering Circular will not be listed or admitted to trading on any securities exchange or regulated or unregulated markets. In connection with any offering and sale of any Tranche of Covered Bonds, application may be made for such Covered Bonds to be listed or admitted to trading, as the case may be, on stock exchanges or regulated or unregulated markets, as may be agreed between the Issuer, the Covered Bond Guarantor, the Bond Trustee and the Relevant Dealer in relation to each issue. The Final Terms relating to each Series or Tranche, as applicable, of the Covered Bonds will state whether or not the Covered Bonds are to be listed and/or admitted to trading and, if so, on which stock exchange(s) and/or markets.

**Governing Law:**

The U.S. Distribution Agreement is governed by, and will be construed in accordance with, New York law.

The Establishment Deed, the Mortgage Sale Agreement, the Servicing Deed, the Intercompany Loan Agreement, the Demand Loan Agreement, the Management Agreement, the Security Deed, the Definitions Schedule, the Cover Pool Monitor Agreement and the Account Bank Agreement, the Interest Rate Swap Agreement and each Covered Bond Swap Agreement are governed by, and will be construed in accordance with, the laws applying in the State of New South Wales, Australia.

Unless specifically stated to the contrary in the relevant document (as detailed in the following paragraph), the Bond Trust Deed (including the Covered Bond Guarantee), the Principal Agency Agreement, the Covered Bonds (other than any A\$ Registered Covered Bonds and any N Covered Bonds), the Receipts, and the Coupons and any non contractual obligations arising out of or in connection with them are governed by, and will be construed in accordance with, English law.

The covenant to pay made by the Issuer to the Bond Trustee in respect of the Covered Bonds in the Bond Trust Deed (but only, in respect of such provisions, to the extent that they relate to any A\$ Registered Covered Bonds), the provisions relating to the issuance of A\$ Registered Covered Bonds and

maintenance of the A\$ Register in respect of the A\$ Registered Covered Bonds in the Bond Trust Deed and the provisions relating to limiting recourse to the Covered Bond Guarantor and the Security Trustee in the Bond Trust Deed, the Principal Agency Agreement and the A\$ Registered Covered Bonds are governed by, and will be construed in accordance with, the laws applying in the State of New South Wales, Australia.

Other than Condition 2.2 of the N Covered Bond Conditions, clause 4 of the N Covered Bond Assignment Agreement and the N Covered Bond Confirmation Terms (which are governed by, and will be construed in accordance with, English law), the N Covered Bonds are governed by, and will be construed in accordance with, German law.

**Selling Restrictions:**

There are restrictions on the offer, sale and transfer of any Tranche of Covered Bonds (see the section “*Subscription and Sale and Selling Restrictions*” in this Offering Circular).

## **RISK FACTORS**

### **Introduction**

*Any investment in the Covered Bonds issued under the Programme will involve risks including those described in this section. All principal or material risks and uncertainties that have been identified by the Issuer are included in this section, in the section titled “Risk factors” in the 2012 U.S. Disclosure Report and any other information incorporated by reference herein. The risks and uncertainties described below, in the 2012 U.S. Disclosure Report and in the information incorporated by reference herein are not the only ones that the Issuer or the Covered Bond Guarantor may face. Additional risks and uncertainties that the Issuer is unaware of, or that it currently deems to be immaterial, may also become important risk factors that affect the Issuer or the Covered Bond Guarantor. Prospective investors should carefully consider the following discussion of the risk factors and the other information in this Offering Circular, the 2012 U.S. Disclosure Report and the information incorporated by reference herein and consult their own financial and legal advisers about the risks and uncertainties associated with the Covered Bonds before deciding whether an investment in the Covered Bonds is suitable for them. Prospective investors should be aware that the risks and uncertainties set forth below, in the 2012 U.S. Disclosure Report and in the information incorporated by reference herein are not exhaustive (as these will not include those risks and uncertainties that have not been identified by the Issuer) and should carefully consider the following factors, the factors in the 2012 U.S. Disclosure Report and the factors in the information incorporated by reference herein in addition to the matters set out elsewhere in this Offering Circular before investing in the Covered Bonds offered under this Offering Circular.*

*As at the date of this Offering Circular, the Issuer believes that the following risk factors, the risk factors in the 2012 U.S. Disclosure Report and the risk factors incorporated by reference herein may affect the Issuer’s ability to fulfil its obligations or the Covered Bond Guarantor’s ability to perform its obligations, under or in respect of the Covered Bonds or the Covered Bond Guarantee and could be material for the purpose of assessing the market risks associated with the Covered Bonds.*

*If any of the listed or unlisted risks actually occur, the Issuer’s and/or the Covered Bond Guarantor’s business operations, financial condition or reputation could be materially adversely affected, with the result that the trading price of the Covered Bonds of the Issuer could decline and an investor could lose all or part of its investment. These factors are contingencies that may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. Prospective investors should also read the detailed information set out elsewhere in this Offering Circular and reach their own views prior to making any investment decision.*

### **GENERAL RISK FACTORS RELATING TO THE COVERED BONDS**

#### ***Obligations under the Covered Bonds are limited to the Issuer and the Covered Bond Guarantor***

The Covered Bonds will not represent an obligation or be the responsibility of the Arranger, the Lead Manager (if applicable), the Dealers, the Bond Trustee, the Security Trustee, any member of the Group (other than the Bank in its capacity as Issuer under the Programme Documents) or any other party to the Programme, their officers, members, directors, employees, security holders or incorporators, other than the Issuer and, under the Covered Bond Guarantee, the Covered Bond Guarantor. The Issuer will be liable solely in its corporate capacity for its obligations in respect of the Covered Bonds. The Covered Bond Guarantor will be liable solely in its capacity as trustee of the Trust for its obligations in respect of the Covered Bond Guarantee. In each case, such obligations will not be the obligations of their respective officers, members, directors, employees, security holders or incorporators.

#### ***Limited recourse against the Issuer***

No Covered Bondholder will be entitled to institute proceedings directly against the Issuer or the Covered Bond Guarantor or to take any step or action with respect to the Bond Trust Deed, the Covered Bonds or the Security unless the Bond Trustee or the Security Trustee, as applicable, having become bound so to proceed, fails so to do within a reasonable time and such failure is continuing, in which event any Covered Bondholder may prove in the winding up, administration or liquidation of the Issuer or the Covered Bond Guarantor to the same extent and in the same jurisdiction (but not further or otherwise than the Bond Trustee would have been entitled to do so in respect of the Covered Bonds and/or the Bond Trust Deed) (see further Condition 9.3 of the Programme Conditions).

There can be no assurance that the actions, or the failure to act, by the Bond Trustee or the Security Trustee, as the case may be, will not adversely affect any Covered Bondholder.

### ***Limited Recourse to Covered Bond Guarantor***

The Assets of the Trust will be the sole source of payments by the Covered Bond Guarantor under the Programme Documents (including under the Covered Bond Guarantee). The Covered Bond Guarantor's personal assets or any other assets held as trustee of another trust will not be available to make such payments unless, in the case of personal assets, there is a reduction in the extent of the Covered Bond Guarantor's indemnification out of the Assets of the Trust as a result of the Covered Bond Guarantor's fraud, negligence or wilful default. Therefore, if the Assets of the Trust are insufficient to enable the Covered Bond Guarantor to meet those obligations (including in respect of the Covered Bond Guarantee), this may affect the timing or amount of interest and principal payments under the Covered Bonds following an Issuer Event of Default and service of a Notice to Pay on the Covered Bond Guarantor.

### ***Submission to Jurisdiction***

The Issuer and the Covered Bond Guarantor have agreed to submit to (i) the exclusive jurisdiction of the courts of England and Wales in any action arising out of or related to the Principal Agency Agreement, (ii) the jurisdiction of the courts of England and Wales in any action arising out of or related to the Bond Trust Deed and the Covered Bonds issued under this Offering Circular (and, in the case of Australian courts, in so far as such action involves the Issuer or the Covered Bond Guarantor) and (iii) the non-exclusive jurisdiction of the courts of New South Wales, Australia in any action arising out of or related to the Security Deed, the Establishment Deed, the Mortgage Sale Agreement, the Servicing Deed, the Intercompany Loan Agreement, the Demand Loan Agreement, the Management Agreement, the Cover Pool Monitor Agreement, the Account Bank Agreement, the Total Return Interest Rate Swap Agreement and each Covered Bond Swap Agreement. However, neither the Issuer nor the Covered Bond Guarantor has expressly agreed to submit to the jurisdiction of any United States federal court or New York state court or the court of any other jurisdiction in the United States or appointed an agent for service of process with respect to any action commenced in any such courts by any Covered Bondholder. Accordingly, in the limited instances where a Covered Bondholder may proceed directly against the Issuer or the Covered Bond Guarantor due to a failure to act by the Bond Trustee or the Security Trustee, as the case may be, as described herein (see Condition 9.3 of the Programme Conditions), it may be necessary for such Covered Bondholder to bring a suit in the courts of England and Wales or New South Wales, Australia (as applicable) to enforce its rights against the Issuer or the Covered Bond Guarantor, as the case may be, with respect to the Bond Trust Deed, the Principal Agency Agreement, the Covered Bonds, the Security Deed or any other Programme Document.

### ***Final Maturity Date and extendable obligations under the Covered Bond Guarantee***

The Final Maturity Dates for different Series of Covered Bonds may not be the same. In the case of a Series of Extendable Maturity Covered Bonds, if the principal amounts have not been repaid in full by the Extension Determination Date, then the repayment of unpaid principal amounts will be deferred until the Extended Due for Payment Date. This means that a Series of Covered Bonds having an earlier Final Maturity Date than such Extended Due for Payment Date may start receiving principal repayments in advance of the Series of Extendable Maturity Covered Bonds in respect of which unpaid principal amounts have been deferred until such Extended Due for Payment Date.

The Extended Due for Payment Dates for different Series of Extendable Maturity Covered Bonds may not be the same. On each Distribution Date following the service of a Notice to Pay on the Covered Bond Guarantor (but prior to the service of a Covered Bond Guarantee Acceleration Notice), the Covered Bond Guarantor will apply the Available Income Amount and the Available Principal Amount in accordance with the Guarantee Priority of Payments. To the extent that the amount available for distribution under the Guarantee Priority of Payments would be insufficient to pay the Scheduled Interest, the Scheduled Principal or the Final Redemption Amount of any Series of Covered Bonds to which an Extended Due for Payment Date applies, the shortfall will be divided amongst all such Series of Covered Bonds on a *pari passu* and rateable basis.

The Covered Bond Guarantor will be entitled to apply the Available Principal Amount in order to repay earlier maturing Series of Covered Bonds, which may mean that there may be fewer Assets available to support later maturing Series of Covered Bonds.

### ***Repayment of Demand Loan ranks senior provided that the Asset Coverage Test is met***

The Demand Loan Provider is entitled to require repayment of any principal amount of the Demand Loan at any time by notice in writing to the Covered Bond Guarantor and the Trust Manager. Any amount so demanded must be repaid on the next Distribution Date after the demand is made by the Demand Loan Provider (or, within one Local Business Day of a demand, if so elected by the Demand Loan Provider), provided that the Asset Coverage Test will continue to be satisfied after giving effect to such repayment and that no Asset Coverage Test Breach Notice has been given on or prior to such day which has not been deemed to be revoked.

Repayment of the Demand Loan in those circumstances will be made first, by way of the Demand Loan Provider (in its capacity as the Account Bank in respect of the OC Account) setting-off the amount standing to the credit of the OC Account against the repayment amount and second, (other than where repaid on a day that is not a Distribution Date) by an in specie distribution of Mortgage Loan Rights to the Demand Loan Provider in accordance with the applicable Priority of Payments. In the Pre-Acceleration Principal Priority of Payments, the Guarantee Priority of Payments and the Post-Enforcement Priority of Payments repayment of the Demand Loan following such a demand ranks senior, provided that the Asset Coverage Test continues to be met after such repayment, to the amounts due and payable by the Covered Bond Guarantor to the Covered Bondholders, Receiptholders and Couponholders under the Covered Bond Guarantee (if applicable) and to the Intercompany Loan Provider under the Intercompany Loan. This means that the Covered Bondholders, Receiptholders and Couponholders will not have the benefit of any voluntary over-collateralisation in the Programme (any over-collateralisation that exceeds the amount required to ensure compliance with the Asset Coverage Test, which includes any amount standing to the credit of the OC Account) if the Demand Loan Provider exercises its right to require repayment of the Demand Loan. This may adversely affect the ability of the Covered Bond Guarantor to meet its obligations under the Covered Bond Guarantee.

### ***Risks related to the structure of a particular issue of Covered Bonds***

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

#### ***(a) Covered Bonds subject to optional redemption by the Issuer***

An optional redemption feature of Covered Bonds is likely to limit their market value. During any period when the Issuer may elect to redeem Covered Bonds, the market value of those Covered Bonds 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 Covered Bonds when its cost of borrowing is lower than the interest rate on the Covered Bonds. 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 Covered Bonds 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.

#### ***(b) Fixed Rate Covered Bonds***

Investment in Fixed Rate Covered Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Covered Bonds.

#### ***(c) Index Linked Covered Bonds and Dual Currency Covered Bonds***

The Issuer may issue Covered Bonds with principal or interest determined by reference to an index or formula, movements in currency exchange rates or other factors (each a **Relevant Factor**). In addition, the Issuer may issue Covered Bonds with principal or interest payable in one or more currencies which may be different from the currency in which the Covered Bonds are denominated. Potential investors should be aware that:

- (i) the market price of such Covered Bonds may be volatile and secondary market liquidity may be non-existent (see the section "*Risk Factors – Absence of secondary market; lack of liquidity*" below);
- (ii) they may receive no interest;



- (iii) payment of principal or interest may occur at a different time or in a different currency than expected;
- (iv) they may lose all or a substantial portion of their principal;
- (v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (vi) if a Relevant Factor is applied to Covered Bonds in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified;
- (vii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield; and
- (viii) the historical levels of an index should not be viewed as an indication of the future performance of such index during the term of any Index Linked Covered Bonds. Accordingly, potential investors should consult their own financial and legal advisers about the risk entailed by an investment in any Index Linked Covered Bonds and the suitability of such Covered Bonds in light of their particular circumstances.

(d) *Certain factors affecting the value and trading price of Index Linked Covered Bonds*

Generally, Index Linked Covered Bonds offer investment diversification opportunities, but there are some additional risks that may affect the value of the Covered Bonds before they mature. The interim or market value of the Index Linked Covered Bonds may be affected by a number of factors, including but not limited to:

- (i) market interest rates;
- (ii) fluctuations in currency exchange rates;
- (iii) fluctuations in the prices of securities generally;
- (iv) the time remaining to any redemption date; and
- (v) economic, financial, regulatory, political, terrorist, military or other events in one or more jurisdictions, including factors affecting capital markets generally or the stock exchanges on which any Index Linked Covered Bonds may be traded.

Additionally, the interim or market value of Index Linked Covered Bonds will vary with the price and/or level of the securities comprised in the relevant Index and is affected by a number of other factors, including but not limited to:

- (i) the value and volatility (frequency and magnitude of the changes in the level) of the relevant Index;
- (ii) the dividend rate on any equity securities comprised in the relevant Index and the financial results and prospects of the issuer of those equity securities;
- (iii) the liquidity of the securities comprised in the relevant Index in the secondary market;
- (iv) changes that affect the relevant Index, such as additions, deletions or substitutions of any securities comprised in the relevant Index; and
- (v) economic, financial, regulatory, political, terrorist, military or other events in one or more jurisdictions, including factors affecting the stock exchange(s) on which any securities comprised in the relevant Index may be traded.

Furthermore, the amounts payable under Index Linked Covered Bonds may not directly correlate to the rise and/or fall in the level of any relevant Index. For example, Index Linked Covered Bonds may provide that any positive performance of any Index is subject to:

- (i) a percentage participation factor that is less than 100% of a price or level of such Index;
- (ii) a cap or maximum amount; and/or
- (iii) a negative spread or percentage deduction to a relevant price of such Index,

which, in each case, would mean that the positive performance (if any) of such Index is not fully accounted for in any payment(s) made under the Covered Bonds.

Prospective investors should be experienced with respect to options and option transactions, should understand the additional risks set out above and should reach an investment decision only after carefully considering, with their advisers, the suitability of Index Linked Covered Bonds in light of their particular financial circumstances, the information regarding the relevant Covered Bonds and the particular Index (or basket of Indices) to which the value of the relevant Covered Bonds may relate, as specified in the applicable Final Terms.

Before investing in Index Linked Covered Bonds, Covered Bondholders should carefully consider, among other things: (a) the trading price of the relevant Covered Bonds; (b) the value and volatility of the relevant Index; (c) the time remaining to redemption of the Covered Bonds; (d) any changes in interim interest rates and dividend yields if applicable; (e) any changes in currency exchange rates if applicable; (f) the depth of the market or liquidity of any securities comprised in the relevant Index; and (g) any related transaction costs.

(e) *Valuation of Index Linked Covered Bonds: commissions and/or fees*

Prospective investors in Index Linked Covered Bonds should be aware that the issue price and/or offer price may include commissions and/or other fees (e.g. subscription fees, placement fees, direction fees, structuring fees and/or additional costs or inducements) paid by the Issuer to distributors as payment for distribution services. This can cause a difference between the theoretical value of the Covered Bonds and any bid and offer prices quoted by the Issuer or any third party. Any such difference may have an adverse effect on the value of the Covered Bonds, particularly immediately following the offer and the Issue Date of such Covered Bonds, where such fees and/or costs may be deducted from the price at which such Covered Bonds can be sold by the initial investor in the secondary market.

Information on the amount of these inducements, commissions and fees will be included in the applicable Final Terms and/or may be obtained from the Issuer or relevant distributor upon request.

(f) *Hedging*

Prospective investors intending to purchase Index Linked Covered Bonds to hedge against the market risk associated with investing in an index (or basket of indices) should recognise the complexities of utilising Covered Bonds in this manner. For example, the value of the Index Linked Covered Bonds may not exactly correlate with the level of the relevant Index. Due to fluctuating supply and demand for the Covered Bonds there is no assurance that their value will correlate with movements in the level of the relevant Index. For these reasons, among others, it may not be possible to purchase or liquidate Index Linked Covered Bonds in a portfolio at the prices used to calculate the level of any Index.

(g) *The issuer of a security comprised in an Index could take actions that may adversely affect an Index Linked Covered Bond*

The issuer of a security comprised in an Index referenced in the terms and conditions of an Index Linked Covered Bond will have no obligation to the Covered Bondholder and may take actions, such as a merger or sale of assets, without regard to the interests of the Covered Bondholder. Any such action could adversely affect the value of a Covered Bond linked to the Index of which that security is a component.

(h) *Partly-paid Covered Bonds*

The Issuer may issue Covered Bonds where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of this investment.

(i) *Covered Bonds with a multiplier or other leverage factor can be volatile investments*

Covered Bonds with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

(j) *Inverse Floating Rate Covered Bonds*

Inverse Floating Rate Covered Bonds have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of those Covered Bonds typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Covered Bonds are more volatile because an increase in the reference rate not only decreases the interest rate of the Covered Bonds, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of those Covered Bonds.

(k) *Fixed Rate Covered Bonds or Floating Rate Covered Bonds*

Fixed Rate Covered Bonds or Floating Rate Covered Bonds 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 and the market value of the Covered Bonds since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed Rate Covered Bonds or Floating Rate Covered Bonds may be less favourable than then prevailing spreads on comparable Floating Rate Covered Bonds tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Covered Bonds. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Covered Bonds.

(l) *Covered Bonds issued at a substantial discount or premium*

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

***Ratings of the Covered Bonds***

Unless otherwise specified in the applicable Final Terms, each Series or Tranche of Covered Bonds to be issued under the Programme is expected to be rated “Aaa” by Moody's and “AAA” by Fitch. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning Rating Agency. There is no obligation on the Issuer to maintain the credit ratings in respect of any Series of Covered Bonds.

The credit ratings assigned to a Tranche of Covered Bonds to be issued under the Programme by Fitch address the likelihood of full and timely payment to Covered Bondholders of all payments of interest on each Interest Payment Date and the Final Maturity Date and the likelihood of ultimate payment of principal on the Final Maturity Date. The credit ratings assigned to the Covered Bonds to be issued under the Programme by Moody's address the probability of default, the loss given by default and the expected loss posed to potential investors. The expected credit ratings of a Series of Covered Bonds will be set out in the applicable Final Terms for such Series of Covered Bonds. Any Rating Agency may lower its credit rating or withdraw its credit rating if, in the sole judgement of the Rating Agency, the credit quality of the Covered Bonds has declined or is in question. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time (including as a result of changes to rating methodologies). A credit rating 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 Covered Bonds. A downgrade in the corporate credit rating of the Bank or the sovereign rating of Australia may have a negative impact on the credit ratings of the Covered Bonds.

In the event that a credit rating assigned to the Covered Bonds or the Bank (in its capacity as Issuer) is subsequently lowered or withdrawn or qualified for any reason, no other person or entity is obliged to provide any additional support or credit enhancement with respect to the Covered Bonds. The Issuer may be adversely affected, the market value of the Covered Bonds is likely to be adversely affected and the ability of the Issuer to make payment under the Covered Bonds may be adversely affected.

In addition, a Rating Agency may, at any time, revise its relevant rating methodology with the result that, amongst other things, any credit rating assigned to the Covered Bonds issued under the Programme may be lowered.

The ratings assigned to a Series or Tranche of Covered Bonds to be issued under the Programme will be specified in the applicable Final Terms.

Each of Fitch and Moody's has rated the Bank. See the section "*Commonwealth Bank of Australia*" in this Offering Circular.

#### ***Rating Affirmation Notice in respect of Covered Bonds***

A credit rating does not address all matters that may be of relevance to Covered Bondholders, including, without limitation, in connection with a Rating Affirmation Notice, whether any action proposed to be taken by the Issuer, the Covered Bond Guarantor, the Seller, the Servicer, the Trust Manager, the Bond Trustee, the Security Trustee or any other party to a Programme Document is either (a) permitted by the terms of the relevant Programme Document, or (b) in the best interests of, or not materially prejudicial to, some or all of the Covered Bondholders. The fact that the Rating Agencies have not advised that the then current ratings of the Covered Bonds would not be adversely affected or withdrawn does not impose or extend any actual or contingent liability on the Rating Agencies to the Issuer, the Covered Bond Guarantor, the Bond Trustee, the Security Trustee, the Secured Creditors (including the Covered Bondholders) or any other person or create any legal relations between the Rating Agencies and the Issuer, the Covered Bond Guarantor, the Bond Trustee, the Security Trustee, the Secured Creditors (including the Covered Bondholders) or any other person whether by way of contract or otherwise.

The terms of certain of the Programme Documents provide that, for a certain event or circumstance to occur or not occur, as the case may be, the Issuer must deliver a Rating Affirmation Notice to the Covered Bond Guarantor and the Bond Trustee (copied to the Seller and each Rating Agency) confirming that it has notified the Rating Agencies of the event or circumstance and that the Issuer is reasonably satisfied following discussions with the Rating Agencies, that the event or circumstance, as applicable, will not result in a reduction, qualification or withdrawal of the ratings then assigned by the Rating Agencies to the Covered Bonds. Any Rating Affirmation Notice, if given, will be given on the basis of the facts and circumstances prevailing at the relevant time, and in the context of cumulative changes to the transaction of which the securities form part since the issuance closing date. A Rating Affirmation Notice is given on the basis that it will not be construed as advice for the benefit of any parties to the transaction.

If a Rating Agency confirmation is required for the purposes of the Programme Documents and the Rating Agency does not consider such confirmation necessary, does not respond to a written request for a discussion by the Issuer or does not provide a confirmation in writing in connection with a Rating Affirmation Notice to be given by the Issuer in respect of any event or circumstance, the Issuer will be entitled to assume that the then current rating of the Covered Bonds from that Rating Agency will not be downgraded, qualified or withdrawn by such Rating Agency as a result of such event or circumstance. However, any such non-response or cooperation will not be interpreted to mean that such Rating Agency has given any deemed confirmation or affirmation of rating or other response in respect of such action or step. It should be noted that, depending on the timing of delivery of the request and any information needed to be provided as part of any such request, it may be the case that a Rating Agency cannot provide a confirmation, affirmation or response in the time available or at all, and the Rating Agency will not be responsible for the consequences thereof. Such confirmation, affirmation or response, if given, will be given on the basis of the facts and circumstances prevailing at the relevant time, and in the context of cumulative changes to the transaction of which the securities form part since the issuance date.

#### ***Security Trustee's powers may affect the interests of the Covered Bondholders***

The Security Trustee will not be obliged (other than as expressly provided in the Security Deed) to take any steps or exercise any of its powers, rights, trusts, authorities, duties, functions or discretions (including to require anything to be done, form any opinion or view, make any determination or give any notice, consent, waiver or approval) under or pursuant to the Security Deed or any other Programme Document to which the Security Trustee is a party (a) unless the Security Trustee has been directed to do so by the Bond Trustee (if any Covered Bonds are outstanding) or by the Majority Secured Creditors (if no Covered Bonds are outstanding) and (b) the Security Trustee has been indemnified and/or secured and/or pre-funded to its satisfaction against all Liabilities to which it may thereby render itself liable and all Liabilities which it may incur by so doing and (c) provided

always that the Security Trustee is not bound to take any enforcement proceedings which may, in the opinion of the Security Trustee in its absolute discretion, result in the Security Trustee failing to receive any payment to which it is or would be entitled. If there is at any time a conflict between a duty owed by the Security Trustee to the Covered Bondholders and a duty owed by the Security Trustee to any other Secured Creditor or class of Secured Creditor, then the Security Trustee must have regard only to the interests of the Covered Bondholders while any of the Covered Bonds remain outstanding and will not be required to have regard to the interests of any other Secured Creditor or any other person or to act upon or comply with any direction or request of any other Secured Creditor or any other person while any amount remains owing to any Covered Bondholders.

Where in connection with the exercise of its powers, trusts, authorities and discretions (including any modifications, waiver, authorisation or determination) the Security Trustee is required to have regard to the Covered Bondholders (or any Series thereof), it must have regard to the general interests of the Covered Bondholders (or any Series thereof) as a class and must not have regard to any interests arising from circumstances particular to individual Covered Bondholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular country, territory or any political subdivision thereof and the Security Trustee will not be entitled to require, nor will any Covered Bondholder be entitled to claim from, the Issuer, the Covered Bond Guarantor, the Bond Trustee, the Security Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Covered Bondholders, except to the extent already provided for in Condition 7 of the Programme Conditions and Condition 6 of the N Covered Bond Conditions (as applicable) .

If, in connection with the exercise of its powers, trusts, authorities or discretions, the Security Trustee is of the opinion that the interests of the holders of the Covered Bonds of any one or more Series could or would be materially prejudiced, the Security Trustee may determine that it will not exercise such power, trust, authority or discretion without the approval of such Covered Bondholders by Extraordinary Resolution or by a direction in writing of such Covered Bondholders of not less than 25 per cent of the Australian Dollar Equivalent of the Principal Amount Outstanding of the Covered Bonds of the relevant Series then outstanding, and which has not been contradicted by a direction in writing of such Covered Bondholders of an equal or greater Australian Dollar Equivalent received by the Security Trustee prior to exercise of the relevant power, trust, authority or discretion, as the case may be.

Provided that the Security Trustee acts in good faith, as described in the preceding paragraphs, it will not incur any liability to any Secured Creditor or any other person for so doing.

***The Bond Trustee and the Security Trustee may agree to modifications to the Programme Documents without, respectively, the Covered Bondholders or other Secured Creditors' prior consent***

Pursuant to the terms of the Bond Trust Deed, the Bond Trustee may without the consent or sanction of any of the Covered Bondholders of any Series and without the consent of the other Secured Creditors (other than any Secured Creditor who is a party to the relevant document) at any time and from time to time concur with the Issuer and the Covered Bond Guarantor (acting on the directions of the Trust Manager) and any other party and/or direct the Security Trustee to concur with the Issuer, the Covered Bond Guarantor (acting on the directions of the Trust Manager) or any other party, in making any modification to the Covered Bonds of one or more Series or any Programme Document (a) which does not relate to a Series Reserved Matter and which, in the opinion of the Bond Trustee, will not be materially prejudicial to the interests of the Covered Bondholders of any Series; or (b) which in the opinion of the Bond Trustee, is: (i) of a formal, minor or technical nature; (ii) made to correct a manifest error or (iii) to comply with mandatory provisions of law (and for the purpose of this item (iii) the Bond Trustee may disregard whether such modification relates to a Series Reserved Matter). In forming its opinion as to whether the Covered Bonds or any one or more Series or any Programme Document is subject to a manifest error, the Bond Trustee may have regard to any evidence which it considers reasonable to rely on (including a certificate from the Issuer as to certain matters and a Rating Affirmation Notice issued by the Issuer).

Pursuant to the terms of the Security Deed, the Security Trustee may without the consent or sanction of any of the Covered Bondholders of any Series (while there are Covered Bonds outstanding), and without the consent of the other Secured Creditors (other than any Secured Creditor who is party to the relevant document) at any time and from time to time concur with the Issuer and the Covered Bond Guarantor (acting on the directions of the Trust Manager) or any other party in making any modification to the Covered Bonds of one or more Series or to any Programme Documents if either (a) the Security Trustee is directed to do so by the Bond Trustee (if any Covered Bonds are outstanding) or the Majority Secured Creditors (if no Covered Bonds are outstanding) or (b)

the modification is of a formal, minor or technical nature, made to correct a manifest error or an error established as such to the Security Trustee's satisfaction or made to comply with mandatory provisions of law and, if any Covered Bonds are outstanding, the Bond Trustee has approved the modification.

The Security Trustee and the Bond Trustee will be obliged to concur in and to effect modifications to the Programme Documents requested by the Issuer, the Covered Bond Guarantor or the Trust Manager to: (a) accommodate accession of a new Servicer, new Swap Provider, new Trust Manager, new Account Bank, new Cover Pool Monitor or new Agent to the Programme if certain conditions are met; (b) take into account any changes in the ratings criteria of the Rating Agencies in relation to covered bonds where, absent such modifications, the Issuer is reasonably satisfied following discussions with the relevant Rating Agency that the ratings assigned by that relevant Rating Agency to any Covered Bonds may be subject to downgrade, withdrawal or qualification and even if such changes are, or may be, prejudicial or materially prejudicial to the interests of the Covered Bondholders of any Series; (c) allow a Swap Provider to transfer securities as Swap Collateral under a relevant Swap Agreement Credit Support Annex, including to appoint a custodian to hold such securities in a custody account pursuant to a custody agreement; (d) enable N Covered Bonds to be issued under the Programme if certain conditions are met (including written certification from the Issuer and the Trust Manager certifying to the Bond Trustee and the Security Trustee that the requested amendments are made solely for the purpose of the issuance of N Covered Bonds and are not, in their opinion, materially prejudicial to the interests of any Covered Bondholders or any Secured Creditor; or (e) ensure compliance of the Programme or the Issuer, as applicable, with, or ensure that the Issuer may benefit from, any existing, new or amended legislation, regulation, directive, prudential standard or prudential guidance note of any regulatory body (including APRA) in relation to covered bonds provided that the Issuer and the Trust Manager has certified to the Security Trustee and the Bond Trustee in writing that such modifications are required in order to comply with or benefit from such legislation, regulation, directive, prudential standard or prudential guidance note, as the case may be.

#### ***Certain decisions of the Covered Bondholders taken at Programme level***

Any Extraordinary Resolution to direct the Bond Trustee to serve an Issuer Acceleration Notice following an Issuer Event of Default, to direct the Bond Trustee to serve a Covered Bond Guarantee Acceleration Notice following a Covered Bond Guarantor Event of Default or to direct the Bond Trustee or the Security Trustee (or to direct the Bond Trustee to direct the Security Trustee) to take any enforcement action or to direct the Bond Trustee to determine that any Issuer Event of Default, Potential Issuer Event of Default, Covered Bond Guarantor Event of Default or Potential Covered Bond Guarantor Event of Default will not be treated as such must be passed at a single meeting of all Covered Bondholders of all Series then outstanding and therefore the holders of a single Series of Covered Bonds may not be able to give any directions to the Bond Trustee or the Security Trustee without the agreement of the holders of other outstanding Series of Covered Bonds.

Neither the Bond Trustee nor the Security Trustee will be bound to take enforcement proceedings in relation to the Bond Trust Deed, the Covered Bonds, the Security or any other Programme Document unless the Bond Trustee or Security Trustee, as applicable, has been indemnified and/or prefunded and/or secured to its satisfaction and provided that the Security Trustee will not be bound to take any enforcement proceedings which may, in the opinion of the Security Trustee in its absolute discretion, result in the Security Trustee failing to receive any payment to which it is or would be entitled.

#### ***Absence of secondary market; lack of liquidity***

There is no assurance that any secondary market for the Covered Bonds will develop, that it will provide liquidity of investment or that it will continue for the life of the Covered Bonds. The risk that a secondary market in the Covered Bonds will not develop, cease to develop or fail is increased during major disruptions in the capital markets. Such disruptions may not be limited to issues which are directly relevant to the Issuer or the Assets of the Trust and which therefore may appear to be unrelated to the Covered Bonds. For example, there has been a significant downturn in the global credit markets in recent times and there can be no assurance that a secondary market for the Covered Bonds issued by the Issuer will develop. The Covered Bonds are subject to certain restrictions on the resale and transfer thereof as set forth under the section "*Subscription and Sale and Selling Restrictions*" below. If a secondary market does develop, it may not continue for the life of the Covered Bonds or it may not provide sufficient liquidity with the result that a holder of the Covered Bonds may not be able to find a buyer to buy its Covered Bonds readily or at prices that will enable the holder of the Covered Bonds to realise a desired yield. This is particularly the case for Covered Bonds 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 Covered Bonds

generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Covered Bonds.

In addition, as at the date of this Offering Circular, the secondary market for covered bonds and mortgage-backed securities generally is experiencing severe disruptions resulting from reduced investor demand for such securities. This has had a materially adverse impact on the market value of covered bonds and resulted in the secondary market for such securities experiencing very limited liquidity. Limited liquidity in the secondary market may continue to have an adverse effect on the market value of covered bonds and mortgage-backed securities, especially those securities that are more sensitive to prepayment, credit or interest rate risk and those securities that have been structured to meet the requirements of limited categories of investors. Consequently, whilst these market conditions continue to persist, an investor in Covered Bonds may not be able to sell or acquire credit protection on its Covered Bonds readily and market values of covered bonds are likely to fluctuate. Any of these fluctuations may be significant and could result in significant losses to Covered Bondholders. It is not known for how long the market conditions will continue or whether they will worsen. Further deterioration in wholesale funding markets may have an adverse effect on the Issuer and the Covered Bond Guarantor.

In addition, the current market conditions have affected the primary market for a number of financial products including covered bonds and mortgage-backed securities. While it is possible that the current market conditions may soon alleviate, there can be no assurance that the market for covered bonds and mortgage-backed securities will recover at the same time or to the same degree as such other recovering global credit market sectors.

Potential investors must therefore be able to bear the risks of any investment by them in the Covered Bonds for an indefinite period of time.

#### ***APRA's powers under the Australian Banking Act***

##### *Power to direct the return of certain assets*

The Australian Banking Act provides that, in certain circumstances, APRA has the power to direct the Covered Bond Guarantor to return certain assets to the Issuer. The Covered Bond Guarantor will be required to comply with APRA's direction despite anything in its constitution or any contract or arrangement to which it is a party.

Specifically, APRA has the power to direct the Covered Bond Guarantor to return to the Issuer an asset which is held by the Covered Bond Guarantor to the extent that, at the time the direction is given, that asset does not secure "covered bond liabilities". A "covered bond liability" (as defined in the Australian Banking Act) is a liability of the Issuer or the Covered Bond Guarantor to covered bondholders and any other liability which is secured by Assets beneficially owned by the Covered Bond Guarantor. A liability of the Covered Bond Guarantor to the Issuer (other than a liability relating to derivatives or the provision of services) which is secured in priority to any liability to the Covered Bondholders is not a "covered bond liability". Accordingly, APRA may direct the Covered Bond Guarantor to return Assets of the Trust which secure such senior-ranking liabilities of the Covered Bond Guarantor to the Bank. In the context of this Programme this would extend to Assets that secure the Covered Bond Guarantor's senior obligation to repay the Demand Loan (which includes any amount standing to the credit of the OC Account) where the Demand Loan Provider has demanded repayment in circumstances where the Asset Coverage Test would be met after giving effect to such repayment. Under the Australian prudential standard regulating covered bonds (APS 121), the Issuer is required to maintain an accurate and up-to-date register of the Assets of the Trust which secure "covered bond liabilities".

APRA's power to give a direction to the Covered Bond Guarantor as described in this section is also subject to secrecy requirements which means that investors will not receive any notice or otherwise be aware that APRA has given the Covered Bond Guarantor any such direction.

If APRA exercises its power to direct the return of assets to the Issuer, this may adversely affect the ability of the Covered Bond Guarantor to meet its obligations under the Covered Bond Guarantee.

##### *Power to prevent additional sales to meet Asset Coverage Test on any day*

The Australian Banking Act permits APRA to direct the Issuer, in certain circumstances, not to transfer any asset to the Covered Bond Guarantor (that is, to prevent the Issuer "topping up" the Assets of the Trust). Those circumstances include where APRA has reason to believe that the Issuer is unable to meet its liabilities, there has been a material deterioration in the Issuer's financial condition, the Issuer is conducting its affairs in an improper or financially unsound way, the failure to issue a direction would materially prejudice the interests of

the Issuer's depositors or the Issuer is conducting its affairs in a way that may cause or promote instability of the Australian financial system. This power could potentially lead to the depletion of the Assets of the Trust which may adversely affect the ability of the Covered Bond Guarantor to meet its obligations under the Covered Bond Guarantee.

*Power to prevent further issue of covered bonds*

Apart from and in addition to the Australian Banking Act restriction that the Issuer is precluded from issuing covered bonds if, at the time of issuance, the value of the assets in all cover pools maintained by the ADI exceeds 8% (or such other percentage prescribed by regulation for the purposes of section 28 of the Australian Banking Act) of the ADI's assets in Australia at that time, APRA has the power to direct the Issuer not to issue covered bonds pursuant to section 11CA of the Australian Banking Act or in circumstances where APRA has reason to believe that the ADI has contravened the covered bonds provisions of the Australian Banking Act, the Australian Banking Act or any other prudential requirement regulation or a prudential standard relating to covered bonds.

**RISK FACTORS RELATING TO THE COVERED BOND GUARANTOR, INCLUDING THE ABILITY OF THE COVERED BOND GUARANTOR TO FULFIL ITS OBLIGATIONS IN RELATION TO THE COVERED BOND GUARANTEE**

*Covered Bond Guarantor only obliged to pay Guaranteed Amounts when the same are Due for Payment*

Subsequent to an Issuer Event of Default, the Bond Trustee at its discretion may, and if so requested in writing by the holders of at least 25% of the Australian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds then outstanding or if so directed by an Extraordinary Resolution of the Covered Bondholders will, give an Issuer Acceleration Notice to the Issuer with the effect that as against the Issuer (but not, for the avoidance of doubt, as against the Covered Bond Guarantor under the Covered Bond Guarantee) each Covered Bond will thereupon immediately become due and repayable at its Early Redemption Amount together with accrued interest.

Upon the Covered Bonds becoming immediately due and repayable against the Issuer, the Bond Trustee must immediately serve a Notice to Pay on the Covered Bond Guarantor and the Covered Bond Guarantor will be required to make payments of Guaranteed Amounts when the same become Due for Payment in accordance with the terms of the Covered Bond Guarantee.

Following service of a Notice to Pay on the Covered Bond Guarantor, the Covered Bond Guarantor will pay or procure to be paid on each Scheduled Payment Date to or to the order of the Bond Trustee (for the benefit of Covered Bondholders) an amount equal to those Guaranteed Amounts which have become Due for Payment in accordance with the terms of the Bond Trust Deed but which have not been paid by the Issuer provided that no Notice to Pay will be served on the Covered Bond Guarantor until an Issuer Acceleration Notice has been served by the Bond Trustee on the Issuer.

All payments of principal and interest (if any) in respect of Covered Bonds will be made subject to withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges required by law. In the event of a withholding or deduction being made by the Covered Bond Guarantor, the Covered Bond Guarantor will not be obliged to pay any additional amounts as a consequence. In addition, the Covered Bond Guarantor will not be obliged at any time to make any payments in respect of additional amounts which may become payable by the Issuer under Condition 7 of the Programme Conditions and Condition 6 of the N Covered Bond Conditions (as applicable). Prior to the service on the Covered Bond Guarantor and the Issuer of a Covered Bond Guarantee Acceleration Notice, the Covered Bond Guarantor will not be obliged to make payment in respect of any additional amounts relating to prepayments, early redemption, broken funding indemnities, penalties, premiums, default interest or interest upon interest which may accrue on or in respect of the Covered Bonds.

Subject to any grace period, if the Covered Bond Guarantor fails to make a payment when Due for Payment under the Covered Bond Guarantee or any other Covered Bond Guarantor Event of Default occurs and is continuing, then the Bond Trustee may, and if so requested in writing by the holders of at least 25% of the Australian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds then outstanding or if so directed by an Extraordinary Resolution of all the Covered Bondholders will, accelerate the obligations of the Covered Bond Guarantor under the Covered Bond Guarantee by service of a Covered Bond Guarantee Acceleration Notice, whereupon the Bond Trustee will have a claim under the Covered Bond



Guarantee for an amount equal to the Early Redemption Amount of each Covered Bond, together with accrued interest and all other amounts then due under the Covered Bonds (other than additional amounts payable under Condition 7 of the Programme Conditions and Condition 6 of the N Covered Bond Conditions (as applicable)). Following service of a Covered Bond Guarantee Acceleration Notice, the Security Trustee may enforce the Security over the Charged Property. Pursuant to the terms of the Security Deed, the proceeds of enforcement and realisation of the Security will be required to be applied by the Security Trustee in accordance with the Post-Enforcement Priority of Payments in the Security Deed, and Covered Bondholders will receive amounts from the Covered Bond Guarantor (if any) on an accelerated basis.

It is possible that payments by the Covered Bond Guarantor that relate to interest on the Covered Bonds would be treated as interest for Australian withholding tax purposes and therefore subject to withholding tax. Please refer to the section “*Taxation – Australian Taxation – Payments by the Covered Bond Guarantor*” in this Offering Circular. Investors should be aware that in the event payments by the Covered Bond Guarantor are subject to any withholding or deduction for or on account of tax, the Covered Bond Guarantor will not be required to pay any additional amounts to Covered Bondholders.

#### ***Excess Proceeds received by the Bond Trustee***

Following the occurrence of an Issuer Event of Default and service of an Issuer Acceleration Notice, the Bond Trustee may receive Excess Proceeds. In accordance with the Bond Trust Deed, the Excess Proceeds will be paid by the Bond Trustee on behalf of the Covered Bondholders of the relevant Series to the Covered Bond Guarantor for its own account, as soon as practicable, and will be held by the Covered Bond Guarantor in the GIC Account and the Excess Proceeds will thereafter form part of the Security and will be used by the Covered Bond Guarantor in the same manner as all other moneys from time to time standing to the credit of the GIC Account. Any Excess Proceeds received by the Bond Trustee will discharge *pro tanto* the obligations of the Issuer in respect of the Covered Bonds, Receipts and Coupons (subject to restitution of the same if such Excess Proceeds will be required to be repaid by the Bond Trustee or by the Covered Bond Guarantor). However, the obligations of the Covered Bond Guarantor under the Covered Bond Guarantee are (following service of a Notice to Pay or a Covered Bond Guarantee Acceleration Notice) unconditional and irrevocable and the receipt by the Bond Trustee of any Excess Proceeds will not reduce or discharge any such obligations.

By subscribing for Covered Bonds, each holder of the Covered Bonds will be deemed to have irrevocably directed the Bond Trustee to pay the Excess Proceeds to the Covered Bond Guarantor for application in the manner described above.

#### ***Finite resources available to the Covered Bond Guarantor to make payments due under the Covered Bond Guarantee***

Following the service of a Notice to Pay on the Covered Bond Guarantor, the Covered Bond Guarantor’s ability to meet its obligations under the Covered Bond Guarantee will depend on (a) the realisable value of Selected Mortgage Loan Rights forming part of the Assets of the Trust, (b) the Principal Collections and Finance Charge Collections generated by the Mortgage Loan Rights forming part of the Assets of the Trust and the timing thereof, (c) amounts received from the Swap Providers, (d) the realisable value of Substitution Assets and Authorised Investments held by it and (e) the receipt by it of credit balances and interest on credit balances on the GIC Account. Recourse against the Covered Bond Guarantor under the Covered Bond Guarantee is limited to the aforementioned assets and the Covered Bond Guarantor will not have any other source of funds available to meet its obligations under the Covered Bond Guarantee.

If a Covered Bond Guarantor Event of Default occurs and is continuing and the Security created by or pursuant to the Security Deed is enforced, the realisation of the Charged Property may not be sufficient to meet the claims of all the Secured Creditors, including the Covered Bondholders.

If, following enforcement of the Security constituted by or pursuant to the Security Deed, the Secured Creditors have not received the full amount due to them pursuant to the terms of the Programme Documents, then they may still have an unsecured claim against the Issuer for the shortfall. There is no guarantee that the Issuer will have sufficient funds to pay that shortfall.

Covered Bondholders should note that the Asset Coverage Test has been structured to ensure that the Adjusted Aggregate Mortgage Loan Amount is an amount at least equal to the Australian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds for so long as Covered Bonds remain outstanding prior to the service of a Notice to Pay on the Covered Bond Guarantor and/or, a Covered Bond

Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer, which should reduce the risk of there ever being a shortfall (although there is no assurance of this – in particular, the sale of further Mortgage Loan Rights by the Seller to the Covered Bond Guarantor may be required to remedy a breach of the Asset Coverage Test).

The Trust Manager will be required to ensure that, following the service of a Notice to Pay on the Covered Bond Guarantor (but prior to the service of a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer), the Amortisation Test is satisfied on each Determination Date. A breach of the Amortisation Test will constitute a Covered Bond Guarantor Event of Default and if it continues it will entitle the Bond Trustee to serve a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer.

The Asset Coverage Test, the Amortisation Test, the Interest Rate Shortfall Test, the Yield Shortfall Test and the Pre-Maturity Test have in the aggregate been structured to ensure that the Assets of the Trust are sufficient to pay amounts due on the Covered Bonds and senior expenses (which will include costs relating to the maintenance, administration and winding-up of the Assets of the Trust whilst the Covered Bonds are outstanding). However, no assurance can be given that the Assets of the Trust will in fact generate sufficient amounts for such purposes (see “*Summary of the Principal Documents – Establishment Deed – Asset Coverage Test*” and “*Credit Structure – Asset Coverage Test*”, “*Summary of the Principal Documents – Establishment Deed – Amortisation Test*” and “*Credit Structure – Amortisation Test*”, “*Summary of the Principal Documents – Servicing Deed – Interest Shortfall Test and Yield Shortfall Test*”, “*Summary of the Principal Documents – Establishment Deed – Pre-Maturity Test*” and “*Credit Structure – Pre-Maturity Test*”).

Further, in some instances, the Bank, as Seller, will be entitled to receive amounts in priority to payments of principal to the Covered Bondholders. In particular, the Seller may be reimbursed from Principal Collections available on any day for any Trust Further Advances made by the Seller on that day. Any amounts so applied from Principal Collections will not form part of the Available Principal Amount to be applied by the Covered Bond Guarantor in accordance with the Pre-Acceleration Principal Priority of Payments on the next following Distribution Date.

#### ***Reliance of the Covered Bond Guarantor on third parties***

The Covered Bond Guarantor has entered into agreements with a number of third parties, which have agreed to perform services for the Covered Bond Guarantor. In particular, but without limitation:

- (a) the Servicer has been appointed to act as servicer of the Mortgage Loan Rights forming part of the Assets of the Trust on behalf of the Covered Bond Guarantor pursuant to the provisions of the Servicing Deed;
- (b) the Trust Manager has been appointed to provide the administration and cash management services set out in the Programme Documents including, without limitation, assisting the Covered Bond Guarantor in operating the Trust Accounts, keeping and maintaining records, causing annual accounts of the Trust to be audited and directing the Covered Bond Guarantor in relation to investing moneys standing to the credit of the GIC Account in Substitution Assets or Authorised Investments;
- (c) the Trust Manager has been appointed to provide the calculation services set out in the Programme Documents including, without limitation, doing all calculations on each Determination Date which are required to determine whether the Legislated Collateralisation Test and the Asset Coverage Test or the Amortisation Test or the Pre-Maturity Test, as the case may be, are satisfied or otherwise and providing information to the Cover Pool Monitor;
- (d) the Cover Pool Monitor has been appointed to perform agreed upon procedures for the purpose of verifying the Trust Manager's calculations in respect of the Asset Coverage Test or the Amortisation Test, as the case may be, and the Legislated Collateralisation Test. The functions of the Cover Pool Monitor in respect of the Trust for the purposes of the Australian Banking Act include assessing the keeping by the Trust Manager of an accurate register of the Assets of the Trust and assessing compliance by the Bank with the requirements of sections 31 and 31A of the Australian Banking Act; and
- (e) the Account Bank has been appointed to operate each of the Trust Accounts in accordance with the relevant account bank mandate pursuant to the Account Bank Agreement.

In the event that any of those third parties fails to perform its obligations under the relevant Programme Documents to which it is a party, the realisable value of the Mortgage Loan Rights forming part of the Assets of the Trust and other Assets of the Trust or pending such realisation (if the Mortgage Loan Rights forming part of the Assets of the Trust and other Assets of the Trust cannot be sold) the ability of the Covered Bond Guarantor to make payments under the Covered Bond Guarantee may be affected. For example, if the Servicer fails to adequately administer the Mortgage Loans forming part of the Assets of the Trust, this may lead to higher incidences of non-payment or default by Borrowers.

The Covered Bond Guarantor will also be reliant on the Swap Providers to provide it with the funds sufficient to meet its obligations under the Intercompany Loan Agreement, the Demand Loan Agreement and the Covered Bond Guarantee, as described below.

If the Trust Manager has determined that, among other things, a Servicer Default has occurred and is continuing, then the Trust Manager must, by written notice to the Servicer, immediately terminate the rights and obligations of the Servicer and appoint another appropriately qualified organisation to act in its place. The purported appointment of a Substitute Servicer following such termination has no effect until the Substitute Servicer executes an agreement under which it covenants to act as servicer in accordance with the Servicing Deed and all other Programme Documents to which the Servicer is a party. The Trust Manager must notify the Security Trustee, the Bond Trustee and the Rating Agencies of the identity of the Substitute Servicer. Until the appointment of the Substitute Servicer is complete, the Covered Bond Guarantor must act as Servicer (and is entitled to the relevant fees for the period it so acts). There can be no assurance that a Substitute Servicer with sufficient experience of administering mortgages of residential properties would be found who would be willing and able to service the Mortgage Loan Rights forming part of the Assets of the Trust on the terms of the Servicing Deed or that the Servicer will be able to continue to perform this role until such Substitute Servicer is appointed, particularly if the Servicer's termination is as a result of an Insolvency Event occurring in respect of the Servicer.

The ability of a Substitute Servicer or the Covered Bond Guarantor (when acting as Servicer) to perform fully the required services as Servicer would depend, among other things, on the information, software and records available at the time of the appointment or it being required to act as Servicer, respectively. Any delay or inability to appoint a Substitute Servicer may affect payments on the Mortgage Loan Rights forming part of the Assets of the Trust, the realisable value of such Mortgage Loan Rights and/or the ability of the Covered Bond Guarantor to make payments under the Covered Bond Guarantee.

The Servicer has no liability for any obligations of the Borrowers in respect of the Mortgage Loan Rights forming part of the Assets of the Trust. Covered Bondholders will have no right to consent to or approve of any actions taken by the Servicer under the Servicing Deed.

The Servicer is required to act as collecting agent for the Covered Bond Guarantor (for itself and as trustee of the CBA Trust) in respect of all payments in respect of the Mortgage Loan Rights forming part of the Assets of the Trust (including, without limitation, a Mortgage Loan Scheduled Payment). If the Servicer receives, during a Collection Period, any money whatsoever arising from the Mortgage Loan Rights forming part of the Assets of the Trust which money belongs to the Covered Bond Guarantor and such money is to be paid to the GIC Account pursuant to the Servicing Deed, the Servicer will hold such money on trust for the Covered Bond Guarantor. The Servicer is entitled to commingle such money with any other money held by it. In the event of an insolvency of the Servicer, the ability of the Covered Bond Guarantor to trace and recover any such commingled money may be impaired. The risk of the Servicer not making payment on each Distribution Date immediately following the end of a Collection Period is mitigated by an obligation of the Servicer to transfer the collections into the GIC Account within two Local Business Days of receipt if the Servicer's credit ratings are downgraded below a short term credit rating of P-1 from Moody's or F1 from Fitch or a long term credit rating of A from Fitch (or, if Fitch has placed the Servicer on ratings watch negative at the relevant time, below a short term credit rating of F1+ from Fitch or a long term credit rating of A+ from Fitch).

None of the Covered Bond Guarantor, the Security Trustee nor the Bond Trustee is obliged in any circumstances to act as a Servicer or to monitor the performance by the Servicer of its obligations.

While a Trust Manager Default is subsisting and after the Covered Bond Guarantor becomes aware of the Trust Manager Default, the Covered Bond Guarantor must, upon giving written notice to the Issuer, the Security Trustee, the Trust Manager and the Rating Agencies, immediately terminate the rights and obligations of the Trust Manager under the Programme Documents and appoint another entity to act in its place. Until the appointment of the Substitute Trust Manager is complete, the Covered Bond Guarantor must act as Trust

Manager (and is entitled to the relevant fees for the period it so acts). There can be no assurance that a Substitute Trust Manager would be found who would be willing and able to provide such trust management services on the terms of the Establishment Deed and the Management Agreement or that the Trust Manager will be able to continue to perform this role until such Substitute Trust Manager is appointed, particularly if the Trust Manager's termination is as a result of an Insolvency Event occurring in respect of the Trust Manager. Neither the Security Trustee nor the Bond Trustee will be obliged in any circumstances to act as a Trust Manager or to monitor or supervise the performance by the Trust Manager (or any Substitute Trust Manager) of its obligations.

The ability of a Substitute Trust Manager or the Covered Bond Guarantor (when acting as Trust Manager) to perform fully the required trust management services as Trust Manager would depend, among other things, on the information, software and records available at the time of the appointment or it being required to act as Trust Manager, respectively. Any delay or inability to appoint a Substitute Trust Manager may affect payments to and from the Trust Accounts in accordance with the terms of the Programme Documents, and/or the provision of the Asset Coverage Reports and other information to, inter alia, the Rating Agencies, the Security Trustee and the Covered Bond Guarantor and may ultimately affect the ability of the Covered Bond Guarantor to make payments under the Covered Bond Guarantee.

The Trust Manager has no obligation itself to advance payments that Borrowers fail to make in a timely fashion. Covered Bondholders will have no right to consent to or approve of any actions taken by the Trust Manager under the Establishment Deed and/or the Management Agreement.

### ***Change of counterparties***

The parties to the Programme Documents who receive and hold moneys pursuant to the terms of such documents (such as the Servicer and the Account Bank) will be required to satisfy certain criteria in order to continue to receive and hold such moneys. These criteria will include requirements in relation to the short-term and/or long-term, unguaranteed and unsecured credit ratings ascribed to such party by Fitch and Moody's.

If the party concerned ceases to satisfy the applicable criteria, including such credit ratings criteria, then the rights and obligations of that party (including the right or obligation to receive moneys on behalf of the Covered Bond Guarantor) may be required to be transferred to another entity which does satisfy the applicable criteria. If the rights and obligations of that counterparty are transferred to another entity, then the terms agreed with the replacement entity may not be as favourable as those agreed with the original party pursuant to the Programme Documents. There is no guarantee that a replacement counterparty could be found.

In addition, should the applicable criteria cease to be satisfied, then the parties to the relevant Programme Document may agree to amend or waive certain of the terms of such document, including the applicable criteria, in order to avoid the need for a replacement entity to be appointed. The consent of Covered Bondholders may not be required in relation to such amendments and/or waivers.

### ***Reliance on Swap Providers***

In order to hedge certain interest rate, currency or other risks in respect of amounts received by the Covered Bond Guarantor under the Mortgage Loans, the amounts standing to the credit of the GIC Account, any Substitution Assets or Authorised Investments and any other assets that the Covered Bond Guarantor may hold from time to time, and amounts payable by the Covered Bond Guarantor under the Intercompany Loan Agreement and/or the Demand Loan Agreement to the Bank and/or amounts payable by the Covered Bond Guarantor under the Covered Bond Guarantee to Covered Bondholders in respect of the Covered Bonds on issue, the Covered Bond Guarantor will enter into certain swap transactions with swap providers (each, a **Swap Provider**).

If the Covered Bond Guarantor fails to make timely payments (except where the terms of the relevant Swap Agreement provide for a pro rata reduction on both legs of any relevant transaction thereunder where the Covered Bond Guarantor has insufficient funds to make the payment in full) of amounts due under any Swap Agreement, then it will have defaulted under that Swap Agreement and such Swap Agreement may be terminated. Further, a Swap Provider is only obliged to make payments to the Covered Bond Guarantor if the Covered Bond Guarantor complies with its payment obligations under the relevant Swap Agreement. If a Swap Agreement (or any transactions thereunder) terminates or the relevant Swap Provider is not obliged to make payments or if it defaults in its obligations to make payments of amounts in the relevant currency equal to the full amount to be paid to the Covered Bond Guarantor on the relevant payment date under such Swap Agreement, the Covered Bond Guarantor will be exposed to changes in the relevant currency exchange rates to

Australian Dollars (where relevant) and to any changes in the relevant rates of interest. Unless a replacement swap is entered into, the Covered Bond Guarantor may have insufficient funds to make payments under the Intercompany Loan Agreement, the Demand Loan Agreement or the Covered Bond Guarantee.

If a Swap Agreement (or any transactions thereunder) terminates, then the Covered Bond Guarantor may be obliged to make a termination payment to the relevant Swap Provider. There can be no assurance that the Covered Bond Guarantor will have sufficient funds available to make a termination payment under the relevant Swap Agreement or to make any upfront payment required by a replacement swap counterparty, nor can there be any assurance that the Covered Bond Guarantor will be able to find a replacement swap counterparty which has both sufficiently high ratings as may be required by any of the Rating Agencies and which agrees to enter into a replacement swap agreement on similar commercial terms.

If the Covered Bond Guarantor is obliged to pay a termination payment under any Swap Agreement:

- (i) (if the Issuer is not the Interest Rate Swap Provider) any such termination payment in respect of the Interest Rate Swap will rank ahead of amounts due on the Covered Bonds; and
- (ii) any such termination payment in respect of a Covered Bond Swap and (if the Issuer is the Interest Rate Swap Provider) the Interest Rate Swap will rank *pari passu* and rateably with amounts due on the Covered Bonds,

except where default by, or downgrade of, the relevant Swap Provider has caused the relevant Swap Agreement to terminate.

The obligation to pay a termination payment may adversely affect the ability of the Covered Bond Guarantor to meet its obligations under the Covered Bond Guarantee.

#### ***Insolvency proceedings and subordination provisions***

There is uncertainty as to the validity and/or enforceability of a provision which (based on contractual and/or trust principles) subordinates certain payment rights of a creditor to the payment rights of other creditors of its counterparty upon the occurrence of insolvency proceedings relating to that creditor. In particular, recent cases have focused on provisions involving the subordination of a hedging counterparty's payment rights in respect of certain termination payments upon the occurrence of insolvency proceedings or other default on the part of such counterparty. Such provisions are similar in effect to the terms which are included in the Programme Documents relating to the subordination of Excluded Swap Termination Amounts.

The UK Supreme Court has affirmed the decision of the English Court of Appeal that such a subordination provision is valid under English law. It is likely that an Australian court would also consider such a subordination provision to be valid under Australian law. Contrary to the determination of the UK Supreme Court, the US Bankruptcy Court held that such a subordination provision is unenforceable under US bankruptcy law and that any action to enforce such provision would violate the automatic stay which applies under such law in the case of a US bankruptcy of the counterparty. The implications of this conflicting judgment are not yet known, particularly as the US Bankruptcy Court approved, in December 2010, the settlement of the case to which the judgment relates and subsequently the appeal was dismissed. However, there remains a stayed action in the U.S. commenced by certain debtors of Lehman Brothers concerning the enforceability of such subordination provisions and, in addition, in February 2012, a complaint was filed by certain parties seeking recognition and enforcement of the UK Supreme Court decision (and corresponding lower court decisions) and other declaratory relief with respect to the subordination provision in question in the case described above. At the same time as filing the complaint, the relevant parties also filed a motion seeking the withdrawal of the reference from the U.S. Bankruptcy Court, requesting that the complaint be heard instead by the U.S. District Court. It has not yet been determined whether the complaint will be addressed by the U.S. Bankruptcy Court or the U.S. District Court, nor is it known when the complaint will be addressed.

If a creditor of the Covered Bond Guarantor (such as a Swap Provider) or a related entity becomes subject to insolvency proceedings in any jurisdiction outside England and Wales or Australia (including, but not limited to, the US), and it is owed a payment by the Covered Bond Guarantor, a question arises as to whether the insolvent creditor or any insolvency official appointed in respect of that creditor could successfully challenge the validity and/or enforceability of subordination provisions included in the English law or Australian law governed Programme Documents (such as a provision of the Priorities of Payments which refers to the ranking of the Swap Providers' payment rights in respect of Excluded Swap Termination Amounts). In particular, based on the decision of the US Bankruptcy Court referred to above, there is a risk that such subordination provisions

would not be upheld under US bankruptcy laws. Such laws may be relevant in certain circumstances with respect to a range of entities which may act as a Swap Provider, including US established entities and certain non-US established entities with assets or operations in the US (although the scope of any such proceedings may be limited if the relevant non-US entity is a bank with a licensed branch in a US state). In general, if a subordination provision included in the Programme Documents was successfully challenged under the insolvency laws of any relevant jurisdiction outside England and Wales or Australia and any relevant foreign judgment or order was recognised by the English courts or Australian courts, there can be no assurance that such actions would not adversely affect the rights of the Covered Bondholders, the market value of the Covered Bonds and/or the ability of the Covered Bond Guarantor to satisfy its obligations under the Covered Bonds.

Lastly, given the general relevance of the issues under discussion in the judgments referred to above and that the Programme Documents will include terms providing for the subordination of Excluded Swap Termination Amounts, there is a risk that the final outcome of the dispute in such judgments (including any recognition action by the English courts or Australian courts) may result in negative rating pressure in respect of the Covered Bonds. If any rating assigned to the Covered Bonds is lowered, the market value of the Covered Bonds may reduce.

### ***Limited description of the Mortgage Loan Rights***

Covered Bondholders may not receive detailed statistics or information in relation to the Mortgage Loan Rights forming part of the Assets of the Trust because it is expected that the constitution of the Mortgage Loan Rights forming part of the Assets of the Trust will frequently change due to, for instance:

- (a) the Seller selling additional Mortgage Loan Rights to the Covered Bond Guarantor;
- (b) payments by the Borrowers on those Mortgage Loans; and
- (c) the Covered Bond Guarantor's interest in the Mortgage Loan Rights being transferred to or extinguished in favour of the Seller in accordance with the Mortgage Sale Agreement, in particular, in relation to non-compliance with the Representations and Warranties (see "*Summary of the Principal Documents – The Mortgage Sale Agreement – Repurchase by the Seller*").

There is no assurance that the characteristics of any Mortgage Loan Rights sold to the Covered Bond Guarantor on any Closing Date will be the same as those of the other Mortgage Loan Rights forming part of the Assets of the Trust as at the relevant Closing Date. However, each Mortgage Loan sold to the Covered Bond Guarantor will be required to be an Eligible Mortgage Loan and the Seller will also be required to make the Representations and Warranties set out in the Mortgage Sale Agreement on such date (see "*Summary of the Principal Documents – Mortgage Sale Agreement – Sale by the Seller of Mortgage Loan Rights*") (although the criteria for Eligible Mortgage Loans and Representations and Warranties may change in certain circumstances (see "*The Bond Trustee and the Security Trustee may agree to modifications to the Programme Documents without, respectively the Covered Bondholders' or Secured Creditors' prior consent*"). In addition, the Asset Coverage Test is intended to ensure that on each Determination Date the Adjusted Aggregate Mortgage Loan Amount is an amount at least equal to the Australian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds for so long as Covered Bonds remain outstanding (prior to the Service of a Notice to Pay or, if earlier, a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer) and the Trust Manager will provide monthly reports that will set out certain information in relation to the Asset Coverage Test.

The Servicing Guidelines may be amended or revised by the Bank from time to time. If any Mortgage Loans have been originated under amended or revised Servicing Guidelines and the Mortgage Loans are then sold to the Covered Bond Guarantor in accordance with and pursuant to the terms of the Mortgage Sale Agreement, the characteristics of the Mortgage Loan Rights forming part of the Assets of the Trust could at such time change. This could adversely affect the ability of the Covered Bond Guarantor to meet its obligations under the Covered Bond Guarantee.

### ***Maintenance of Mortgage Loan Rights***

#### ***Asset Coverage Test***

The Asset Coverage Test is intended to test the asset coverage of the Assets of the Trust held from time to time by the Covered Bond Guarantor in respect of the Covered Bonds on a monthly basis, prior to the service of a Notice to Pay on the Covered Bond Guarantor and/or a Covered Bond Guarantee Acceleration Notice on the

Covered Bond Guarantor and the Issuer. This is to ensure that the Assets of the Trust held from time to time by the Covered Bond Guarantor do not fall below a certain threshold and are sufficient for the Covered Bond Guarantor to meet its obligations under the Covered Bond Guarantee and senior expenses which rank in priority to or *pari passu* and rateably with amounts due on the Covered Bonds. Pursuant to the terms of the Mortgage Sale Agreement, the Seller has agreed to use all reasonable endeavours to offer to sell sufficient Mortgage Loan Rights to the Covered Bond Guarantor in order to ensure that the Asset Coverage Test is satisfied provided that the Seller will not be obliged to sell Mortgage Loan Rights to the Covered Bond Guarantor if, in the reasonable opinion of the Seller, the sale to the Covered Bond Guarantor of such Mortgage Loan Rights would materially adversely affect the business or financial condition of the Seller. The Consideration payable to the Seller for the sale of such Mortgage Loan Rights to the Covered Bond Guarantor may be funded: (a) by amounts available to the Covered Bond Guarantor to pay for such Mortgage Loan Rights in accordance with the Pre-Acceleration Principal Priority of Payments and/or (b) by the proceeds of a Term Advance and/or a Demand Loan Advance and/or (c) if the Seller is the Demand Loan Provider and/or the Intercompany Loan Provider, by way of set-off against any relevant Demand Loan Advance or Term Advance.

Alternatively, the Covered Bond Guarantor may purchase Substitution Assets or request drawings under the Demand Loan Agreement in order to ensure that the Covered Bond Guarantor is in compliance with the Asset Coverage Test. If the Asset Coverage Test is not satisfied on a Determination Date and also on the next following Determination Date, the Bond Trustee will serve an Asset Coverage Test Breach Notice on the Covered Bond Guarantor (subject to the Bond Trustee receiving notification from the Trust Manager or, if earlier, having actual knowledge or express notice of the breach). The Bond Trustee will be deemed to revoke an Asset Coverage Test Breach Notice if, on the next Determination Date to occur following the service of an Asset Coverage Test Breach Notice, the Asset Coverage Test is satisfied and neither a Notice to Pay nor a Covered Bond Guarantee Acceleration Notice has been served. If the Bond Trustee is deemed to revoke an Asset Coverage Test Breach Notice, the Trust Manager must immediately notify in writing the Bond Trustee thereof. If the Asset Coverage Test Breach Notice is not deemed to be revoked by the Bond Trustee on or before the next Determination Date, then an Issuer Event of Default will occur.

#### *Amortisation Test*

The Amortisation Test is intended to ensure that, following service of a Notice to Pay on the Covered Bond Guarantor (but prior to the service of a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer), the Assets of the Trust held from time to time by the Covered Bond Guarantor do not fall below a certain threshold to ensure that the Assets of the Trust are sufficient to meet the Covered Bond Guarantor's obligations under the Covered Bond Guarantee and senior expenses which rank in priority to or *pari passu* and rateably with amounts due on the Covered Bonds. Pursuant to the Establishment Deed, the Trust Manager must ensure that on each Determination Date following service of a Notice to Pay on the Covered Bond Guarantor (but prior to the service of a Covered Bond Guarantee Acceleration Notice), the Amortisation Test Aggregate Mortgage Loan Amount is in an amount at least equal to the Australian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds.

If the aggregate collateral value of the Mortgage Loan Rights forming part of the Assets of the Trust has not been maintained in accordance with the Amortisation Test, then that may affect the realisable value of the Mortgage Loan Rights forming part of the Assets of the Trust (both before and after the occurrence of a Covered Bond Guarantor Event of Default) and/or the ability of the Covered Bond Guarantor to make payments under the Covered Bond Guarantee. Failure to satisfy the Amortisation Test on any Determination Date following an Issuer Event of Default that is continuing and service of a Notice to Pay on the Covered Bond Guarantor will constitute a Covered Bond Guarantor Event of Default and will entitle the Bond Trustee to accelerate the Covered Bond Guarantor's obligations under the Covered Bond Guarantee against the Covered Bond Guarantor subject to and in accordance with the Conditions.

#### *Cover Pool Monitor to verify the Trust Manager's calculations and assess the keeping of an accurate register of the Assets and compliance with the Australian Banking Act*

Prior to the service of a Notice to Pay on the Covered Bond Guarantor, the Cover Pool Monitor will, subject to receipt of the relevant information from the Trust Manager, verify the calculations performed by the Trust Manager in relation to the Asset Coverage Test on the Determination Date immediately preceding each half yearly and yearly anniversary of the Programme Date.

Following receipt of notice that a Notice to Pay has been served on the Covered Bond Guarantor but prior to the occurrence of a Covered Bond Guarantor Event of Default and service of a Covered Bond Guarantee

Acceleration Notice, the Cover Pool Monitor will, subject to receipt of the relevant information from the Trust Manager, verify the calculations performed by the Trust Manager in relation to the Amortisation Test on the Determination Date immediately preceding each yearly anniversary of the Programme Date.

In addition, the Cover Pool Monitor will, subject to receipt of the relevant information from the Trust Manager, verify the calculations performed by the Trust Manager in relation to the Legislated Collateralisation Test on the Determination Date immediately preceding each half yearly and yearly anniversary of the Programme Date on which any Covered Bonds are outstanding.

If and for so long as the long-term unsecured, unguaranteed and unsubordinated debt obligation credit ratings of the Issuer fall below Baa3 by Moody's or BBB- by Fitch (or, if Fitch has placed the Issuer on ratings watch negative at the relevant time, fall below BBB by Fitch), the Trust Manager must give written notice of that fact to the Cover Pool Monitor and upon receipt of such notice, the Cover Pool Monitor will conduct the tests of the Trust Manager's calculations in respect of the Asset Coverage Test or the Amortisation Test, as the case may be, on every Determination Date thereafter.

The Cover Pool Monitor will also be required, as soon as reasonably practicable following each Determination Date immediately preceding each half yearly and yearly anniversary of the Programme Date and following receipt of all necessary information, to assess compliance by the Bank with the requirements sections 31 and 31A of the Australian Banking Act and to assess the keeping by the Trust Manager of an accurate register of the Assets of the Trust.

See further the section "*Summary of the Principal Documents – Cover Pool Monitor Agreement*" in this Offering Circular.

None of the Covered Bond Guarantor, the Bond Trustee nor the Security Trustee will be responsible for monitoring compliance with, nor the monitoring of, the Asset Coverage Test, the Amortisation Test, the Legislated Collateralisation Test or any other test, compliance of the Mortgage Loan Rights forming part of the Assets of the Trust with the Australian Banking Act requirements or supervising the performance by any other party of its obligations under any Programme Document.

It should be noted that the Asset Coverage Test and the Amortisation Test have been designed to mitigate certain economic and legal stresses in connection with the performance and valuation of the Assets of the Trust held from time to time by the Covered Bond Guarantor, to ensure that the Covered Bond Guarantor is able to meet its ongoing requirements at all relevant times. In setting the values and criteria for such tests, modelling has been undertaken on the basis of certain assumptions in certain stress scenarios. However, no assurance can be given that the modelling and the assumptions utilised in such modelling have been able to incorporate or examine all possible scenarios that may occur in respect of the Covered Bond Guarantor and the Assets of the Trust. As such, no assurance can be given that the methodology and modelling utilised to set the relevant values and criteria within such tests will be sufficient in all scenarios to ensure that the Covered Bond Guarantor will be able to meet its obligations in full.

#### ***Sale of Selected Mortgage Loan Rights following the occurrence of certain events***

Following the occurrence of any of the following events:

- (a) a breach of the Pre-Maturity Test;
- (b) the service of an Asset Coverage Test Breach Notice on the Covered Bond Guarantor (which has not been deemed to be revoked); or
- (c) the service of a Notice to Pay on the Covered Bond Guarantor,

but prior to the service of a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer, the Trust Manager must direct the Covered Bond Guarantor to, and the Covered Bond Guarantor must, sell Selected Mortgage Loan Rights (selected on a basis that is representative of the Mortgage Loan Rights then forming part of the Assets of the Trust).

The proceeds from any such sale must be deposited into the GIC Account and applied in accordance with the applicable Priority of Payments (see "*Summary of the Principal Documents – Establishment Deed – Sale of Selected Mortgage Loan Rights*").



There is no guarantee the Covered Bond Guarantor will, where the Covered Bond Guarantor is obliged to sell Selected Mortgage Loan Rights, find a buyer to buy Selected Mortgage Loan Rights at the times required and there can be no guarantee or assurance as to the price which may be able to be obtained, which may affect payments under the Covered Bond Guarantee. The Covered Bond Guarantor will offer the Selected Mortgage Loan Rights for the best price reasonably available but in any event, following the service of an Asset Coverage Test Breach Notice (but prior to the service of a Notice to Pay), the Selected Mortgage Loan Rights may not be sold by the Covered Bond Guarantor for an amount less than the Current Principal Balance of the Mortgage Loans in respect of the Selected Mortgage Loan Rights plus the arrears of interest and accrued interest thereon. Following a breach of the Pre-Maturity Test or service of a Notice to Pay on the Covered Bond Guarantor, the Selected Mortgage Loan Rights may not be sold by the Covered Bond Guarantor for an amount less than the Adjusted Required Redemption Amount for the relevant Series of Covered Bonds. However, if the Selected Mortgage Loan Rights have not been sold by the date which is six months prior to either (a) the Final Maturity Date in respect of the Earliest Maturing Covered Bonds, or (b) the Extended Due for Payment Date in respect of the Earliest Maturing Covered Bonds, or (c) in respect of a sale in connection with the Pre-Maturity Test, the Final Maturity Date of the relevant Series of Hard Bullet Covered Bonds, the Trust Manager must direct the Covered Bond Guarantor to, and the Covered Bond Guarantor must, offer the Selected Mortgage Loan Rights for sale for the best price reasonably available notwithstanding that such amount may be less than the Adjusted Required Redemption Amount.

If Selected Mortgage Loan Rights are not sold for an amount equal to or in excess of the Adjusted Required Redemption Amount, the Covered Bond Guarantor may have insufficient funds available to make payment in respect of the Covered Bonds.

At any time after the service of a Notice to Pay on the Covered Bond Guarantor (but prior to service of a Covered Bond Acceleration Notice on the Covered Bond Guarantor and the Issuer), on each Distribution Date the Covered Bond Guarantor will apply the Available Income Amount and Available Principal Amount to redeem or repay in part the relevant Series of Covered Bonds, to the extent that the Covered Bond Guarantor has sufficient moneys available to make such payments in accordance with the Guarantee Priority of Payments. The Available Income Amount will include, among other things, the sale proceeds of Selected Mortgage Loan Rights to the extent such proceeds comprise accrued interest or arrears of interest (if any) that has been, or is to be, on the immediately following Distribution Date, credited to the Income Ledger on the GIC Account. The Available Principal Amount will include, among other things, the sale proceeds of Selected Mortgage Loan Rights (including any excess sale proceeds resulting from the sale of Selected Mortgage Loan Rights sold in respect of another Series of Covered Bonds but excluding accrued interest and arrears of interest which will form part of the Available Income Amount) that have been, or are to be, on the immediately following Distribution Date, credited to the Principal Ledger on the GIC Account, and all principal repayments received on the Mortgage Loans forming part of the Assets of the Trust generally. This may adversely affect repayment of later maturing Series of Covered Bonds if the Selected Mortgage Loan Rights sold to redeem or repay in part an earlier maturing Series of Covered Bonds are sold for less than the Adjusted Required Redemption Amount and accordingly the Covered Bond Guarantor is required to apply other assets forming part of the Assets of the Trust (such as Principal Collections) to redeem that earlier maturing Series of Covered Bonds.

#### ***Sale of Selected Mortgage Loan Rights if Pre-Maturity Test is breached***

The Establishment Deed provides for the sale of Selected Mortgage Loan Rights in circumstances where the Pre-Maturity Test has been breached in relation to a Series of Hard Bullet Covered Bonds. The Pre-Maturity Test will be breached in relation to a Series of Hard Bullet Covered Bonds if the Issuer's short-term credit rating from Moody's falls to P-2 (or lower) or from Fitch is less than F1+ and the Final Maturity Date of the Series of Hard Bullet Covered Bonds falls within 12 months from the relevant Pre-Maturity Test Date. If the Pre-Maturity Test is breached within that period the Covered Bond Guarantor will, after taking into account the amount standing to the credit of the Pre-Maturity Ledger and subject to first utilising the proceeds of any advance made by the Demand Loan Provider under the Demand Loan Agreement, be obliged to commence an offer process to sell Selected Mortgage Loan Rights in order to enable the Covered Bond Guarantor, following service of a Notice to Pay (if any), to pay the Australian Dollar Equivalent of the Required Redemption Amount on a Series of Hard Bullet Covered Bonds under the Covered Bond Guarantee on the Final Maturity Date for such Covered Bonds. In the event that the Pre-Maturity Test is breached in respect of any Series of Hard Bullet Covered Bonds during the Pre-Maturity Test Period and the amount standing to the credit of the Pre-Maturity Ledger of the GIC Account is less than the Australian Dollar Equivalent of the Required Redemption Amount for each Series of Hard Bullet Covered Bonds in respect of which the Pre-Maturity Test has been breached on the earlier to occur of (i) the later of the date which is 10 Local Business Days from the date that the Seller is notified of the breach and the date which is six months prior to the Final Maturity Date of the relevant Series of Hard Bullet

Covered Bonds and (ii) the Final Maturity Date of that Series of Hard Bullet Covered Bonds, an Issuer Event of Default will occur.

There is no guarantee that a suitable buyer will be found to acquire the Selected Mortgage Loan Rights at the times required and there can be no guarantee or assurance as to the price which the Covered Bond Guarantor may be able to obtain, which may affect payments under the Covered Bond Guarantee.

***Realisation of Charged Property following the occurrence of a Covered Bond Guarantor Event of Default***

If a Covered Bond Guarantor Event of Default occurs and is continuing and a Covered Bond Guarantee Acceleration Notice is served on the Covered Bond Guarantor and the Issuer, then the Security Trustee will be entitled to enforce the Security created under and pursuant to the Security Deed and the proceeds from the realisation of the Charged Property, together with any applicable In Specie Mortgage Loan Rights, will be applied by the Security Trustee towards payment of all secured obligations in accordance with the Post-Enforcement Priority of Payments described in “Cashflows” below (other than Third Party Amounts due to the Seller and any Swap Collateral Excluded Amounts due to the relevant Swap Providers by the Covered Bond Guarantor under the relevant Swap Agreements, which will be paid directly to the relevant Swap Providers in accordance with the relevant Swap Agreements).

The Security Trustee's (or any receiver's) right to realise the Mortgage Loan Rights is subject to the Seller's rights of pre-emption described in “Summary of Principal Documents – Security Deed – Enforcement” below.

There is no guarantee that the proceeds of realisation of the Charged Property will be in an amount sufficient to repay all amounts due to the Secured Creditors (including the Covered Bondholders) under the Covered Bonds and the Programme Documents.

If a Covered Bond Guarantee Acceleration Notice is served on the Covered Bond Guarantor and the Issuer, then the Covered Bonds may be repaid sooner or later than expected or not at all.

***Factors that may affect the realisable value of the Mortgage Loan Rights forming part of the Assets of the Trust or the ability of the Covered Bond Guarantor to make payments under the Covered Bond Guarantee***

The realisable value of Selected Mortgage Loan Rights forming part of the Assets of the Trust may be reduced (which may affect the ability of the Covered Bond Guarantor to make payments under the Covered Bond Guarantee) by:

- (a) representations or warranties not being given by the Covered Bond Guarantor or the Seller unless expressly agreed by the Security Trustee or otherwise agreed with the Seller;
- (b) default by Borrowers of amounts due on their Mortgage Loans;
- (c) changes to the Servicing Guidelines of the Seller;
- (d) the Covered Bond Guarantor not having legal title to the Mortgage Loan Rights forming part of the Assets of the Trust;
- (e) risks in relation to some types of Mortgage Loans which may adversely affect the value of the Mortgage Loan Rights forming part of the Assets of the Trust;
- (f) changes in interest rates which may adversely affect the value of fixed rate Mortgage Loans;
- (g) limited recourse to the Seller;
- (h) possible regulatory changes by ASIC in Australia and other regulatory authorities;
- (i) the state of the Australian economy and/or residential mortgage market (which may impact potential buyers);
- (j) regulations in Australia that could lead to some terms of the Mortgage Loan Rights being unenforceable; and
- (k) other issues which impact on the enforceability of the Mortgage Loan Rights.

Some of these factors are considered in more detail below. However, it should be noted that the Asset Coverage Test, the Amortisation Test, the Pre-Maturity Test and the criteria for Eligible Mortgage Loans are intended to ensure that there will be an adequate amount of Mortgage Loan Rights forming part of the Assets of the Trust and moneys standing to the credit of the GIC Account to enable the Covered Bond Guarantor to repay the Covered Bonds following an Issuer Event of Default that is continuing, service of an Issuer Acceleration Notice on the Issuer and service of a Notice to Pay on the Covered Bond Guarantor and accordingly it is expected (but there is no assurance) that Selected Mortgage Loan Rights could be realised for sufficient values to enable the Covered Bond Guarantor to meet its obligations under the Covered Bond Guarantee.

***No representations or warranties to be given by the Covered Bond Guarantor or the Seller if Selected Mortgage Loan Rights are to be sold***

Following a breach of the Pre-Maturity Test and/or the occurrence of an Issuer Event of Default that is continuing, service on the Issuer of an Issuer Acceleration Notice and service on the Covered Bond Guarantor of a Notice to Pay (but prior to the service of a Covered Bond Guarantee Acceleration Notice), the Covered Bond Guarantor will be obliged to commence an offer process to sell Selected Mortgage Loan Rights to third party purchasers, subject to a right of pre-emption enjoyed by the Seller pursuant to the terms of the Mortgage Sale Agreement (see “*Summary of the Principal Documents – Establishment Deed – Method of Sale of Selected Mortgage Loan Rights*”). In respect of any sale of Selected Mortgage Loan Rights to third parties, however, the Covered Bond Guarantor will not be permitted to give representations or warranties in respect of those Selected Mortgage Loan Rights (unless expressly agreed by the Security Trustee or otherwise agreed with the Seller). There is no assurance that the Seller would give any warranties or representations in respect of the Selected Mortgage Loan Rights. Any Representations or Warranties previously given by the Seller in respect of the Mortgage Loans forming part of the Assets of the Trust may not have value for a third party purchaser if the Seller is then insolvent. Accordingly, there is a risk that the realisable value of the Selected Mortgage Loan Rights could be adversely affected by the lack of representations and warranties which in turn could adversely affect the ability of the Covered Bond Guarantor to meet its obligations under the Covered Bond Guarantee.

***Australian Mortgage Market***

The Bank’s business includes mortgage lending in Australia with loans secured against residential property. Any deterioration in the quality of the Mortgage Loan Rights forming part of the Assets of the Trust could have an adverse effect on the Covered Bond Guarantor’s ability to make payment under the Covered Bond Guarantee. There can be no assurance that the housing market will not deteriorate. An increase in household indebtedness, a decline in house prices or an increase in interest rates could have an adverse effect on the Australian mortgage market, which could be exacerbated by different types of mortgages in the market, such as interest-only loans.

The current Australian economic environment may affect the rate at which the Seller originates new Mortgage Loans and may also affect the level of attrition of the Seller’s existing Borrowers, which could in turn adversely affect the ability of the Covered Bond Guarantor to make payments under the Covered Bond Guarantee. There has not been any severe deterioration in the Australian mortgage market as a whole in recent years.

See also the section “*Australian Macroeconomic Conditions and the Australian Housing Market*” in this Offering Circular.

***Geographic concentration of the Mortgage Loans***

To the extent that specific geographic regions have experienced or may experience in the future weaker regional economic conditions and housing markets than other regions, a concentration of the Mortgage Loans in such a region may be expected to exacerbate any or all of the risks relating to the Mortgage Loans described in this section. The Covered Bond Guarantor can predict neither when nor where such regional economic declines may occur nor to what extent or for how long such conditions may continue but if the timing and payment of the Mortgage Loans forming part of the Assets of the Trust is adversely affected as described above, the ability of the Covered Bond Guarantor to make payments under the Covered Bond Guarantee could be reduced or delayed. See also the section “*Australian Macroeconomic Conditions and the Australian Housing Market*” in this Offering Circular.

In particular, all of the Land in respect of the Mortgage Loans is located in Australia and a weakening in the Australian economy could adversely affect both the Borrowers in relation to such Mortgage Loans and the Issuer.

There is no guarantee that the geographic concentration risk within Australia will be mitigated by the way the pool of Mortgage Loans is selected for the Trust, as the Mortgage Loans may not be selected from different geographic regions within Australia.

***Default by Borrowers in paying amounts due on their Mortgage Loans***

Borrowers may default on their obligations due under the Mortgage Loans. Defaults may occur for a variety of reasons. The Mortgage Loans are affected by credit, liquidity and interest rate risks. Various factors influence mortgage delinquency rates, prepayment rates, repossession frequency and the ultimate payment of interest and principal on the Mortgage Loans. These factors include changes in the national, regional or international economic climate such as: volatility in interest rates; lack of liquidity in wholesale funding markets in periods of stressed economic conditions, economic or political crisis; housing market illiquidity and downward price pressure; commencement of recession and employment fluctuations; the availability of financing; consumer perception as to the continuing availability of credit and price competition which may have an adverse impact on delinquency and repossession rates; inflation; yields on alternative investments; and political developments and government policies, including changes in tax laws. Other factors in Borrowers' individual, personal or financial circumstances may also affect the ability of Borrowers to repay the Mortgage Loans. Loss of earnings, illness, separation, divorce and other similar factors may lead to an increase in delinquencies by and bankruptcies of Borrowers, and could ultimately have an adverse impact on the ability of Borrowers to repay the Mortgage Loans. These factors may have a more significant affect on a Borrower's ability to repay depending on the Borrower's type of mortgage.

The rate of prepayments on Mortgage Loans may be increased due to Borrowers refinancing their Mortgage Loans and sales of any property charged by a Mortgage (either voluntarily by Borrowers or as a result of enforcement action taken), as well as the receipt of proceeds from other investments, buildings insurance and life assurance policies. The rate of prepayment of Mortgage Loans may also be influenced by the presence or absence of early repayment charges.

In addition, the ability of a Borrower to sell a property charged by a Mortgage which secures a Mortgage Loan at a price sufficient to repay the amounts outstanding under that Mortgage Loan will depend upon a number of factors, including the availability of buyers for that property, the value of that property and property values and the property market in general at the time of such proposed sale. Downturns in the Australian economy have had, and could continue to have, a negative effect on the housing market.

Further, the mortgage loan market in Australia is highly competitive. This competitive environment may affect the rate at which the Seller originates new Mortgage Loans, the lending spreads and may also affect the repayment rate of existing Mortgage Loans.

Climatic events, geological events, such as volcanic or seismic activity, plant or animal diseases or other extrinsic events, such as flu pandemics, could have a negative effect on a Borrower's ability to pay interest or repay principal on their Mortgage Loan.

If the timing and payment of the Mortgage Loans is adversely affected by any of the risks described above, the ability of the Covered Bond Guarantor to make payments under the Covered Bond Guarantee could be reduced or delayed. In addition, the risks described above could limit the ability of the Bank, as Seller, to originate new Mortgage Loans to sell to the Covered Bond Guarantor in order to satisfy the Asset Coverage Test.

The Current Principal Balance of any Mortgage Loans forming part of the Assets of the Trust that are Defaulted Mortgage Loans will be given a zero value for the purposes of any calculation of the Asset Coverage Test and the Amortisation Test and the Legislated Collateralisation Test.

***Enforcement of Mortgage Loans can involve substantial costs and delays and may not permit full recovery by the Servicer***

In order to enforce the Mortgage Loans in certain situations, such as Defaulted Mortgage Loans, a court order or other judicial or administrative proceedings may be needed in order to establish the Borrower's obligation to pay and to enable a sale by executive measures. Such proceedings may involve substantial legal costs and delays before the Servicer is able to enforce such Defaulted Mortgage Loan and any related Mortgage Loan Rights. Such proceedings may face a variety of impediments, including, but not limited to: (i) regulatory and judicial policies and procedures designed to protect borrowers' rights, (ii) judicial or administrative proceedings instigated by borrowers, other creditors or other third parties, (iii) changes in applicable law that may affect the enforceability or amount recoverable in respect of Mortgage Loans and (iv) equitable judicial powers that could

delay or halt judicial enforcement proceedings. Even if a sale is successfully completed, the value recovered from a Defaulted Mortgage Loan will also depend upon the prevailing market conditions. Pursuant to the Servicing Deed, the Servicer is not required to pursue such enforcement if it has reasonable grounds to believe that the expenses of such litigation may outweigh the proceeds from such litigation.

***Seller to initially retain legal title to the Mortgage Loan Rights***

The Seller will initially retain legal title to the Mortgage Loan Rights and custody of the mortgage title documents. The Covered Bond Guarantor will initially hold only equitable title to the Mortgage Loan Rights forming part of the Assets of the Trust as the Borrower in respect of the relevant Mortgage Loan will not be notified of the assignment of that Mortgage Loan Rights to the Covered Bond Guarantor. This is different to holding legal title which would require that the Covered Bond Guarantor not only has possession of the mortgage title documents, but also that transfers of Mortgages to the Covered Bond Guarantor be filed with the land title offices in the appropriate Australian jurisdictions and that notice of such assignment be given to the Borrower. The Covered Bond Guarantor will take certain steps to protect its interest in, and title to, the Mortgage Loan Rights forming part of the Assets of the Trust if and only in the limited circumstances described in “*Summary of the Principal Documents – Mortgage Sale Agreement – Transfer of Title to the Mortgage Loan Rights to the Covered Bond Guarantor*” and until such right arises the Covered Bond Guarantor will not give notice of the sale of the Mortgage Loan Rights to any Borrower or register or record its interest in the Mortgages at any land title offices or take any other steps to perfect its title to the Mortgages.

At any time during which the Covered Bond Guarantor does not hold legal title to the Mortgage Loan Rights or has not provided notification to the relevant Borrower, the following risks exist:

- (a) first, if the Seller wrongly sells Mortgage Loan Rights, which have already been sold to the Covered Bond Guarantor, to another person, that person would acquire an interest in such Mortgage Loan Rights either:
  - i. free of any interest of the Covered Bond Guarantor if that acquisition was made for value and any security interest held by the Covered Bond Guarantor in relation to the Mortgage Loan Rights was not perfected for the purposes of the PPSA at the time of the acquisition; or
  - ii. ranking in priority to the Covered Bond Guarantor’s interest if that person acquires a perfected security interest in the Mortgage Loan Rights where the Covered Bond Guarantor’s interest was not perfected for the purposes of the PPSA at the time that person’s security interest was perfected.

However, the risk of third party claims obtaining priority to the interests of the Covered Bond Guarantor would be likely to be limited to circumstances arising from a breach by the Seller of its contractual obligations or fraud, negligence or mistake on the part of the Seller or the Covered Bond Guarantor or their respective personnel or agents. Additionally, for the purpose of protecting the Covered Bond Guarantor’s interests and security interests in the Mortgage Loan Rights, the Trust Manager has agreed to do all things reasonably necessary to permit any security interest held by the Covered Bond Guarantor in relation to the Mortgage Loan Rights to be perfected by registration on the PPSA register. However, if such registration is not completed or is completed incorrectly, the Covered Bond Guarantor’s security interest in relation to a Mortgage Loan Right may not be perfected and a third party may be able to take an interest in that Mortgage Loan Right free of any interest held by the Covered Bond Guarantor or take a security interest which ranks in priority to any security interest of the Covered Bond Guarantor;

- (b) secondly, until notice of the transfer to the Covered Bond Guarantor has been provided to the relevant Borrowers, the rights of the Covered Bond Guarantor may be subject to the rights of the Borrowers against the Seller, as applicable, such as rights of set-off, which occur in relation to transactions made between Borrowers and the Seller, and the rights of Borrowers to redeem their Mortgages by repaying the Mortgage Loans directly to the Seller. In addition, section 80(7) of the PPSA provides that an obligor in relation to a receivable will be entitled to make payments to, and obtain a good discharge from, the seller of a receivable rather than directly to, and from, the purchaser of the receivable until such time as the obligor receives a notice of the assignment of the relevant receivable that complies with the requirements of section 80(7)(a) of the PPSA (including a statement that payment is to be made to the purchaser of the receivable). If, however, an obligor receives a notice that complies with the requirements of section 80(7)(a) of the PPSA from any person other than the seller of the

receivable, the obligor requests the purchaser of the receivable to provide proof of the assignment and the purchaser of the receivable fails to provide that proof within 5 business days of the request, the obligor may continue to make payments to the seller. Accordingly, after a Perfection of Title Event has occurred and legal title to the Mortgage Loan Rights has been transferred to the Covered Bond Guarantor, a Borrower in relation to any Mortgage Loan may in certain circumstances nevertheless make payments to the Seller and obtain a good discharge from the Seller notwithstanding the legal assignment of the relevant Mortgage Loan Rights to the Covered Bond Guarantor, if the Covered Bond Guarantor fails to comply with these notice requirements. However, this risk is mitigated by the fact that the Seller has provided the Covered Bond Guarantor with powers of attorney to permit it to give notice of such an assignment of the Mortgage Loan Rights to the relevant Borrower in the name of the Seller; and

- (c) thirdly, unless the Covered Bond Guarantor has perfected its title to the Mortgage Loan Rights (which it is only entitled to do in certain limited circumstances), the Covered Bond Guarantor would not be able to enforce any Borrower's obligations under a Mortgage Loan Rights itself but would have to join the Seller as a party to any legal proceedings.

If the risks described in paragraphs (a), (b) or (c) above were to occur, then the realisable value of the Mortgage Loan Rights forming part of the Assets of the Trust or any part thereof and/or the ability of the Covered Bond Guarantor to make payments under the Covered Bond Guarantee may be affected.

### ***Set-off***

The Mortgage Loans can only be sold free of set-off to the Covered Bond Guarantor to the extent permitted by law. The consequence of this is that if a Borrower in connection with the Mortgage Loan has funds standing to the credit of an account with the Bank or amounts are otherwise payable to such a person by the Bank, that person may have a right on the enforcement of the Mortgage Loan or on the insolvency of the Bank to set-off the Bank's liability to that person in reduction of the amount owing by that person in connection with the Mortgage Loan. If the Bank becomes insolvent, it can be expected that Borrowers will exercise their set-off rights to a significant degree.

### ***Value of the Mortgage Loan Rights forming part of the Assets of the Trust***

The guarantee granted by the Covered Bond Guarantor in respect of the Covered Bonds, will, inter alia, be backed by the Covered Bond Guarantor's interest in the Mortgage Loan Rights forming part of the Assets of the Trust. Since the economic value of the Mortgage Loan Rights forming part of the Assets of the Trust may increase or decrease, the value of the Covered Bond Guarantor's assets may decrease (for example if there is a general decline in property values). Neither the Issuer nor the Covered Bond Guarantor makes any representation, warranty or guarantee that the value of Land secured by a Mortgage will remain at the same level as it was on the date of the origination of the related Mortgage Loan or at any other time. The value of the Mortgage Loan Rights forming part of the Assets of the Trust may have been significantly reduced by the overall decline in property values experienced by the residential property market in Australia and may also be further reduced by any additional decline in the value of properties related to the Mortgage Loan Rights forming part of the Assets of the Trust. This, ultimately, may result in losses to the Covered Bondholders if such security is required to be enforced.

### ***The Servicing Guidelines***

Each of the Mortgage Loans forming part of the Assets of the Trust originated by the Seller will have been originated in accordance with the Seller's policies and guidelines applicable at the time of origination. The Seller's policies and guidelines consider a variety of factors such as a potential Borrower's credit history, employment history and status and repayment ability, as well as the value of the Land to be mortgaged. In the event of the sale of any new Mortgage Loan Rights to the Covered Bond Guarantor, representations and warranties will at such time be given by the Seller to the Covered Bond Guarantor that the Mortgage Loans relating to such new Mortgage Loan Rights were originated in the ordinary course of the Seller's business and since that time the Seller has dealt with those Mortgage Loans in accordance with the Servicing Guidelines and the Servicing Standards. The Seller retains the right to amend or revise its Servicing Guidelines as determined from time to time.

If any new Mortgage Loan Rights which have been originated under revised Servicing Guidelines are then sold to the Covered Bond Guarantor pursuant to the terms of the Mortgage Sale Agreement, the characteristics of the

Mortgage Loan Rights forming part of the Assets of the Trust could at such time change. This could lead to a delay or reduction in the payments received by the Covered Bondholders under the Covered Bond Guarantee.

#### ***Limited recourse to the Seller in respect of a breach of Representations and Warranties***

The Covered Bond Guarantor, the Bond Trustee and the Security Trustee will not undertake any investigations, searches or other actions on any Mortgage Loan Rights and will rely instead on the Representations and Warranties given in the Mortgage Sale Agreement by the Seller in respect of the Mortgage Loan Rights sold by the Seller to the Covered Bond Guarantor.

In the event of a material breach of any of the Representations and Warranties made by the Seller or if any of the Representations and Warranties proves to be materially incorrect, in each case in respect of any Mortgage Loan Rights forming part of the Assets of the Trust as at the date on which such representation and warranty is given (having regard to, among other things, whether a loss is likely to be incurred in respect of the Mortgage Loan to which the breach relates after taking into account the likelihood of recoverability or otherwise of any sums under any applicable Insurance Policies), then following notice being given by the Trust Manager or the Seller to the Covered Bond Guarantor or the Covered Bond Guarantor giving notice to the Seller, if the breach is not remedied to the Covered Bond Guarantor's satisfaction within five Local Business Days of the Seller or the Trust Manager giving or receiving the notice, the Seller will be required to pay the Covered Bond Guarantor an amount equal to the sum of the Current Principal Balance of the relevant Mortgage Loan and arrears of interest and accrued interest, following which the Covered Bond Guarantor will treat the Mortgage Loan as having been paid in full and will hold the relevant Mortgage Loan Rights as trustee of the CBA Trust.

There can be no assurance that the Seller, in the future, will have the financial resources to repurchase Mortgage Loan Rights from the Covered Bond Guarantor. However, if the Seller does not repurchase those Mortgage Loan Rights which are in material breach of the Representations and Warranties as at the date which these are given then the LVR Adjusted Mortgage Loan Balance Amount or the Asset Percentage Adjusted Mortgage Loan Balance Amount of those Mortgage Loans (as applicable) will be deducted from the calculation of the Adjusted Aggregate Mortgage Loan Amount in the calculation of the Asset Coverage Test (except for any Defaulted Mortgage Loans, which for the purposes of calculating the LVR Adjusted Mortgage Loan Balance Amount and the Asset Percentage Adjusted Mortgage Loan Balance Amount, as the case may be, are given a zero value). There is no further recourse to the Seller in respect of a material breach of a Representation or Warranty.

### **LEGAL AND OTHER CONSIDERATIONS**

#### ***Legal investment considerations may restrict certain investments***

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (a) Covered Bonds are legal investments for it, (b) Covered Bonds can be used as collateral for various types of borrowing, (c) Covered Bonds can be used as repo-eligible securities and (d) other restrictions apply to its purchase or pledge of any Covered Bonds. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Covered Bonds under any applicable risk-based capital or similar rules.

#### ***Changes to the current law and/or regulations***

No assurance can be given that additional regulations, laws or guidance from regulatory authorities in Australia will not arise with regard to the mortgage market in Australia generally, the Seller's particular sector in that market, specifically in relation to the Seller or in relation to the issuance of covered bonds by deposit-taking institutions regulated under the Australian Banking Act. Any such action or developments or compliance costs may have a material adverse effect on the Mortgage Loan Rights, the Seller, the Covered Bond Guarantor, the Issuer and/or the Servicer and their respective businesses and operations. This may adversely affect the ability of the Covered Bond Guarantor to dispose of any Mortgage Loan Rights forming part of the Assets of the Trust in a timely manner and/or the realisable value of the Mortgage Loan Rights forming part of the Assets of the Trust or any part thereof and accordingly affect the ability of the Covered Bond Guarantor to meet its obligations under the Covered Bond Guarantee when due.

### ***Basel Capital Accord***

In 1988, the Basel Committee on Banking Supervision (the **Basel Committee**) adopted capital guidelines that explicitly link the relationship between a bank's capital and its credit risks. In June 2006 the Basel Committee finalised and published new risk-adjusted capital guidelines (**Basel II**). Basel II includes the application of risk-weighting which depends upon, amongst other factors, the external or, in some circumstances and subject to approval of supervisory authorities, internal credit rating of the counterparty. The revised requirements also include allocation of risk capital in relation to operational risk and supervisory review of the process of evaluating risk measurement and capital ratios.

Basel II has not been fully implemented in all participating jurisdictions. The implementation of the framework in relevant jurisdictions may affect the risk-weighting of the Covered Bonds for investors who are or may become subject to capital adequacy requirements that follow the framework and, as a result, they may affect the liquidity and/or value of the Covered Bonds. The Basel II framework is implemented in the European Union by the Capital Requirements Directive.

A form of Basel II has been implemented in Australia by the Australian Prudential Regulation Authority (**APRA**), which applies to the Issuer. APRA is the prudential regulator of the Australian financial services industry.

The Basel Committee has approved significant changes to the Basel II framework (such changes being commonly referred to as **Basel III**) and on June 1, 2011 issued its final guidance, which envisages a substantial strengthening of existing capital rules, including new capital and liquidity requirements intended to reinforce capital standards and to establish minimum liquidity standards and a minimum leverage ratio for financial institutions. In particular, the changes include, amongst other things, new requirements for the capital base, measures to strengthen the capital requirements for counterparty credit exposures arising from certain transactions and the introduction of a leverage ratio as well as short-term and longer-term standards for funding liquidity (referred to as the "liquidity coverage ratio" and the "net stable funding ratio"). Member countries will be required to implement the new capital standards from January 2013, the new "liquidity coverage ratio" from January 2015 and the "net stable funding ratio" from January 2018.

APRA has released discussion papers regarding the implementation of Basel III capital and liquidity reforms. See the 2012 U.S. Disclosure Report on the US Covered Bond Investor Website for additional information on the APRA discussion papers.

On November 4, 2011, the Basel Committee also introduced additional capital requirements for global systemically important banks, to take effect from 2016. Similarly, on June 29, 2012, the Basel Committee also introduced a principles-based capital framework for domestic systemically important banks, which are also intended to take effect from 2016. The changes approved by the Basel Committee and as implemented by APRA may have an impact on the capital requirements in respect of the Covered Bonds and/or on incentives to hold the Covered Bonds for investors that are subject to requirements that follow the revised framework and, as a result, they may affect the liquidity and/or value of the Covered Bonds.

In general, investors should consult their own advisers as to the regulatory capital requirements in respect of the Covered Bonds and as to the consequences for, and effect on, them of any changes to the Basel II framework (including the Basel III changes described above) and the relevant implementing measures by APRA. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

### ***Restrictions on Transfer***

The Covered Bonds and the Covered Bond Guarantee have not been and will not be registered under the Securities Act, and may not be offered or sold in the United States or to or for the benefit of U.S. persons unless such securities are registered under the Securities Act or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

No sale, assignment, participation, pledge or transfer of a Covered Bond or any interest therein may be made unless made in compliance with the transfer and selling restrictions set forth under "*Subscription and Sale and Selling Restrictions*" below.



***As Covered Bonds will be held by clearing system, investors will have to rely on their procedures for transfer, payment and communication with the Issuer***

Covered Bonds issued under the Programme may be represented by one or more Registered Global Covered Bonds. Such Registered Global Covered Bonds will be deposited with a common depository for DTC and/or Euroclear and/or Clearstream, Luxembourg and/or an Alternative Clearing System. Apart from the circumstances described in the relevant Registered Global Covered Bond, investors will not be entitled to Covered Bonds in definitive form.

DTC and/or Euroclear and/or Clearstream, Luxembourg and/or any relevant Alternative Clearing System will maintain records of the beneficial interests in the Registered Global Covered Bonds. While the Covered Bonds are represented by one or more Registered Global Covered Bonds, investors will be able to trade their beneficial interests only through DTC and/or Euroclear and/or Clearstream, Luxembourg and/or, in each case, any Alternative Clearing System.

While the Covered Bonds are represented by one or more Registered Global Covered Bonds, the Issuer will discharge its payment obligations under the Covered Bonds by making payments to the common depository for DTC and/or Euroclear and/or Clearstream, Luxembourg and/or any Alternative Clearing System, for distribution to their relevant account holders. A holder of a beneficial interest in a Registered Global Covered Bond must rely on the procedures of DTC and/or Euroclear and/or Clearstream, Luxembourg and/or any relevant Alternative Clearing System to receive payments under the relevant Covered Bonds. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Registered Global Covered Bonds.

Holders of beneficial interests in the Registered Global Covered Bonds will not have a direct right to vote in respect of the relevant Covered Bonds. Instead, such holders will be permitted to act only to the extent that they are enabled by DTC and/or Euroclear and/or Clearstream, Luxembourg and/or any relevant Alternative Clearing System to appoint appropriate proxies.

***EU Savings Directive and other Withholding Tax Obligations***

Under EC Council Directive 2003/48/EC on the taxation of savings income (see “*Taxation – EU Savings Directive*”), Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Austria and Luxembourg are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

If a payment in respect of a Covered Bond were to be made by or collected through a person in a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer, the Covered Bond Guarantor nor any Paying Agent nor any other person by or through whom a payment in respect of the Covered Bond is made or received would be obliged to pay additional amounts with respect to such Covered Bond as a result of the imposition of such withholding tax (see Condition 7 of the Programme Conditions and Condition 6 of the N Covered Bond Conditions (as applicable)). The Issuer and, if applicable, the Covered Bond Guarantor will be required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Directive (see Condition 5 of the Programme Conditions and Condition 4 of the N Covered Bond Conditions (as applicable)).

There may be other occasions in which an amount of, or in respect of, tax is required to be withheld from a payment in respect of any Covered Bond and in respect of which neither the Issuer, the Covered Bond Guarantor, any Paying Agent nor any other person would be obliged to pay additional amounts with respect to such Covered Bond as set out in Condition 7 of the Programme Conditions of the Covered Bonds and Condition 6 of the N Covered Bonds Conditions (as applicable) (see the section “*Terms and Conditions of the Covered Bonds*” in this Offering Circular).

### ***Differences in timings of obligations of the Covered Bond Guarantor and the Covered Bond Swap Provider under the Covered Bond Swaps***

The Covered Bond Guarantor will, following service of a Notice to Pay on the Covered Bond Guarantor, pay or provide for payment of an amount to each corresponding Covered Bond Swap Provider on a monthly basis. The Covered Bond Swap Provider may not be obliged to make corresponding swap payments to the Covered Bond Guarantor under a Covered Bond Swap until amounts are Due for Payment under the Covered Bond Guarantee. If a Covered Bond Swap Provider does not meet its payment obligations to the Covered Bond Guarantor under the relevant Covered Bond Swap Agreement or such Covered Bond Swap Provider does not make a termination payment that has become due from it to the Covered Bond Guarantor under the relevant Covered Bond Swap Agreement, the Covered Bond Guarantor may have a larger shortfall in funds with which to make payments under the Covered Bond Guarantee with respect to the Covered Bonds than if the Covered Bond Swap Provider's payment obligations coincided with the Covered Bond Guarantor's payment obligations under the relevant Covered Bond Swap. Hence, the difference in timing between the obligations of the Covered Bond Guarantor and the obligations of the Covered Bond Swap Providers under the Covered Bond Swaps may affect the Covered Bond Guarantor's ability to make payments, following service of a Notice to Pay on the Covered Bond Guarantor, under the Covered Bond Guarantee with respect to the Covered Bonds. A Covered Bond Swap Provider may be required, following a downgrade of its credit ratings below the credit ratings specified in the relevant Covered Bond Swap Agreement pursuant to the terms of that Covered Bond Swap Agreement, to post collateral with the Covered Bond Guarantor.

### ***Covered Bonds where denominations involve integral multiples: definitive Covered Bonds***

In relation to any issue of Covered Bonds that have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Covered Bonds may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case, a Covered Bondholder who, as a result of trading such amounts, holds a principal amount which (after deducting integral multiples of such minimum Specified Denomination) is less than the minimum Specified Denomination in its account with the relevant clearing system at the relevant time may not receive a Definitive Covered Bond in respect of such holding (should Definitive Covered Bonds be printed) and would need to purchase an additional principal amount of Covered Bonds such that it is holding amounts to the minimum Specified Denomination. If Definitive Covered Bonds are issued, Covered Bondholders should be aware that Definitive Covered Bonds that have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

### ***Currency exchange rate risks and exchange controls***

The Issuer will pay principal and interest on the Covered Bonds and the Covered Bond Guarantor will make any payments under the Covered Bond Guarantee 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 or the Specified 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 Covered Bonds, (2) the Investor's Currency-equivalent value of the principal payable on the Covered Bonds and (3) the Investor's Currency-equivalent market value of the Covered Bonds. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal in respect of Covered Bonds.

### ***Tax Reform Proposals***

Attention is drawn to the discussion on tax reform in the section "*Taxation – Australian Taxation – Tax treatment of the Covered Bond Guarantor– Potential Tax Reform*" in this Offering Circular. No assurance can be given as to whether any such change would adversely affect the ability of the Covered Bond Guarantor to meet its obligations under the Covered Bond Guarantee.

### ***Changes of law and/or regulatory, accounting and/or administrative practices***

The structure of the issue of the Covered Bonds and the ratings which are to be assigned to them are based on Australian law, regulatory, accounting and administrative practice in effect as at the date of this Offering Circular, and having due regard to the expected tax treatment of all relevant entities under Australian tax law and the published practice of the Australian Taxation Office (ATO) in force or applied in Australia as at the date of this Offering Circular. No assurance can be given as to the impact of any possible change to Australian law, regulatory, accounting or administrative practice in Australia or to Australian tax law, or the interpretation or administration thereof, or to the published practice of the ATO as applied in Australia after the date of this Offering Circular, nor can any assurance be given as to whether any such change would adversely affect the ability of the Issuer to make payments under the Covered Bonds when due or the ability of the Covered Bond Guarantor to make payments under the Covered Bond Guarantee when due.

### ***Anti-Money Laundering and Counter-Terrorism Financing Act***

The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 of Australia (AML/CTF Act) implemented a number of significant changes to Australia's anti-money laundering and counter-terrorism financing regulation.

If an entity has not met its obligations under the AML/CTF Act, that entity will be prohibited from providing a designated service which includes (among other things):

- (a) opening or providing an account, allowing any transaction in relation to an account or receiving instructions to transfer money in and out of the account;
- (b) issuing, dealing, acquiring, disposing of, cancelling or redeeming a security; and
- (c) exchanging one currency for another.

The obligations placed on an entity include that entity undertaking customer identification procedures before a designated service is provided and receiving information about international and domestic institutional transfer of funds. Until the obligations have been met an entity will be prohibited from providing funds or services to a party or making any payments on behalf of a party. Compliance with the AML/CTF Act may adversely affect the ability of any party to a Programme Document to make payments when due and this in turn may affect the ability of the Covered Bond Guarantor to make payments under the Covered Bond Guarantee when due).

### ***Personal Property Securities regime***

A new personal property securities regime has commenced operation throughout Australia. PPSA establishes a national system for the registration of security interests in personal property, together with new rules for the creation, priority and enforcement of security interests in personal property. The PPSA commenced on 15 December 2009, and took effect on the PPSA Start Date, with a two year transitional period beginning on the PPSA Start Date. The PPSA has a retrospective effect on security interests and security agreements arising before that time by operation of the transitional provisions. This issue is relevant to the Programme because it has transitioned through the PPSA Start Date. A person who holds a security interest under the PPSA may need to take additional steps under the PPSA to maintain the effectiveness or priority of its security interest. A failure to take any such additional step may adversely affect the value of the Assets of the Trust and, accordingly, the ability of the Covered Bond Guarantor to make payments under the Covered Bond Guarantee when due.

Security interests for the purposes of the PPSA include traditional securities such as charges and mortgages. However, they also include transactions that in substance, secure payment or performance of an obligation but may not currently be legally classified as securities. Further, certain other interests are deemed to be security interests whether or not they secure payment or performance of an obligation, these deemed security interests include assignments of certain property.

A person who holds a security interest under the PPSA will need to register (or otherwise perfect) the security interest to ensure that the security interest has priority over competing interests (and in some cases, to ensure that the security interest survives the insolvency of the grantor). If they do not do so:

- (a) another security interest may take priority;

- (b) another person may acquire an interest in the assets which are subject to the security interest free of their security interest; or
- (c) they may not be able to enforce the security interest against a grantor who becomes insolvent.

The transitional provisions provide that security interests registered on certain existing registers will be migrated to the PPSA register (for example, charges registered on ASIC's register of company charges). This type of security interest is referred to as a "transitional security interest". If the details held by the relevant existing public register in relation to a transitional security interest are incorrect or insufficient or if, as a result of human or systemic error those details were not properly migrated to the PPSA register, or there is not a separate registration within the 2 year period, there is a risk that other persons with competing interests in the personal property may take free of that security interest because it will not have been perfected. However, transitional relief for a period of 60 months commencing from January 30, 2012 will apply to mitigate any such risk in relation to an error in respect of details on the PPSA register arising solely as a result of human or systemic error in the migration process. In addition, if the security interest is unperfected, the holder of the security interest or the owner of the personal property may not be able to enforce that security interest or claim title to the personal property (as the case may be) if the lessee or other security provider becomes insolvent. Security interests which will not be migrated, or which are not currently registered on any existing registers, will need to be registered on the PPSA register (or otherwise perfected) before the end of the two year transitional period to preserve priority. This means that transactions which are not regarded as securities under current law but may be security interests under the PPSA, either because they are "in substance" security interests or deemed security interests, will need to be registered. The Programme Documents contain such security interests.

For example, the assignment of the Mortgage Loans is a deemed security interest and the Covered Bond Guarantor will need to register the assignment on or after the PPSA Start Date to preserve its existing rights with respect to assignments occurring before the PPSA Start Date and to secure its rights to any assignments occurring after the PPSA Start Date. The Trust Manager has arranged for any security interests arising under the Programme Documents or a transaction in connection with them (other than the Mortgage Loans or the Mortgages themselves) to be perfected under the PPSA.

There is uncertainty on aspects of the implementation of the PPSA regime because:

- (a) while the PPSA Start Date has occurred, it is possible that further amendments could be made to the PPSA and other legislation. In addition, amendments may be made to regulations which deal with important aspects of the PPSA's operation; and
- (b) the PPSA significantly altered the law relating to secured transactions. There are issues and ambiguities in respect of which a market view or practice will evolve over time.

Implementation of the PPSA may adversely affect the value of the Assets of the Trust and, accordingly, the ability of the Covered Bond Guarantor to make payments under the Covered Bond Guarantee when due.

### ***Consumer Credit Legislation***

#### ***Consumer Credit Code***

Some of the Mortgage Loans and related Mortgages and guarantees are regulated by the Consumer Credit Code. Under that legislation, a debtor, guarantor or mortgagor may have a right to apply to a court to:

- (a) in the case of a debtor, vary the terms of a Mortgage Loan on the grounds of hardship;
- (b) vary the terms of a Mortgage Loan and related Mortgage or guarantee, or a change to such documents, that are unjust, and reopen the transaction that gave rise to the Mortgage Loan and any related mortgage or guarantee, or change;
- (c) in the case of a debtor or guarantor, reduce or cancel any interest rate payable on the Mortgage Loan arising from a change to that rate which is unconscionable;
- (d) have certain provisions of the Mortgage Loan or a related Mortgage or guarantee which are in breach of the legislation declared void or unenforceable;

- (e) obtain restitution or compensation from the credit provider in relation to any breaches of the Consumer Credit Code in relation to the Mortgage Loan or a related Mortgage or guarantee; or
- (f) seek various remedies for other breaches of the Consumer Credit Code.

Any such order may affect the timing or amount of interest, fees or charges or principal payments under the relevant Mortgage Loan (which might in turn affect the timing or amount of interest or principal payments under the Covered Bonds by the Covered Bond Guarantor, following the occurrence of an Issuer Event of Default and the service of an Issuer Acceleration Notice or the occurrence of a Covered Bond Guarantor Event of Default and service of a Covered Bond Guarantee Acceleration Notice). Breaches of the Consumer Credit Code may also lead to civil penalties or criminal fines being imposed on the Bank, for so long as it holds legal title to the Mortgage Loans and the related Mortgages. If the Covered Bond Guarantor acquires legal title, it will then become primarily responsible for compliance with the Consumer Credit Code. The Covered Bond Guarantor will be indemnified out of the Assets of the Trust for liabilities it incurs under the Consumer Credit Code. Where the Covered Bond Guarantor is held liable for breaches of the Consumer Credit Code, the Covered Bond Guarantor must seek relief initially under any indemnities provided to it by the Servicer before exercising its rights to recover against any Assets of the Trust.

The Seller will give certain representations and warranties that the Mortgages relating to the Mortgage Loans complied in all material respects with all applicable laws when those Mortgages were entered into. The Servicer has also undertaken to comply with the Consumer Credit Code in carrying out its obligations under the Programme Documents. In certain circumstances the Covered Bond Guarantor may have the right to claim damages from the Bank (as Seller or Servicer), as the case may be, where the Covered Bond Guarantor suffers loss in connection with a breach of the Consumer Credit Code which is caused by a breach of a relevant representation or undertaking.

#### *Federal Consumer Credit Regime*

In 2009, the NCCP and certain related legislation were enacted. The NCCP and related legislation was part of a package of reforms directed towards the introduction of a new national consumer credit law to replace state-based regimes.

The NCCP will have significant consequences for a wide range of participants in the credit industry, including credit providers, finance brokers and other intermediaries. Amongst other things, the NCCP:

- (a) introduces a national licensing regime, which will require credit providers and certain other intermediaries, firstly, to register and then once registered apply to ASIC for an Australian Credit Licence (all persons engaging in credit activities will need to be licensed from 1 July 2011 at the latest);
- (b) imposes responsible lending requirements on holders of Australian Credit Licences and others designed to protect consumers from being offered loans that are unsuitable for them;
- (c) imposes new disclosure obligations on holders of Australian Credit Licences and others;
- (d) gives ASIC broad powers to enforce the new legislation (including the National Credit Code, which essentially replaces the Consumer Credit Code);
- (e) provides consumers with improved access to remedies; and
- (f) imposes civil and criminal penalties for certain breaches of the legislation.

Obligations under the NCCP will also apply (with some limited exceptions) to loans that were regulated under the Consumer Credit Code before July 2010.

#### *Unfair Terms*

The Trade Practices Amendment (Australian Consumer Law) Act (No.1) 2010 (**TPA Act**) introduced a national unfair terms regime. Under this regime, a term of a standard-form consumer contract will be unfair, and therefore void, if it causes a significant imbalance in the parties' rights and obligations under the contract, is not reasonably necessary to protect the supplier's legitimate interests and would cause detriment to the consumer if it were relied on. The provisions in the TPA Act dealing with unfair terms commenced on July 1, 2010 and will

apply to a term of the Mortgage Loans if the related mortgage loan contract is renewed or varied, or the term is renewed or varied, after July 1, 2010. A term of a mortgage loan which is unfair under this legislation may be declared void.

Also, on June 10, 2009, Victoria extended its unfair terms regime (contained in Part 2B of the Fair Trading Act 1999 (Vic)) to apply to Consumer Credit Code regulated credit contracts, which had previously been excluded. Under the Victorian regime, a term in a consumer contract is unfair and therefore void if it is a prescribed unfair term or if a court or tribunal determines that in all the circumstances it causes a significant imbalance in the parties' rights and obligations arising under the contract to the detriment of the consumer. Under the transitional provisions, the legislation will apply to a term of the Mortgage Loans or a related mortgage or guarantee to the extent the term is varied on or after June 11, 2009, but only to the extent of the variation.

#### *Effect of Orders*

An order made under any of the above consumer credit laws may affect the timing or amount of collections under the relevant Mortgage Loans which may in turn affect the timing or amount of interest and principal payments under the Covered Bonds by the Covered Bond Guarantor, following the occurrence of an Issuer Event of Default and the service of an Issuer Acceleration Notice or the occurrence of a Covered Bond Guarantor Event of Default and service of a Covered Bond Guarantee Acceleration Notice.

#### *Seller and Servicer obligations*

The Seller has made certain representations and warranties that at the time the Seller entered into the Mortgage relating to the Mortgage Loan each Mortgage, Loan Agreement and Collateral Security complied in all material respects with applicable laws (including applicable Consumer Credit Code laws and the National Consumer Credit Protection Laws, as applicable) and, as at the Cut-Off Date, the Seller is not aware of any failure by it to comply with the National Consumer Credit Protection Laws (if applicable) in relation to the Mortgage Loan.

The Servicer has undertaken to comply with the requirements of any relevant laws in carrying out its obligations under the Programme Documents, including the Consumer Credit Code and the National Consumer Credit Protection Laws.

#### ***CRA Regulations***

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 whilst the registration application is pending. 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).

## FORM OF THE COVERED BONDS

The Covered Bonds of each Series issued under this Offering Circular will be issued in registered form. Except as the context otherwise requires, references in this section to “Covered Bonds” mean the Covered Bonds issued under this Offering Circular. Registered Covered Bonds issued under this Offering Circular will be issued within the United States to QIBs in reliance on Rule 144A or outside the United States to non-U.S. persons in reliance on Regulation S. The Covered Bonds (including N Covered Bonds) may also be offered and sold in reliance on Regulation S solely to non-U.S. persons outside the United States in offshore transactions under a separate offering document. A\$ Registered Covered Bonds may also be offered and sold under a separate offering document.

### Registered Covered Bonds

The Registered Covered Bonds of each Tranche offered and sold in reliance on Regulation S will initially be represented by a global covered bond in registered form (a **Regulation S Global Covered Bond**). Prior to expiry of the Distribution Compliance Period applicable to each Tranche of Covered Bonds, beneficial interests in a Regulation S Global Covered Bond may not be offered or sold to, or for the account or benefit of, a U.S. person save as otherwise provided in Condition 2 of the Programme Conditions and may not be held otherwise than through Euroclear or Clearstream, Luxembourg, and such Regulation S Global Covered Bond will bear a legend regarding such restrictions on transfer (see “*Subscription and Sale and Selling Restrictions*”).

The Registered Covered Bonds of each Tranche offered and sold in the United States or to U.S. persons (as defined in Regulation S) will only be offered and sold in private transactions to QIBs who agree to purchase the Covered Bonds for their own account and not with a view to the distribution thereof.

The Registered Covered Bonds of each Tranche sold to QIBs will be represented by a global covered bond in registered form (a **Rule 144A Global Covered Bond** and, together with a Regulation S Global Covered Bond, the **Registered Global Covered Bonds**).

Depending on the manner of offering of the Global Covered Bonds (whether in reliance on Rule 144A only or in reliance on both Rule 144A and Regulation S, or in reliance on Regulation S only), Registered Global Covered Bonds will either (i) be deposited with a custodian for DTC, and registered in the name of DTC or its nominee or (ii) be deposited with the Common Depositary for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg, as specified in the applicable Final Terms, provided, however that Covered Bonds sold only in reliance on Rule 144A will be deposited with a custodian for DTC and registered in the name of DTC or its nominee. Prior to the end of the distribution compliance period (as defined in Regulation S) applicable to the Covered Bonds represented by a Regulation S Global Covered Bond, interests in such Regulation S Global Covered Bond may only be held through the accounts of Euroclear and Clearstream, Luxembourg. Indirect access to DTC or to Euroclear and Clearstream, Luxembourg, as the case may be, is available to other institutions that clear through or maintain a custodial relationship with an account holder of DTC, Euroclear or Clearstream, Luxembourg. Persons holding beneficial interests in Registered Global Covered Bonds will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of Definitive Covered Bonds in fully registered form.

Payments of principal in respect of Registered Covered Bonds (whether or not in Global form) will be made against presentation and surrender of such Registered Covered Bonds at the specified office of the U.S. Registrar. Payments of interest in respect of the Registered Covered Bonds 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 6.2 of the Programme Conditions) immediately preceding the due date for payment in the manner provided in that Condition. None of the Issuer, the Bond Trustee, the Covered Bond Guarantor nor the Agents 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 Covered Bonds or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Interests in a Registered Global Covered Bond will be exchangeable (free of charge), in whole but not in part, for Registered Definitive Covered Bonds only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (a) in the case of a Registered Global Covered Bond registered in the name of DTC or its nominee, either (i) DTC has notified the Issuer that it is unwilling or unable to continue to act as depositary for the Registered Global Covered Bonds or DTC has ceased to constitute a clearing agency registered under the Exchange Act and the Issuer fails to appoint a successor depositary within 90 days, or (ii) an Event of Default with respect to the relevant Covered Bonds has occurred and is continuing or (iii) the Issuer

notifies the Bond Trustee that it elects to have Definitive Global Covered Bonds issued in place of the relevant Global Covered Bond or (b) in the case of a Registered Global Covered Bond registered in the name of the Common Depositary or its nominee, (i) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, whether 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, (ii) an Event of Default with respect to the relevant Covered Bonds has occurred and is continuing or (iii) the Issuer notifies the Bond Trustee that it elects to have Definitive Global Covered Bonds issued in place of the relevant Global Covered Bond. The Issuer will promptly give notice to Covered Bondholders of each Series of Registered Global Covered Bonds in accordance with Condition 12 of the Programme Conditions if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, DTC, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any registered holder of an interest in such Registered Global Covered Bond) or the Bond Trustee may give notice to the U.S. Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the U.S. Registrar.

### **Transfer of Interests**

Interests in a Registered Global Covered Bond may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Registered Global Covered Bond with written certification from the transferor if required in accordance with the provisions of the Principal Agency Agreement. No beneficial owner of an interest in a Registered Global Covered Bond will be able to transfer such interest, except in accordance with the applicable procedures of DTC, Euroclear and Clearstream, Luxembourg, in each case to the extent applicable. Registered Covered Bonds are also subject to the restrictions on transfer set forth therein and will bear a legend regarding such restrictions, see “*Subscription and Sale and Selling Restrictions.*”

As a result of such restrictions, there can be no assurance as to the existence of a secondary market for the Covered Bonds or the liquidity of such market if one develops. Consequently, you must be able to bear the economic risk of an investment in your Covered Bonds for an indefinite period of time.

### **Payments Due in Other Currencies**

The Issuer will follow the practice described in this subsection when paying amounts that are due in a Specified Currency other than U.S. dollars.

#### *Payments on Registered Global Covered Bonds*

The Issuer will make payments on a Registered Global Covered Bond in accordance with the applicable policies as in effect from time to time of the depositary, which will be DTC, Euroclear or Clearstream, Luxembourg. If DTC is specified in the applicable Final Terms as the depositary for Registered Global Covered Bonds, the following, which the Issuer understands are DTC’s policies, as currently in effect, will apply.

Unless otherwise indicated in the applicable Final Terms, if you are an indirect owner of Registered Global Covered Bonds denominated in a Specified Currency other than U.S. dollars and if you have the right to elect to receive payments in that other currency and do so elect, you must notify the participant through which your interest in the Registered Global Covered Bonds is held of your election:

- on or before the applicable Record Date, in the case of a payment of interest; or
- on or before the 16th day before the stated maturity, or any redemption or repayment date, in the case of payment of principal or any premium.

Your participant must, in turn, notify DTC of your election on or before the 3rd DTC business day after that Record Date, in the case of a payment of interest, and on or before the 12th DTC business day before the stated maturity, or on the redemption or repayment date if your Covered Bond is redeemed or repaid earlier, in the case of a payment of principal or any premium. A **DTC business day** is a day on which DTC is open for business.

DTC, in turn, will notify the U.S. Paying Agent of your election in accordance with DTC’s procedures.

If complete instructions are received by the participant and forwarded by the participant to DTC, and by DTC to the U.S. Paying Agent, on or before the dates noted above, the U.S. Paying Agent, in accordance with DTC’s instructions, will make the payments to you or your participant by wire transfer of immediately available funds



to an account maintained by the payee with a bank located in the country issuing the Specified Currency or in another jurisdiction acceptable to the Issuer and the U.S. Paying Agent.

If the foregoing steps are not properly completed, the Issuer expects DTC to inform the U.S. Paying Agent that payment is to be made in U.S. dollars. In that case, the Issuer or the Exchange Agent will convert the payment to U.S. dollars in the manner described below. The Issuer expects that it or the Exchange Agent will then make the payment in U.S. dollars to DTC, and that DTC in turn will pass it along to its participants.

Book-entry and other indirect owners of a Registered Global Covered Bond denominated in a currency other than U.S. dollars should consult their banks or brokers for information on how to request payment in the Specified Currency.

#### *Payments on Definitive Covered Bonds*

Except as described in the next to last paragraph under this heading, the Issuer will make payments on Definitive Covered Bonds in the applicable Specified Currency. The Issuer will make these payments by wire transfer of immediately available funds to any account that is maintained in the applicable Specified Currency at a bank designated by the holder and is acceptable to the Issuer and the U.S. Paying Agent. To designate an account for wire payment, the holder must give the U.S. Paying Agent appropriate wire instructions at least five business days before the requested wire payment is due. In the case of any interest payment due on an interest payment date, the instructions must be given by the person or entity who is the holder on the Record Date. In the case of any other payment, the payment will be made only after the Covered Bond is surrendered to the U.S. Paying Agent. Any instructions, once properly given, will remain in effect unless and until new instructions are properly given in the manner described above.

If a holder fails to give instructions as described above, the Issuer will notify the holder at the address in the U.S. Paying Agent's records and will make the payment within five business days after the holder provides appropriate instructions. Any late payment made in these circumstances will be treated under the Principal Agency Agreement as if made on the due date, and no interest will accrue on the late payment from the due date to the date paid.

Although a payment on a Definitive Covered Bond may be due in a Specified Currency other than U.S. dollars, the Issuer will make the payment in U.S. dollars if the holder asks the Issuer to do so. To request U.S. dollar payment, the holder must provide appropriate written notice to the U.S. Paying Agent at least five business days before the next due date for which payment in U.S. dollars is requested. In the case of any interest payment due on an interest payment date, the request must be made by the person or entity who is the holder on the Record Date. Any request, once properly made, will remain in effect unless and until revoked by notice properly given in the manner described above.

Book-entry and other indirect owners of a Definitive Covered Bond with a Specified Currency other than U.S. dollars should contact their banks or brokers for information about how to receive payments in the Specified Currency or in U.S. dollars.

#### *Conversion to U.S. Dollars*

When the Issuer is asked by a holder to make payments in U.S. dollars of an amount due in another currency, either on a Registered Global Covered Bond or a Definitive Covered Bond as described above, the Exchange Agent will calculate the U.S. dollar amount the holder receives in the Exchange Agent's discretion. A holder that requests payment in U.S. dollars will bear all associated currency exchange costs, which will be deducted from the payment.

#### *When the Specified Currency Is Not Available*

If the Issuer is obligated to make any payment in a Specified Currency other than U.S. dollars, and the Specified Currency or any successor currency is not available to the Issuer or cannot be paid to you due to circumstances beyond the Issuer's control—such as the imposition of exchange controls or a disruption in the currency markets—the Issuer will be entitled to satisfy its obligation to make the payment in that Specified Currency by making the payment in U.S. dollars, on the basis of the exchange rate determined by the Exchange Agent, in its discretion.

The foregoing will apply to any Covered Bond and to any payment, including a payment at the maturity date. Any payment made under the circumstances and in a manner described above will not result in a default under any Covered Bond or the Principal Agency Agreement or the Bond Trust Deed.

#### **Additional Information About LIBOR**

As a result of recent developments in connection with the calculation of daily LIBOR across a range of maturities and currencies, LIBOR is under review by both the Financial Services Authority (UK) and the British Bankers' Association (the **BBA**). The BBA has begun to take steps intended to strengthen the oversight of the process to set LIBOR. The independent Foreign Exchange and Money Markets Committee will review the composition of the panels of banks surveyed to set LIBOR, bi-annually. LIBOR may change significantly as a result of these actions. Any changes may result in a sudden or prolonged increase or decrease in reported LIBOR, which could have an adverse impact on the level of interest payments and the value of any Covered Bonds that reference LIBOR.

#### **General**

Any reference herein to DTC, Euroclear, and/or Clearstream, Luxembourg will, whenever the context so permits, be deemed to include a reference to any successor operator and/or successor clearing system and/or additional or alternative clearing system specified in the applicable Final Terms or as may otherwise be approved by the Issuer, the U.S. Paying Agent and the Bond Trustee.

No Covered Bondholder shall be entitled to proceed directly against the Issuer or the Covered Bond Guarantor unless the Bond Trustee or, as the case may be, the Security Trustee, having become so bound to proceed, fails so to do within a reasonable period and the failure shall be continuing.

## FORM OF FINAL TERMS

*Set out below is the form of Final Terms which, subject to any necessary amendment, will be completed for each Tranche of Covered Bonds issued under this Programme. Text in this section appearing in italics does not form part of the relevant Final Terms but denotes directions for completing the Final Terms.*

[Date]

### Commonwealth Bank of Australia

**Issue of [Aggregate Nominal Amount of Tranche or Series] [Title of Covered Bonds]  
irrevocably and unconditionally guaranteed as to payment of principal and interest by  
Perpetual Corporate Trust Limited as trustee of the CBA Covered Bond Trust (the Trust)  
under the U.S.\$30,000,000,000 CBA Covered Bond Programme**

[The Offering Circular referred to below (as completed by this Final Terms) has been prepared on the basis that any offer of Covered Bonds in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a **Relevant Member State**) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Covered Bonds. Accordingly any person making or intending to make an offer in that Relevant Member State of the Covered Bonds may only do so in circumstances in which no obligation arises for 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, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Covered Bonds in any other circumstances.][*Include this provision if the Covered Bonds are to be offered for sale in the European Economic Area using the UK Prospectus.*]

## PART A – CONTRACTUAL TERMS

[Terms used herein will be deemed to be defined as such for the purposes of the terms and conditions (the **Conditions**) set forth in the Prospectus dated [date] [and the supplement to the Prospectus dated [date]] ([together,] the **Prospectus**) which constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**). This document constitutes the Final Terms of the Covered Bonds described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Prospectus [as so supplemented]. Full information on the Issuer and the Covered Bond Guarantor and the offer of the Covered Bonds is only available on the basis of the combination of this Final Terms and the Prospectus. Copies of the Prospectus [and the supplemental Prospectus] are available for viewing during normal business hours at the head office of the Issuer at Ground Floor, Tower 1, 201 Sussex Street, Sydney NSW 2000, Australia and copies may be obtained free of charge to the public from the specified office of the U.S. Paying Agent.] [*Include this provision if the Covered Bonds are to be offered for sale in the European Economic Area using the UK Prospectus.*]

[Terms used herein will be deemed to be defined as such for the purposes of the terms and conditions (the **Conditions**) set forth in the [Offering Circular/Information Memorandum] dated [date] [and the supplement to the [Offering Circular/Information Memorandum] dated [date]] ([together,] the [**Offering Circular/Information Memorandum**]). Full information on the Issuer and the Covered Bond Guarantor and the offer of the Covered Bonds is only available on the basis of the combination of this Final Terms and the [Offering Circular/Information Memorandum]. Copies of the [Offering Circular/Information Memorandum] [and the supplement to the [Offering Circular/Information Memorandum]] are available for viewing during normal business hours at the head office of the Issuer at Ground Floor, Tower 1, 201 Sussex Street, Sydney NSW 2000, Australia [and copies may be obtained free of charge to the public from the specified office of the U.S. Paying Agent.] [*Include this provision if the Covered Bonds are to be offered for sale in the United States/Australia*]

*[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or subparagraphs.]*

*[When completing any Final Terms or adding any other additional terms or information consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.]*

1. Issuer: Commonwealth Bank of Australia
2. Covered Bond Guarantor: Perpetual Corporate Trust Limited in its capacity as trustee of the CBA Covered Bond Trust
3. (i) Series of which Covered Bonds are to be treated as forming part: [●]  
(ii) Tranche Number: [●]  
*(If fungible with an existing Series, details of that Series, including the date on which the Covered Bonds become fungible)*
4. Specified Currency or Currencies: [●]
5. Aggregate Nominal Amount of Covered Bonds:  
(i) Series: [●]  
(ii) Tranche: [●]
6. Issue Price of Tranche: [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from *[insert date]* (*in the case of fungible issues only, if applicable*)]
7. (i) Specified Denominations: [●]  
*(in the case of Registered Covered Bonds, this means the minimum integral amount in which transfers can be made)* [●]  
*(N.B. Where Bearer Covered Bonds with multiple denominations above €100,000 or equivalent are being used the following sample wording should be followed: €[100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Covered Bonds in definitive form will be issued with a denomination above [€199,000])*  
*(N.B. If an issue of Covered Bonds is (i) NOT admitted to trading on a regulated market within the European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Directive, the €100,000 minimum denomination is not required)*  
*[In the case of Covered Bonds offered in Australia, the minimum subscription amount in respect of an issue or transfer is A\$500,000 (disregarding any amount lent by the offeror, the Issuer or any associated person of the offeror or Issuer) (or, if the Covered Bonds are denominated in a currency other than Australian Dollars, at least the equivalent amount in such currency).]*  
*[If the Covered Bonds have a maturity of less than one year from the date of their issue, the minimum denomination may need to be €100,000 or its*

*equivalent in any other currency.]*

- (ii) Calculation Amount: [●] *(if only one Specified Denomination, insert the words “Specified Denomination”, if more than one Specified Denomination insert the amount of the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations)*
8. (i) Issue Date: [●]
- (ii) Interest Commencement Date: [specify/Issue Date/Not Applicable]
- (N.B. An Interest Commencement Date will not be relevant for certain Covered Bonds, for example Zero Coupon Covered Bonds.)*
9. Final Maturity Date: [Fixed rate – specify date/Floating rate – Interest Payment Date falling in or nearest to [specify month and year]]
10. Extended Due for Payment Date of Guaranteed Amounts corresponding to the Final Redemption Amount under the Covered Bond Guarantee: [Fixed rate – specify date/Floating rate – Interest Payment Date falling in or nearest to [specify month and year]]
- (N.B. Zero Coupon Covered Bonds are not to be issued with an Extended Due for Payment Date unless otherwise agreed with the Dealers and the Bond Trustee)*
11. Interest Basis: [Fixed Rate]  
[Floating Rate]  
[Zero Coupon]  
[Index Linked Interest]  
[Low Interest (discount)]  
[High Interest (premium)]  
[Dual Currency Interest]  
[specify other]  
(further particulars specified below)
12. Redemption/Payment Basis: [Redemption at par]  
[Index Linked Redemption]  
[Dual Currency Redemption]  
[Partly-Paid]  
[Instalment]  
[specify other]  
*(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Covered Bonds will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII will apply.)*
13. Change of Interest Basis or Redemption/Payment Basis: [Not applicable]  
[Specify details of any provision for change of Covered Bonds into another Interest Basis or Redemption/Payment Basis]
14. Put/Call Options: [Not applicable]  
[Investor Put]  
[Issuer Call]

- [(further particulars specified below)]
15. (a) Status of the Covered Bonds: Senior
- (b) Status of Covered Bond Guarantee: Senior
16. Method of distribution: [Syndicated/Non-syndicated]

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

17. Fixed Rate Covered Bond Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate[(s)] of Interest: [●] per cent. per annum [payable  
[annually/semi-annually/quarterly/other (*specify*)] in  
arrear]  
*(If payable other than annually, consider amending  
Condition 4)*
- (ii) Interest Payment Date(s) : [●] in each year up to and including the Final  
Maturity Date and Extended Due for Payment Date  
(if applicable)]/[specify *other*]  
*(NB: This will need to be amended in the case of long  
or short coupons)*
- (iii) Regular Record Date(s): [●]  
*(Applicable to Rule 144A Notes only)*
- (iv) Fixed Coupon Amount(s): [●] per [●] Calculation Amount/Not Applicable]  
*(Applicable to Covered Bonds in  
definitive form)*
- (v) Broken Amount(s): [●] per Calculation Amount, payable on the Interest  
*(Applicable to Covered Bonds in  
definitive form)* Payment Date falling [in/on] [●]
- (vi) Day Count Fraction: [30/360 or Actual/Actual (ICMA) or [*specify other*]]  
RBA Bond Basis  
*specify other*  
*[(NB: Actual/Actual (ICMA) is normally appropriate  
for Fixed Rate Covered Bonds)]*
- (vii) Determination Date(s): [●] in each year [*Insert interest payment dates except  
where there are long or short periods. In these cases,  
insert regular interest payment dates. NB: Only  
relevant where Day Count Fraction is Actual/Actual  
(ICMA)]/[Not Applicable]*
- (viii) Business Day Convention Following Business Day Convention
- (ix) Other terms relating to the method of  
calculating interest for Fixed Rate  
Covered Bonds: [None/*give details*]
18. Floating Rate Covered Bond Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining  
sub-paragraphs of this paragraph)*
- (i) Specified Period(s)/Specified Interest  
Payment Date(s): [[●] and including the Final Maturity Date and the  
Extended Due for Payment Date (if  
applicable)]/[specify *other*][●]

- (ii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[specify other]]
- (iii) Additional Business Centre(s): [●]
- (iv) Manner in which the Rate of Interest and Interest Amount are to be determined: [Screen Rate Determination/ISDA Determination/Bank Bill Rate Determination/specify other]
- (v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent): [●]
- (vi) Screen Rate Determination:
- Reference Rate: [●]  
(Either LIBOR, EURIBOR or other, although additional information is required if other – including fallback provisions in the Agency Agreement)
  - Interest Determination Date(s): [●]  
(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling LIBOR or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR and the first day of each Interest Period if BBSW)
  - Relevant Screen Page: [●]  
(In the case of EURIBOR, if not Reuters EURIBOR 01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
- (vii) ISDA Determination:
- Floating Rate Option: [●]
  - Designated Maturity: [●]
  - Reset Date: [●]
- [(viii) Bank Bill Rate Determination: [●]  
Term: ] [1,2,3,4,5,6, months/specify other]  
(Applicable to A\$ Registered Covered Bonds only)
- (viii) Margin(s): [ +/- ][●] per cent. per annum
- (ix) Minimum Rate of Interest: [●] per cent. per annum
- (x) Maximum Rate of Interest: [●] per cent. per annum
- (xi) Day Count Fraction: [Actual/Actual (ISDA) or Actual/Actual Actual/365 (Fixed)]

|            |  |
|------------|--|
|            | Actual/365 (Sterling)<br>Actual/360<br>30/360 or 360/360 or Bond Basis<br>30E/360 or Eurobond Basis<br>30E/360 (ISDA)<br>RBA Bond Basis<br><i>Specify Other</i><br>(See Condition 4.3 for more options)  |
| (xii)      | Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Covered Bonds, if different from those set out in the Conditions: [●]  |
| <b>19.</b> | <b>Zero Coupon Covered Bond Provisions</b><br>(These provisions also apply to Low Interest (discount) and High Interest (premium) Covered Bonds)   |
| (i)        | Amortisation Yield: [●]per cent. per annum   |
| (ii)       | Reference Price: [●]   |
| (iii)      | Any other formula/basis of determining amount payable: [●]   |
| (iv)       | Day Count Fraction in relation to Zero Coupon Covered Bonds: [Condition 4.3 applies/specify other]   |
|            | [Actual/Actual (ISDA)<br>Actual/365 (Fixed)<br>Actual/365 (Sterling)<br>Actual/360 30E/360 or Eurobond Basis<br>Actual/Actual (ICMA)<br>30/360 (Fixed) or 30/360, unadjusted<br>30E/360 (ISDA)<br>specify other] (See Condition 4.3 for more options)                    |
| <b>20.</b> | <b>Index Linked Covered Bond Provisions</b>  |
|            | [Applicable/Not Applicable]<br>(If not applicable, delete the remaining sub-paragraph of this paragraph)   |
| (i)        | Index Linked Redemption Covered Bonds: [Yes/No]  |
|            | [If yes, specify the formula for calculating the Final Redemption Amount and any Early Redemption Amount]  |
|            | (N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Covered Bonds will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.) |
| (ii)       | Index Linked Interest Covered Bonds: [Yes/No]  |
|            | [If yes, specify the formula for calculating Rate of Interest and/or Interest Amount]  |



*[If no, delete the remaining sub-paragraphs of this paragraph]*

- (a) Party responsible for calculating the Rate of Interest and Interest Amount: *[give name (and if the Covered Bonds are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, address)] (the [Calculation Agent])*
- (b) Specified Period(s)/Specified Interest Payment Date(s): **[●]**
- (c) Business Day Convention: *[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/specify other/Not Applicable]*
- (d) Additional Business Centre: **[●]**
- (e) Minimum Rate of Interest: **[●]** per cent. per annum
- (f) Maximum Rate of Interest: **[●]** per cent. per annum
- (g) Day Count Fraction: *[Actual/Actual (ISDA)  
Actual/365 (Fixed)  
Actual/365 (Sterling)  
Actual/360 30E/360 or Eurobond Basis  
Actual/Actual (ICMA)  
30/360 (Fixed) or 30/360, unadjusted  
30E/360 (ISDA)  
specify other] (See Condition 4.3 for more options)*
- (iii) Index/Indices/Formula: *[Specify the following details for each index:*  
*Index Name: [●]*  
*Multi-exchange Index: [Yes/No]]*
- (iv) Provisions for determining Coupon where calculated by reference to Index and/or Formula: **[●]**
- (v) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable or otherwise disrupted. **[●]** *(include a description of market disruption or settlement disruption events and adjustment provisions)*

## 21. Dual Currency Covered Bond Provisions

*[Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

*(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Covered Bonds will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)*

- (i) Rate of Exchange/method of calculating Rate of Exchange: *[give details]*

- (ii) [Calculation Agent], if any, responsible for calculating the principal and/or interest due: [●]
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: *[need to include a description of market disruption or settlement disruption events and adjustment provisions]*
- (iv) Person at whose option Specified Currency(ies) is/are payable: [●]

## PROVISIONS RELATING TO REDEMPTION

22. Issuer Call: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [●]
  - (ii) Optional Redemption Amount and method, if any, of calculation of such amount(s): [[●] per Calculation Amount/specify other/ see Appendix] *[If applicable, include a description of any relevant market disruption or settlement disruption events and adjustment provisions]*
  - (iii) If redeemable in part:
  - (iv) Partial redemption (call) [Applicable/Not Applicable]
    - (a) Minimum Redemption Amount: [●]
    - (b) Higher Redemption Amount: [●]
  - (v) Notice period (if other than as set out in the Conditions): [●]  
*(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the U.S. Paying Agent)*
23. Investor Put: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [●]
  - (ii) Optional Redemption Amount and method, if any, of calculation of such amount(s): [[●] per Calculation Amount/specify other/ see Appendix] *[If applicable, include a description of any relevant market disruption or settlement disruption events and adjustment provisions]*
  - (iii) Notice period (if other than as set out in the Conditions): [●]  
  
*(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution*

*of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the U.S. Paying Agent)*

24. Final Redemption Amount: [[●]per Calculation Amount/specify other/see Appendix] *[If applicable, include a description of any relevant market disruption or settlement disruption events and adjustment provisions]*
- (N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Covered Bonds will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII will apply)*
25. Early Redemption Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same: [[●]per Calculation Amount/Early Settlement Amount/specify other/see Appendix] *[If applicable, include a description of any relevant market disruption or settlement disruption events and adjustment provisions]*

## GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS

26. Form of Covered Bonds:
- [Bearer Covered Bonds:  
[Temporary Bearer Global Covered Bond exchangeable for a Permanent Bearer Global Covered Bond which is exchangeable for Bearer Definitive Covered Bonds [on 60 days' notice given at any time/only upon an Exchange Event]]  
[Temporary Bearer Global Covered Bond exchangeable for Bearer Definitive Covered Bonds]  
[Permanent Bearer Global Covered Bond exchangeable for Bearer Definitive Covered Bonds [on 60 days' notice given at any time/only after an Exchange Event]]  
*(Bearer Covered Bonds may not be offered, sold or delivered within the United States or its possessions or to U.S. persons, except in certain transactions permitted by U.S. tax regulations and the Securities Act)*  
*(N.B. The exchange upon notice should not be expressed to be applicable if the specified denomination of the Covered Bonds in paragraph 7 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000])*  
[Registered Covered Bonds: [Registered Covered Bonds - [Restricted/Unrestricted] Global Certificate[s]] - [Euroclear/Clearstream]
- [Rule 144A]
- [Rule 144A/Regulation S]
- Regulation S Global Covered Bond registered in the name of [a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg]

[Regulation S Global Covered Bond (U.S.\$[●] nominal amount) registered in the name of the common depositary for [Euroclear and Clearstream, Luxembourg]]

27. Additional Financial Centre(s) or other special provisions relating to Payment Dates: [Not Applicable/give details]  
(Note that this item relates to the place of payment and not Interest Payment Dates)
28. [Talons for future Coupons or Receipts to be attached to Definitive Covered Bonds (and dates on which such Talons mature):]  
  
[[Not Applicable to Covered Bonds sold under the Offering Circular]] [Yes/No. If yes, give details]
29. Details relating to Partly-Paid Covered Bonds: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Covered Bonds and interest due on late payment: [Not Applicable/give details. NB: a new form of Temporary Bearer Global Covered Bond and/or Permanent Bearer Global Covered Bond may be required for Partly-Paid issues]
30. Details relating to Instalment Covered Bonds: amount of each instalment, date on which each payment is to be made: [Not Applicable/give details]
- (i) Instalment Amount(s): [●]
- (ii) Instalment Date(s): [●]
31. Redenomination applicable: Redenomination [not] applicable  
[(if Redenomination is applicable, specify all relevant provisions in the applicable Final Terms)]
32. Other Final Terms: [Not Applicable/give details]  
  
[Add any additional Final Terms – consideration should be given to whether such terms constitute “significant new factors” consequently triggering a supplement to the Prospectus under Article 16 of the Prospectus Directive]
- [32A. A\$ Registrar: [Austraclear Services Limited ABN 28 003 284 419][In case of A\$ Registered Covered Bonds only]

## DISTRIBUTION

33. (i) If syndicated, names and addresses of Dealers and underwriting commitments: [Not Applicable/give names, addresses and underwriting commitments]  
  
(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a “best efforts” basis if such entities are not the same as the Dealers.)

- (ii) Date of [Subscription/Terms] Agreement: [●]
- (iii) Stabilising Manager(s) (if any): [Not Applicable/give name]
34. If non-syndicated, name and address of relevant Dealer: [Not Applicable/give name and address]
35. Definitive Covered Bonds to be in ICMA or successor's format: [Yes/No]
- (If nothing is specified, Definitive Covered Bonds will be security printed and in ICMA or successor's format)*
36. U.S. Selling Restrictions: [Reg. S Compliance Category]
- [The Covered Bonds are being offered and sold without registration under the United States Securities Act of 1933, as amended (the Securities Act): (A) to investors reasonably believed to be “qualified institutional buyers” as defined in Rule 144A under the Securities Act (Rule 144A) in reliance upon the exemption provided by Rule 144A under the Securities Act and (B) in offshore transactions to certain non-US persons in reliance upon Regulation S under the Securities Act. Prospective purchasers are hereby notified that the seller of the Covered Bonds may be relying on an exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of certain restrictions on resales and transfers, see “Notice to Purchasers” and “Subscription and Sale and Selling Restrictions” in the Offering Circular.](Applicable to Covered Bonds sold using the Offering Circular)
37. Whether TEFRA D rules applicable or TEFRA rules not applicable: [TEFRA D/TEFRA not applicable]
38. Additional selling restrictions: [Not Applicable/give details]
39. Additional U.S. Federal Tax or ERISA Considerations [Not Applicable/give details]

## **[PURPOSE OF FINAL TERMS]**

This Final Terms comprises the Final Terms required for issue [and] [public offer in the Public Offer Jurisdictions] [and] [admission to trading on *[specify relevant regulated market (for example the London Stock Exchange’s regulated market or the Regulated Market of the Irish Stock Exchange) and, if relevant, listing on an official list (for example, the Official List of the UK Listing Authority)]* of the Covered Bonds described herein] pursuant to the U.S.\$30,000,000,000 CBA Covered Bond Programme of the Commonwealth Bank of Australia.][Include this provision if the Covered Bonds are to be offered for sale in the European Economic Area using the UK Prospectus.]

## **RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in these Final Terms. *[[Relevant third party information, for example in compliance with Annex XII to the Prospectus Directive Regulation in relation to an index or its components]* has been extracted from *[specify source]*. 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 *[specify source]*, no facts have been omitted which would render the reproduced information inaccurate or misleading].

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

By: .....

*Duly authorised*

Signed on behalf of **Perpetual Corporate Trust Limited** in its capacity as trustee of the CBA Covered Bond Trust:

By: .....

*Duly authorised*

By: .....

*Duly authorised*

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

[Application has been made by the Issuer (or on its behalf) for the Covered Bonds to be admitted to trading on *[specify relevant regulated market (for example the Bourse de Luxembourg, the London Stock Exchange's regulated market or the Regulated Market of the Irish Stock Exchange) and, if relevant, listing on an official list (for example, 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 Covered Bonds to be admitted to trading on *[specify relevant regulated market (for example the Bourse de Luxembourg, the London Stock Exchange's regulated market or the Regulated Market of the Irish Stock Exchange) and, if relevant, listing on an official list (for example, the Official List of the UK Listing Authority)]* with effect from [●].] [Not Applicable.]

*(Where documenting a fungible issue need to indicate that original Covered Bonds are already admitted to trading.)*

### 2. RATINGS

Ratings:

The Covered Bonds to be issued have [not] been rated[:

[Fitch Australia Pty Ltd/ *insert legal name of relevant CRA(s)*]: [●]

[Moody's Investors Service Pty Ltd/ *insert legal name of relevant CRA(s)*]: [●]

[[Other/*insert legal name of relevant CRA(s)*]: [●]]]

*(The above disclosure should reflect the credit rating allocated to the issue that has been specifically rated.)*

*N.B. Consult the relevant Rating Agencies in relation to Covered Bonds which may have a Final Redemption Amount of less than 100% of the nominal value.*

[[*Insert the legal name of the relevant CRA entity*] is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended).] [As such [*insert the legal name of the relevant credit rating agency entity*] is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with such Regulation.]

[[*Insert the legal name of the relevant non-EU CRA*

*entity*] is not established in the European Union and is not registered in accordance with Regulation (EC) No. 1060/2009 (as amended). [*Insert the legal name of the relevant non-EU credit rating agency entity*] is therefore not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with such Regulation.]

[*Insert the legal name of the relevant non-EU credit rating agency entity*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). However, the application for registration under the CRA Regulation of [*insert the legal name of the relevant EU credit rating agency entity that applied for registration*], which is established in the European Union and is registered under the CRA Regulation [(and, as such is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with such Regulation)], disclosed the intention to endorse credit ratings of [*insert the legal name of the relevant non-EU credit rating agency entity*]. While notification of the corresponding endorsement decision has not yet been provided by the relevant competent authority, the European Securities and Markets Authority has indicated that a transitional period ending on 31 January 2012 (which may be extended to 30 April 2012) shall apply with respect to ratings intended to be endorsed. This transitional period allows market participants to continue to use in the European Union credit ratings issued in third countries while the European Securities and Markets Authority completes its assessment of the relevant regulatory framework and third countries.]

[[*Insert the legal name of the relevant non-EU CRA entity*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). The credit ratings [[have been]/[are expected to be]] endorsed by [*insert the legal name of the relevant EU-registered CRA entity*] in accordance with the CRA Regulation. [*Insert the legal name of the relevant EU CRA entity*] is established in the European Union and registered under the CRA Regulation.] [As such [*insert the legal name of the relevant EU credit rating agency entity*] is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation.]

[[*Insert the legal name of the relevant non-EU credit rating agency entity*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**), but it [is]/[has applied to



be] certified in accordance with such the CRA Regulation [[ [EITHER:] and it is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation] [ [OR:] although notification of the corresponding certification decision has not yet been provided by the relevant competent authority and *[insert the legal name of the relevant non-EU credit rating agency entity]* is not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation]]

*[[Insert the legal name of the relevant credit rating agency entity]* is established in the European Union and has applied for registration under Regulation (EC) No. 1060/2009 (as amended), although notification of the corresponding registration decision has not yet been provided by the relevant competent authority[ and *[insert the legal name of the relevant credit rating agency entity]* is not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with such Regulation].]

*[[Insert the legal name of the relevant non-EU credit rating agency entity]* is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). However, the application for registration under the CRA Regulation of *[insert the legal name of the relevant EU credit rating agency entity that applied for registration]*, which is established in the European Union, disclosed the intention to endorse credit ratings of *[insert the legal name of the relevant non-EU credit rating agency entity]*[, although notification of the corresponding registration decision has not yet been provided by the relevant competent authority and *[insert the legal name of the relevant EU credit rating agency entity]* is not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation]]

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

[Save as discussed in *Subscription and Sale and Selling Restrictions*, so far as the Issuer is aware, no person involved in the issue of the Covered Bonds has an interest material to the offer.] – *Amend as appropriate if there are other interests*

*[(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]*

### 4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- (i) Reasons for the offer [●]

- (ii) Estimated net proceeds: [●]
- (iii) Estimated total expenses: [●] *[Expenses are required to be broken down into each principal intended “use” and presented in order of priority of such “uses”.]*

*(Delete unless the Covered Bonds are derivative securities to which Annex XII of the Prospectus Directive Regulation applies in which case (i) above is required where the reasons for the offer are different from making profit and/or hedging certain risks and, where such reasons are inserted in (i), disclosure of net proceeds and total expenses at (ii) and (iii) above are also required.)*

## 5. YIELD (Fixed Rate Covered Bonds only)

Indication of yield: [●]

*[Calculated as [include details of method of calculation in summary form] on the Issue Date.]*

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

## 6. PERFORMANCE OF INDEX/FORMULA, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING (INDEX LINKED COVERED BONDS ONLY)

*[If there is a derivative component in the interest or the Covered Bonds are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]*

In certain circumstances (including (without limitation) as a result of a change in law, certain events impacting the ability of the Intercompany Loan Provider or the Demand Loan Provider to continue funding a Term Advance and/or the Demand Loan, as applicable or the imposition of a withholding tax) the Covered Bonds may be redeemed early. In such cases, the amount payable will be an amount in cash which will be the market value of a Covered Bond adjusted to take into account any costs, losses or expenses which are incurred (or are expected to be incurred) by (or on behalf of) the Issuer in connection with the early redemption of the Covered Bonds (including (without duplication or limitation) hedging termination and funding breakage costs (whether actual or notional)), all as determined by the [Calculation Agent]. In the case of an early termination, the Covered Bondholder will not receive the full benefit of any increase in the Index that takes place after the early termination and before the Maturity Date.

[INSERT HERE ANY REQUIRED INDEX DISCLAIMER. If NONE, INSERT:

The [specify] Index is currently sponsored by [specify] (the **Sponsor**). This transaction is not in any way sponsored, endorsed or promoted by the Sponsor. The Sponsor has no obligation to take the needs of any party into consideration in composing, determining or calculating the Index (or causing the Index to be calculated). In addition, the Sponsor makes no representation or warranty whatsoever, express or implied, as to the results to be obtained from the use of the Index and/or the level at which the Index stands at any particular time on any particular day or otherwise. The Sponsor will not be liable, whether in negligence or otherwise, to any party for any error in the Index and shall have no obligation to advise any party of any error therein.]

*(N.B. The requirements below only apply if the Covered Bonds that are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)*

*[Need to include details of where past and future performance and volatility of the index/formula can be obtained.]*

*[Where the underlying is an Index need to include the name of the Index and a description if composed by the Issuer and if the Index is not composed by the Issuer need to include details of where the information about the Index can be obtained.][Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.]*

*[When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Programme Circular under Article 16 of the Prospectus Directive.]*

*The Issuer [intends to provide post-issuance information [specify what information will be reported and where it can be obtained]] [does not intend to provide post-issuance information]*

## **7. PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT (DUAL CURRENCY COVERED BONDS ONLY)**

*[Need to include details of where past and future performance and volatility of the relevant rates can be obtained.] (N.B. Applies if the Covered Bonds are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)*

*[Need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]*

*[(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]*

## **8. OPERATIONAL INFORMATION**

- |        |   |   |
|--------|---|---|
| (i)    | ISIN Code:  | [●]   |
| (ii)   | CUSIP:  | [●]   |
| (iii)  | Common Code:  | [●]   |
| (iv)   | Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and The Depository Trust Company and Austraclear and the relevant identification number(s): | [Not Applicable/give name(s) and number(s)] |
| (v)    | Delivery:   | Delivery [against]/[free of] payment        |
| (vi)   | Name and address of initial Paying Agent in relation to the Covered Bonds   | [●]   |
| (vii)  | Names and addresses of additional Paying Agent(s) (if any) in relation to the Covered Bonds:  | [●]   |
| (viii) | Name and address of Calculation Agent in relation to A\$ Registered Covered Bonds if other than the Issuer  | [●]   |

## **9 SUMMARY OF POOL CHARACTERISTICS**

Aggregate Pool Balance [●]

|                                 |     |
|---------------------------------|-----|
| Number of Mortgage Loans        | [●] |
| Weighted average LTV            | [●] |
| Weighted average indexed LTV    | [●] |
| Weighted average Remaining Term | [●] |
| Weighted average Seasoning      | [●] |
| Weighted average Interest Rate  | [●] |
| Interest Only                   | [●] |
| Principal & Interest Repayment  | [●] |
| Loans in arrear > 90 days       | [●] |

### Geographic Distribution

| Region         | <u>No. Of Loans</u> | <u>Per cent. by<br/>Loan Number</u> | <u>Aggregate Loan<br/>Balance</u> | <u>Per cent. by<br/>Loan Balance</u> |
|----------------|---------------------|-------------------------------------|-----------------------------------|--------------------------------------|
| ACT Metro      | [●]                 | [●]                                 | [●]                               | [●]                                  |
| NSW Inner City | [●]                 | [●]                                 | [●]                               | [●]                                  |
| NSW Metro      | [●]                 | [●]                                 | [●]                               | [●]                                  |
| NSW Non Metro  | [●]                 | [●]                                 | [●]                               | [●]                                  |
| NT Metro       | [●]                 | [●]                                 | [●]                               | [●]                                  |
| NT Non Metro   | [●]                 | [●]                                 | [●]                               | [●]                                  |
| SA Inner City  | [●]                 | [●]                                 | [●]                               | [●]                                  |
| SA Metro       | [●]                 | [●]                                 | [●]                               | [●]                                  |
| SA Non Metro   | [●]                 | [●]                                 | [●]                               | [●]                                  |
| TAS Inner City | [●]                 | [●]                                 | [●]                               | [●]                                  |
| TAS Metro      | [●]                 | [●]                                 | [●]                               | [●]                                  |
| TAS Non Metro  | [●]                 | [●]                                 | [●]                               | [●]                                  |
| VIC Inner City | [●]                 | [●]                                 | [●]                               | [●]                                  |
| VIC Metro      | [●]                 | [●]                                 | [●]                               | [●]                                  |
| VIC Non Metro  | [●]                 | [●]                                 | [●]                               | [●]                                  |
| WA Inner City  | [●]                 | [●]                                 | [●]                               | [●]                                  |
| WA Metro       | [●]                 | [●]                                 | [●]                               | [●]                                  |
| WA Non Metro   | [●]                 | [●]                                 | [●]                               | [●]                                  |

**Current LTV**

| <b>LTV</b>           | <b><u>No. Of Loans</u></b> | <b><u>Per cent. by<br/>Loan Number</u></b> | <b><u>Aggregate Loan<br/>Balance</u></b> | <b><u>Per cent. by<br/>Loan Balance</u></b> |
|----------------------|----------------------------|--|--|---|
| 0.00 < LVR <= 5.00   | [●]                        | [●]  | [●]                                      | [●]   |
| 5.00 < LVR <= 10.00  | [●]                        | [●]  | [●]                                      | [●]   |
| 10.00 < LVR <= 15.00 | [●]                        | [●]  | [●]                                      | [●]   |
| 15.00 < LVR <= 20.00 | [●]                        | [●]  | [●]                                      | [●]   |
| 20.00 < LVR <= 25.00 | [●]                        | [●]  | [●]                                      | [●]   |
| 25.00 < LVR <= 30.00 | [●]                        | [●]  | [●]                                      | [●]   |
| 30.00 < LVR <= 35.00 | [●]                        | [●]  | [●]                                      | [●]   |
| 35.00 < LVR <= 40.00 | [●]                        | [●]  | [●]                                      | [●]   |
| 40.00 < LVR <= 45.00 | [●]                        | [●]  | [●]                                      | [●]   |
| 45.00 < LVR <= 50.00 | [●]                        | [●]  | [●]                                      | [●]   |
| 50.00 < LVR <= 55.00 | [●]                        | [●]  | [●]                                      | [●]   |
| 55.00 < LVR <= 60.00 | [●]                        | [●]  | [●]                                      | [●]   |
| 60.00 < LVR <= 65.00 | [●]                        | [●]  | [●]                                      | [●]   |
| 65.00 < LVR <= 70.00 | [●]                        | [●]  | [●]                                      | [●]   |
| 70.00 < LVR <= 75.00 | [●]                        | [●]  | [●]                                      | [●]   |
| 75.00 < LVR <= 80.00 | [●]                        | [●]  | [●]                                      | [●]   |
| 80.00 < LVR <= 85.00 | [●]                        | [●]  | [●]                                      | [●]   |
| 85.00 < LVR <= 90.00 | [●]                        | [●]  | [●]                                      | [●]   |
| 90.00 < LVR <= 95.00 | [●]                        | [●]  | [●]                                      | [●]   |

### Current Indexed LTV

| Current Indexed LTV  | <u>No. Of Loans</u> | <u>Per cent. by<br/>Loan Number</u> | <u>Aggregate Loan<br/>Balance</u> | <u>Per cent. by<br/>Loan Balance</u> |
|----------------------|---------------------|-------------------------------------|-----------------------------------|--------------------------------------|
| 0.00 < LVR <= 5.00   | [●]                 | [●]                                 | [●]                               | [●]                                  |
| 5.00 < LVR <= 10.00  | [●]                 | [●]                                 | [●]                               | [●]                                  |
| 10.00 < LVR <= 15.00 | [●]                 | [●]                                 | [●]                               | [●]                                  |
| 15.00 < LVR <= 20.00 | [●]                 | [●]                                 | [●]                               | [●]                                  |
| 20.00 < LVR <= 25.00 | [●]                 | [●]                                 | [●]                               | [●]                                  |
| 25.00 < LVR <= 30.00 | [●]                 | [●]                                 | [●]                               | [●]                                  |
| 30.00 < LVR <= 35.00 | [●]                 | [●]                                 | [●]                               | [●]                                  |
| 35.00 < LVR <= 40.00 | [●]                 | [●]                                 | [●]                               | [●]                                  |
| 40.00 < LVR <= 45.00 | [●]                 | [●]                                 | [●]                               | [●]                                  |
| 45.00 < LVR <= 50.00 | [●]                 | [●]                                 | [●]                               | [●]                                  |
| 50.00 < LVR <= 55.00 | [●]                 | [●]                                 | [●]                               | [●]                                  |
| 55.00 < LVR <= 60.00 | [●]                 | [●]                                 | [●]                               | [●]                                  |
| 60.00 < LVR <= 65.00 | [●]                 | [●]                                 | [●]                               | [●]                                  |
| 65.00 < LVR <= 70.00 | [●]                 | [●]                                 | [●]                               | [●]                                  |
| 70.00 < LVR <= 75.00 | [●]                 | [●]                                 | [●]                               | [●]                                  |
| 75.00 < LVR <= 80.00 | [●]                 | [●]                                 | [●]                               | [●]                                  |
| 80.00 < LVR <= 85.00 | [●]                 | [●]                                 | [●]                               | [●]                                  |
| 85.00 < LVR <= 90.00 | [●]                 | [●]                                 | [●]                               | [●]                                  |
| 90.00 < LVR <= 95.00 | [●]                 | [●]                                 | [●]                               | [●]                                  |

### Ownership Type

| Ownership Type | <u>No. Of Loans</u> | <u>Per cent. by<br/>Loan Number</u> | <u>Aggregate Loan<br/>Balance</u> | <u>Per cent. by<br/>Loan Balance</u> |
|----------------|---------------------|-------------------------------------|-----------------------------------|--------------------------------------|
| Owner Occupied | [●]                 | [●]                                 | [●]                               | [●]                                  |
| Investment     | [●]                 | [●]                                 | [●]                               | [●]                                  |

### Repayment Type

| Repayment Type         | <u>No. Of Loans</u> | <u>Per cent. by<br/>Loan Number</u> | <u>Aggregate Loan<br/>Balance</u> | <u>Per cent. by<br/>Loan Balance</u> |
|------------------------|---------------------|-------------------------------------|-----------------------------------|--------------------------------------|
| Principal and Interest | [●]                 | [●]                                 | [●]                               | [●]                                  |
| Interest Only          | [●]                 | [●]                                 | [●]                               | [●]                                  |

## Loan Type

| <u>Loan Type</u> | <u>No. Of Loans</u> | <u>Per cent. by<br/>Loan Number</u> | <u>Aggregate Loan<br/>Balance</u> | <u>Per cent. by<br/>Loan Balance</u> |
|------------------|---------------------|-------------------------------------|-----------------------------------|--------------------------------------|
| Variable         | [●]                 | [●]                                 | [●]                               | [●]                                  |
| 1yr Fixed        | [●]                 | [●]                                 | [●]                               | [●]                                  |
| 2yr Fixed        | [●]                 | [●]                                 | [●]                               | [●]                                  |
| 3yr Fixed        | [●]                 | [●]                                 | [●]                               | [●]                                  |
| 4yr Fixed        | [●]                 | [●]                                 | [●]                               | [●]                                  |
| 5yr Fixed        | [●]                 | [●]                                 | [●]                               | [●]                                  |
| 7yr Fixed        | [●]                 | [●]                                 | [●]                               | [●]                                  |
| 15yr Fixed       | [●]                 | [●]                                 | [●]                               | [●]                                  |

## Arrears

| <u>Arrears</u> | <u>No. Of Loans</u> | <u>Per cent. by<br/>Loan Number</u> | <u>Aggregate Loan<br/>Balance</u> | <u>Per cent. by<br/>Loan Balance</u> |
|----------------|---------------------|-------------------------------------|-----------------------------------|--------------------------------------|
| 31-60 days     | [●]                 | [●]                                 | [●]                               | [●]                                  |
| 61-90 days     | [●]                 | [●]                                 | [●]                               | [●]                                  |
| 91-120 days    | [●]                 | [●]                                 | [●]                               | [●]                                  |
| 121-150 days   | [●]                 | [●]                                 | [●]                               | [●]                                  |
| 151-180 days   | [●]                 | [●]                                 | [●]                               | [●]                                  |
| 180+ days      | [●]                 | [●]                                 | [●]                               | [●]                                  |

## Year of Origination (quarterly)

| <u>Year of<br/>Origination</u> | <u>No. of<br/>Loans</u> | <u>Total Security<br/>Valuations<br/>(A\$)</u> | <u>Total Loan<br/>Balance<br/>(A\$)</u> | <u>Weighted<br/>Average<br/>Current LTV (%)</u> | <u>Average<br/>Loan<br/>Balance<br/>(A\$)</u> | <u>% by Loan<br/>Balance</u> |
|--------------------------------|-------------------------|--|---|---|---|------------------------------|
| 2002Q1                         | [●]                     | [●]  | [●]                                     | [●]   | [●]   | [●]                          |
| 2002Q2                         | [●]                     | [●]  | [●]                                     | [●]   | [●]   | [●]                          |
| 2002Q3                         | [●]                     | [●]  | [●]                                     | [●]   | [●]   | [●]                          |
| 2002Q4                         | [●]                     | [●]  | [●]                                     | [●]   | [●]   | [●]                          |
| 2003Q1                         | [●]                     | [●]  | [●]                                     | [●]   | [●]   | [●]                          |
| 2003Q2                         | [●]                     | [●]  | [●]                                     | [●]   | [●]   | [●]                          |

|              |     |     |     |     |     |     |
|--------------|-----|-----|-----|-----|-----|-----|
| 2003Q3       | [●] | [●] | [●] | [●] | [●] | [●] |
| 2003Q4       | [●] | [●] | [●] | [●] | [●] | [●] |
| 2004Q1       | [●] | [●] | [●] | [●] | [●] | [●] |
| 2004Q2       | [●] | [●] | [●] | [●] | [●] | [●] |
| 2004Q3       | [●] | [●] | [●] | [●] | [●] | [●] |
| 2004Q4       | [●] | [●] | [●] | [●] | [●] | [●] |
| 2005Q1       | [●] | [●] | [●] | [●] | [●] | [●] |
| 2005Q2       | [●] | [●] | [●] | [●] | [●] | [●] |
| 2005Q3       | [●] | [●] | [●] | [●] | [●] | [●] |
| 2005Q4       | [●] | [●] | [●] | [●] | [●] | [●] |
| 2006Q1       | [●] | [●] | [●] | [●] | [●] | [●] |
| 2006Q2       | [●] | [●] | [●] | [●] | [●] | [●] |
| 2006Q3       | [●] | [●] | [●] | [●] | [●] | [●] |
| 2006Q4       | [●] | [●] | [●] | [●] | [●] | [●] |
| 2007Q1       | [●] | [●] | [●] | [●] | [●] | [●] |
| 2007Q2       | [●] | [●] | [●] | [●] | [●] | [●] |
| 2007Q3       | [●] | [●] | [●] | [●] | [●] | [●] |
| 2007Q4       | [●] | [●] | [●] | [●] | [●] | [●] |
| 2008Q1       | [●] | [●] | [●] | [●] | [●] | [●] |
| 2008Q2       | [●] | [●] | [●] | [●] | [●] | [●] |
| 2008Q3       | [●] | [●] | [●] | [●] | [●] | [●] |
| 2008Q4       | [●] | [●] | [●] | [●] | [●] | [●] |
| 2009Q1       | [●] | [●] | [●] | [●] | [●] | [●] |
| 2009Q2       | [●] | [●] | [●] | [●] | [●] | [●] |
| 2009Q3       | [●] | [●] | [●] | [●] | [●] | [●] |
| 2009Q4       | [●] | [●] | [●] | [●] | [●] | [●] |
| 2010Q1       | [●] | [●] | [●] | [●] | [●] | [●] |
| 2010Q2       | [●] | [●] | [●] | [●] | [●] | [●] |
| 2010Q3       | [●] | [●] | [●] | [●] | [●] | [●] |
| 2010Q4       | [●] | [●] | [●] | [●] | [●] | [●] |
| 2011Q1       | [●] | [●] | [●] | [●] | [●] | [●] |
| <b>Total</b> | [●] | [●] | [●] | [●] | [●] | [●] |

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## TERMS AND CONDITIONS OF THE COVERED BONDS

The following are the terms and conditions (the **Conditions**) of the Covered Bonds which will be incorporated by reference into each Registered Global Covered Bond (as defined below) and each Definitive Covered Bond, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the Relevant Dealer(s) at the time of issue but, if not so permitted and agreed, such Definitive Covered Bond will have endorsed thereon or attached thereto such Conditions. The applicable Final Terms in relation to any Series or Tranche of Covered Bonds may specify other terms and conditions which will, to the extent so specified or to the extent inconsistent with the following Conditions, replace or modify the following Conditions for the purpose of such Covered Bonds. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Registered Global Covered Bond and Definitive Covered Bond. References to the applicable Final Terms are to the Final Terms (or the relevant provisions thereof) entered in the Register in respect of, or attached to, or endorsed on this Covered Bond.

This Covered Bond is one of a Series (as defined below) of Covered Bonds issued by Commonwealth Bank of Australia (the **Issuer**) constituted by a trust deed (such trust deed as modified and/or supplemented and/or restated from time to time, the **Bond Trust Deed**) dated November 15, 2011 (the **Programme Date**) made between the Issuer, Perpetual Corporate Trust Limited ABN 99 000 341 533 as trustee of the CBA Covered Bond Trust (the **Trust**) (and in such capacity, the **Covered Bond Guarantor**), Securitisation Advisory Services Pty. Limited ABN 88 064 133 946 as trust manager (the **Trust Manager**) and Deutsche Trustee Company Limited as bond trustee (in such capacity, the **Bond Trustee**, which expression will include any successor bond trustee).

Save as provided for in Conditions 9 and 10, references in these Conditions to the Covered Bonds are references to the Covered Bonds of this Series and mean:

- (i) in relation to any Covered Bonds represented by a global covered bond in registered form (a **Registered Global Covered Bond**), units of the lowest Specified Denomination in the Specified Currency; and
- (ii) any Definitive Covered Bonds in registered form (**Registered Definitive Covered Bonds**) (whether or not issued in exchange for a Registered Global Covered Bond).

The Covered Bonds have the benefit of a principal agency agreement (such principal agency agreement as amended and/or supplemented and/or restated from time to time the **Principal Agency Agreement**) dated on or about the Programme Date and made between the Issuer, the Covered Bond Guarantor, the Bond Trustee, the Trust Manager and Deutsche Bank AG, London Branch as principal paying agent (in such capacity, the **Principal Paying Agent**, which expression includes any successor principal paying agent), Deutsche Bank Trust Company Americas (the **U.S. Paying Agent**, **U.S. Transfer Agent** and **U.S. Registrar**) and the other paying agents appointed pursuant to the Principal Agency Agreement (together with the Principal Paying Agent and the U.S. Paying Agent, the **Paying Agents**, which expression includes any additional or successor paying agents), Deutsche Bank AG London Branch as transfer agent (in such capacity, the **Transfer Agent**, which expression includes any additional or successor transfer agent) and as exchange agent (in such capacity, the Exchange Agent, which expression includes any additional or successor exchange agent) and Deutsche Bank Luxembourg, S.A. as registrar (in such capacity, the **Registrar**, which expression includes any successor registrar). The Conditions herein assumes the Covered Bonds will be sold in reliance on both Rule 144A and Regulation S, and the Registered Global Covered Bonds will be deposited with a custodian for DTC, and registered in the name of DTC or its nominee. Accordingly, the role of the U.S. Paying Agent, U.S. Transfer Agent and U.S. Registrar are described herein. If the Covered Bonds are sold in reliance on Regulation S only and deposited with the Common Depositary for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg, and as specified in the applicable Final Terms, the description of the U.S. Paying Agent, U.S. Transfer Agent and U.S. Registrar herein will be to the Principal Paying Agent, Transfer Agent and Registrar, as appropriate, or will otherwise be described in the applicable Final Terms.

The Final Terms may specify any other agency agreement that applies to Covered Bonds issued by the Issuer.

As used herein, **Agents** will mean each Paying Agent, each Exchange Agent, each U.S. Transfer Agent and each U.S. Registrar, U.S. Paying Agent will mean, in relation to a Tranche or Series of Covered Bonds, the U.S. Paying Agent or such other paying agent as the Final Terms for that Tranche or Series may specify, U.S. Registrar will mean, in relation to a Tranche or Series of Covered Bonds, the U.S. Registrar or such other registrar as the Final Terms for that Tranche or Series may specify, **U.S. Transfer Agent** will mean, in relation

to a Tranche or Series of Covered Bonds, the U.S. Transfer Agent or such other transfer agent as the Final Terms for that Tranche or Series may specify and **Exchange Agent** will mean, in relation to a Tranche or Series of Covered Bonds, the Exchange Agent or such other exchange agent as the Final Terms for that Tranche or Series may specify.

The Final Terms for this Covered Bond (or the relevant provisions thereof) is entered in the Register, in respect of, attached to, or endorsed on this Covered Bond and supplement these terms and conditions (the **Conditions**) and may specify other terms and conditions which, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of this Covered Bond. References to the **applicable Final Terms** are to the Final Terms (or the relevant provisions thereof) entered in the Register in respect of, or attached to, or endorsed on this Covered Bond.

The Bond Trustee acts as trustee for the holders for the time being of the Covered Bonds (the **Covered Bondholders**, which expression will, in relation to any Covered Bonds represented by a Registered Global Covered Bond, be construed as provided below) and for holders of each other Series of Covered Bonds in accordance with the provisions of the Bond Trust Deed.

As used in these Conditions, **Tranche** means Covered Bonds which are identical in all respects (including as to listing or admission to trading, if applicable) and **Series** means a Tranche of Covered Bonds together with any further Tranche or Tranches of Covered Bonds which are: (i) expressed to be consolidated and form a single series; and (ii) identical in all respects (including as to listing or admission to trading, if applicable) except for their respective Issue Dates, Interest Commencement Dates, Issue Prices and/or the amount of the first payment of interest (if any).

The Covered Bond Guarantor has, in the Bond Trust Deed, irrevocably and unconditionally guaranteed the due and punctual payment of Guaranteed Amounts in respect of the Covered Bonds as and when the same become due for payment on certain dates in accordance with the Bond Trust Deed (**Due for Payment**), but only after service of a Notice to Pay on the Covered Bond Guarantor following an Issuer Event of Default and service by the Bond Trustee of an Issuer Acceleration Notice on the Issuer or the occurrence of Covered Bond Guarantor Event of Default and service by the Bond Trustee of a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer.

The security for the obligations of the Covered Bond Guarantor under the Covered Bond Guarantee and the other Programme Documents to which it is a party has been created in and pursuant to, and on the terms set out in, a security deed governed by the laws of New South Wales, Australia (such security deed as amended and/or supplemented and/or restated from time to time, the **Security Deed**) dated on or about the Programme Date and made between the Covered Bond Guarantor, the Issuer, the Trust Manager, the Bond Trustee, P.T. Limited ABN 67 004 454 666 (the **Security Trustee**) and certain other Secured Creditors.

These Conditions include summaries of, and are subject to, the provisions of the Bond Trust Deed, the Security Deed and the Principal Agency Agreement.

Copies of the Bond Trust Deed, the Security Deed, the Definitions Schedule (as defined below), the Principal Agency Agreement and each of the other Programme Documents are available for inspection free of charge during normal business hours at the registered office for the time being of the Bond Trustee being at the Programme Date at Winchester House, 1 Great Winchester Street, London, EC2N 2DB, United Kingdom and at the specified office of the U.S. Paying Agent.

Copies of the applicable Final Terms for all Covered Bonds of each Series (including in relation to unlisted Covered Bonds of any Series) are obtainable during normal business hours at the specified office of the Paying Agents, the U.S. Registrar and the U.S. Transfer Agent and any Covered Bondholder must produce evidence satisfactory to the Issuer and the Bond Trustee or, as the case may be, the relevant Paying Agent, U.S. Registrar or U.S. Transfer Agent as to its holding of Covered Bonds and identity. The Covered Bondholders are deemed to have notice of, are bound by, and are entitled to the benefit of, all the provisions of, and definitions contained in, the Bond Trust Deed, the Security Deed, the Definitions Schedule (as defined below), the Principal Agency Agreement, each of the other Programme Documents and the applicable Final Terms which are applicable to them and to have notice of the Final Terms relating to each other Series.

Except where the context otherwise requires, capitalised terms used and not otherwise defined in these Conditions bear the meanings given to them in the Bond Trust Deed, the applicable Final Terms and/or the CBA Covered Bond Trust Definitions Schedule made between the parties to the Programme Documents on the

Programme Date (the **Definitions Schedule**) (as the same may be amended and/or supplemented and/or restated from time to time), a copy of each of which may be obtained or inspected as described above. In the event of any inconsistency between the Bond Trust Deed and the Definitions Schedule, the Bond Trust Deed will prevail and in the event of any inconsistency between the Bond Trust Deed and the applicable Final Terms, the applicable Final Terms will prevail.

## 1. FORM, DENOMINATION AND TITLE

The Covered Bonds are in registered form as specified in the applicable Final Terms and, in the case of Definitive Covered Bonds, serially numbered, in the Specified Currency and the Specified Denomination(s). Covered Bonds of one Specified Denomination may not be exchanged for Covered Bonds of another Specified Denomination.

This Covered Bond is a Fixed Rate Covered Bond, a Floating Rate Covered Bond, a Zero Coupon Covered Bond, a Low Interest (discount) Covered Bond, a High Interest (premium) Covered Bond, an Index Linked Interest Covered Bond, a Dual Currency Interest Covered Bond or any appropriate combination thereof depending upon the Interest Basis specified in the applicable Final Terms and is a Dual Currency Redemption Covered Bond, an Index Linked Redemption Covered Bond, an Instalment Covered Bond or a Partly-Paid Covered Bond, or a combination of any of the foregoing, depending on the Redemption/Payment Basis specified in the applicable Final Terms, and subject, in each case, to confirmation from the Rating Agencies that the then current credit ratings of any outstanding Series of Covered Bonds will not be adversely affected by the issuance of this Covered Bond.

Wherever Dual Currency Covered Bonds, Index Linked Covered Bonds, Low Interest (discount) Covered Bonds or High Interest (premium) Covered Bonds are issued to bear interest on a fixed or floating rate basis or on a non-interest-bearing basis, the provisions in these Conditions relating to Fixed Rate Covered Bonds, Floating Rate Covered Bonds and Zero Coupon Covered Bonds respectively will, where the context so admits, apply to such Dual Currency Covered Bonds, Index Linked Covered Bonds, Low Interest (discount) Covered Bonds or High Interest (premium) Covered Bonds. In the case of Dual Currency Covered Bonds, references to the Specified Currency in relation to any payment or calculation of a payment are to the currency in which that payment is required to be made. This Covered Bond is also an **Index Linked Covered Bond** where payment in respect of principal (each an **Index Linked Redemption Covered Bond**) and/or interest (each an **Index Linked Interest Covered Bond**) is linked to an index or indices as specified in the relevant Final Terms (each, an **Index**) and/or a Formula, and the appropriate provisions of these Conditions will apply accordingly.

Subject as set out below, title to the Registered Covered Bonds will pass upon the registration of transfers in accordance with the provisions of the Principal Agency Agreement. The Issuer, the Covered Bond Guarantor, the Security Trustee, the Bond Trustee and each of the Agents will (except as otherwise permitted in the Bond Trust Deed and these Conditions or as ordered by a court of competent jurisdiction or as required by law or applicable regulations) deem and treat the registered holder of any Registered Covered Bond as the absolute owner thereof (notwithstanding any notice to the contrary and whether or not it is overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Registered Global Covered Bond, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Covered Bonds are represented by a Registered Global Covered Bond held on behalf of or, as the case may be, registered in the name of The Depository Trust Company (**DTC**) or its nominee or in the name of a common depository for Euroclear Bank S.A./N.V. (**Euroclear**) and/or Clearstream Banking, *société anonyme* (**Clearstream, Luxembourg**) or their nominee, each person (other than DTC, Euroclear, or Clearstream, Luxembourg) who is for the time being shown in the records of DTC, Euroclear, or Clearstream, Luxembourg as the holder of a particular nominal amount of such Covered Bonds (in which regard any certificate or other document issued by DTC, Euroclear, or Clearstream, Luxembourg as to the nominal amount of such Covered Bonds standing to the account of any person will be conclusive and binding for all purposes save in the case of manifest error and any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including, without limitation, Euroclear's EUCLID or Clearstream's Cedcom system) in accordance with its usual procedures and in which the holder of a particular nominal amount of the Covered Bonds is clearly identified with the amount of such holding) will be treated by the Issuer, the Covered Bond Guarantor, the Paying Agents, the Security Trustee and

the Bond Trustee as the holder of such nominal amount of such Covered Bonds. As long as the Registered Global Covered Bonds are issued in global form, investors will be indirect owners, and not holders, of the Global Covered Bonds and the expression **Covered Bondholder** and related expressions will be construed accordingly.

Covered Bonds which are represented by a Global Covered Bond will be transferable only in accordance with the rules and procedures for the time being of DTC, Euroclear and Clearstream, Luxembourg, as the case may be.

References to DTC, Euroclear and/or Clearstream, Luxembourg will, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or as may otherwise be approved by the Issuer, the Bond Trustee and the U.S. Paying Agent (any such clearing system, an **Alternative Clearing System**).

## **2. TRANSFERS OF REGISTERED COVERED BONDS**

### **2.1 Transfers of interests in Registered Global Covered Bonds**

Transfers of beneficial interests in Rule 144A Global Covered Bonds (as defined below) and Regulation S Global Covered Bonds (as defined below) (together, the **Registered Global Covered Bonds**) will be effected by DTC, 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 Registered Global Covered Bond may, subject to compliance with all applicable legal and regulatory restrictions, be transferred to a person who takes delivery in the form of a beneficial interest in another Registered Global Covered Bond 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 DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Principal Agency Agreement. Transfers of a Registered Global Covered Bond registered in the name of DTC or its nominee will be limited to transfers of such Registered Global Covered Bond, in whole but not in part, to another nominee of DTC or to a successor of DTC or such successor's nominee.

### **2.2 Transfers of Registered Definitive Covered Bonds**

A Registered Definitive Covered Bond 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 Registered Definitive Covered Bond for registration of the transfer at the specified office of a U.S. Transfer Agent with the form of transfer endorsed on the Registered Definitive Covered Bond duly completed and executed by or on behalf of the transferor and upon the relevant U.S. 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 U.S. Transfer Agent may prescribe. Subject as provided above, the relevant U.S. Transfer Agent will, within 14 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 Registered Definitive Covered Bond of a like aggregate nominal amount to the Registered Definitive Covered Bond (or the relevant part of the Registered Definitive Covered Bond) transferred. In the case of the transfer of part only of a Registered Definitive Covered Bond, a new Registered Definitive Covered Bond in respect of the balance of the Registered Definitive Covered Bond not transferred will be so delivered or (at the risk of the transferor) sent to the transferor.

### **2.3 [Reserved]**

### **2.4 Partial redemption**

In the event of a partial redemption of Covered Bonds under Condition 5.3, the Issuer will not be required to register the transfer of any Definitive Covered Bond, or part of any Definitive Covered Bond, called for partial redemption.

### **2.5 Costs of registration**

Covered Bondholders 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 U.S. Transfer Agent or by regular mail and except that the Issuer, any U.S. Registrar or any U.S. Transfer Agent may require the payment of a sum sufficient to cover any Taxes, including stamp duty, GST or other governmental charge that may be imposed in relation to the registration.

## **2.6 U.S. Paying Agent, Paying Agents, U.S. Registrar, U.S. Transfer Agent and Exchange Agent**

The names of the initial U.S. Registrar, and other initial U.S. Transfer Agents and Exchange Agent(s) and their initial specified offices in respect of this Series of Covered Bonds 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 U.S. Registrar or any other U.S. Transfer Agent or Exchange Agent(s) and to appoint another U.S. Registrar or additional or other U.S. Transfer Agents or Exchange Agent(s) provided that it will at all times maintain a U.S. Registrar and another U.S. Transfer Agent or Exchange Agent(s) each having a specified office which, in the case of the U.S. Registrar, is in New York or such other place as may be required by a stock exchange on which such Covered Bonds are listed. Notice of any termination or appointment and of any changes in specified offices will be given to the holders of the Covered Bonds of this Series promptly by the Issuer in accordance with Condition 12.

The names of the initial U.S. Paying Agent and the other initial Paying Agents and their initial specified offices in respect of this Series of Covered Bonds are set out below. The Issuer and (following service of a Notice to Pay but prior to the service of a Covered Bond Guarantee Acceleration Notice) the Covered Bond Guarantor 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 Covered Bonds of this Series is outstanding, maintain: (a) a U.S. Paying Agent, (b) a Paying Agent (which may be the U.S. Paying Agent) having a specified office in a leading financial centre in New York and (c) so long as any Covered Bonds of this Series are admitted to trading or listed on a stock exchange, a Paying Agent (which may be the U.S. Paying Agent) having a specified office in such place as may be required by that stock exchange. Any such variation, termination or change may only take effect (other than in the case of insolvency, when it may be of immediate effect) after not less than 30 days' prior notice thereof has been given to the holders of the Covered Bonds of this Series in accordance with Condition 12 and provided further that neither the resignation nor the removal of the U.S. Paying Agent will take effect, except in the case of insolvency as aforesaid, until a new U.S. Paying Agent has been appointed. Notice of any change in or addition to the Paying Agents or their specified offices will be given by the Issuer promptly in accordance with Condition 12.

## **2.7 Transfers of interests in Regulation S Global Covered Bonds**

Prior to expiry of the applicable Distribution Compliance Period, transfers of beneficial interests in, a Regulation S Global Covered Bond to a person who takes delivery in the form of an interest in a Rule 144A Global Covered Bond will only be made upon receipt by the U.S. Registrar of a written certification substantially in the form set out in the Principal Agency Agreement (a **Transfer Certificate**), copies of which are available from the specified office of the U.S. Registrar or any U.S. Transfer Agent, from the transferor of such beneficial interest to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

Prior to the expiry of the applicable Distribution Compliance Period beneficial interests in Regulation S Covered Bonds registered in the name of a nominee for DTC may only be held through the accounts of Euroclear and Clearstream, Luxembourg. After expiry of the applicable Distribution Compliance Period (i) beneficial interests in Regulation S Global Covered Bonds registered in the name of DTC or its nominee may be held through DTC directly, by a participant in DTC, or indirectly through a participant in DTC and (ii) such certification requirements will no longer apply to such transfers.

## **2.8 Transfers of interests in Rule 144A Covered Bonds**

Transfers of Rule 144A Covered Bonds or beneficial interests therein may be made:

- (a) to a transferee who takes delivery of such interest in the form of an interest in a Regulation S Global Covered Bond, upon receipt by the U.S. Registrar of a duly completed Transfer

Certificate from the transferor to the effect that such transfer is being made in accordance with Regulation S or, if available, Rule 144A under the Securities Act and that, in the case of a Regulation S Global Covered Bond registered in the name of a nominee for DTC, if such transfer is being made prior to expiry of the applicable Distribution Compliance Period, the interests in the Covered Bonds being transferred will be held immediately thereafter through Euroclear and/or Clearstream, Luxembourg; or

- (b) to a transferee who takes delivery of such interest through a Rule 144A Covered Bond, where the transferee is a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, without certification; or
- (c) otherwise (i) in the case of a transfer pursuant to another exemption from the Securities Act, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with the Securities Act and any applicable securities laws of any State of the United States or (ii) pursuant to an effective registration statement under the Securities Act,

and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

Upon the transfer, exchange or replacement of Rule 144A Covered Bonds, or upon specific request for removal of any United States securities law legend on Rule 144A Covered Bonds, the U.S. Registrar must deliver only Rule 144A Covered Bonds or refuse to remove the legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence as may reasonably be required by the Issuer, which may include an opinion of U.S. counsel, that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

## **2.9 Exchanges and transfers of Registered Covered Bonds generally**

Holders of Registered Covered Bonds in definitive form may exchange such Covered Bonds for interests in a Global Covered Bond of the same type at any time.

## **2.10 Definitions**

In these Conditions, the following expressions have the following meanings:

**Distribution Compliance Period** means, with respect to any offering in reliance on Regulation S, the period that ends 40 days after the later of the commencement of the offering and the Issue Date;

**Regulation S** means Regulation S under the Securities Act;

**QIB** means a “qualified institutional buyer” within the meaning of Rule 144A;

**Registered Global Covered Bond** means Rule 144A Global Covered Bonds and Regulation S Global Covered Bonds;

**Regulation S Global Covered Bond** means a Registered Global Covered Bond representing Covered Bonds initially sold outside the United States in reliance on Regulation S;

**Rule 144A** means Rule 144A under the Securities Act;

**Rule 144A Global Covered Bond** means a Registered Global Covered Bond representing Covered Bonds initially sold in the United States to QIBs in reliance on Rule 144A; and

**Securities Act** means the United States Securities Act of 1933, as amended.

## **3. STATUS OF THE COVERED BONDS AND THE COVERED BOND GUARANTEE**

### **3.1 Status of the Covered Bonds**

The Covered Bonds of this Series constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* without any preference or priority among themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer

(other than any obligation preferred by mandatory provisions of applicable law) from time to time outstanding.

### **3.2 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 (**Australian Banking Act**) and section 86 of the Reserve Bank Act 1959 of the Commonwealth of Australia (**Australian 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, APRA, the RBA and holders of protected accounts held in Australia, in priority to all other liabilities, including the Covered Bonds.

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

In addition, the Issuer's indebtedness is not guaranteed or insured by any government, government agency or compensation scheme of Australia or any other jurisdiction.

### **3.3 Status of the Covered Bond Guarantee**

The payment of Guaranteed Amounts in respect of the Covered Bonds when the same become Due for Payment has been unconditionally and irrevocably guaranteed by the Covered Bond Guarantor (the **Covered Bond Guarantee**) as set out in the Bond Trust Deed. However, the Covered Bond Guarantor will have no obligation under the Covered Bond Guarantee to pay any Guaranteed Amounts until the occurrence of an Issuer Event of Default, service by the Bond Trustee on the Issuer of an Issuer Acceleration Notice and service by the Bond Trustee on the Covered Bond Guarantor of a Notice to Pay or, if earlier, following the occurrence of a Covered Bond Guarantor Event of Default and service by the Bond Trustee of a Covered Bond Guarantee Acceleration Notice. The obligations of the Covered Bond Guarantor under the Covered Bond Guarantee are (following an Issuer Event of Default, service of an Issuer Acceleration Notice and service of a Notice to Pay or a Covered Bond Guarantor Event of Default and service of a Covered Bond Guarantee Acceleration Notice), direct and unconditional (subject as provided in Condition 15) obligations of the Covered Bond Guarantor, which are secured as provided in the Security Deed.

Any payment made by the Covered Bond Guarantor under the Covered Bond Guarantee will (unless such obligation has been discharged as a result of the payment of Excess Proceeds to the Bond Trustee pursuant to Condition 9) discharge *pro tanto* the obligations of the Issuer in respect of such payment under the Covered Bonds except where such payment has been declared void, voidable or otherwise recoverable in whole or in part and recovered from the Bond Trustee or the Covered Bondholders.

## **4. INTEREST**

### **4.1 Interest on Fixed Rate Covered Bonds**

- (a) Each Fixed Rate Covered Bond 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 will accrue in respect of each **Interest Period** (which expression will in these Conditions mean 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 Final Maturity Date. If a Notice to Pay is served on the Covered Bond Guarantor, the Covered Bond Guarantor will pay Guaranteed Amounts in equivalent amounts to those described above under the Covered Bond Guarantee in respect of the Covered Bonds on the applicable Original Due for Payment Dates or, if applicable, the Extended Due for Payment Date.

If the Covered Bonds are Definitive Covered Bonds and if a Fixed Coupon Amount is specified in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the 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 cease to accrue on each Fixed Rate Covered Bond (or, in the case of the redemption of part only of a Fixed Rate Covered Bond, that part only of such Covered Bond) 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 (i) the day on which all sums due in respect of such Fixed Rate Covered Bond up to that day are received by or on behalf of the holder of such Fixed Rate Covered Bond and (ii) the day which is seven days after the date on which the U.S. Paying Agent has notified the holder in accordance with Condition 12 that it has received all sums due in respect thereof up to that date.

- (b) Except in the case of Covered Bonds which are Definitive Covered Bonds where a Fixed Coupon Amount or Broken Amount, is specified in the applicable Final Terms interest must be calculated in respect of any period by applying the Rate of Interest to:
  - (i) in the case of Fixed Rate Covered Bonds which are Registered Global Covered Bonds, the aggregate Calculation Amount of the Fixed Rate Covered Bonds represented by such Registered Global Covered Bonds (or, if they are Partly-Paid Covered Bonds, the aggregate amount paid up); or
  - (ii) in the case of Fixed Rate Covered Bonds which are Definitive Covered Bonds, 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 Covered Bond which is a Definitive Covered Bond is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Covered Bond will 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.

In this Condition 4.1, **Day Count Fraction** has the meaning given to it in Condition 4.3.

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.

## 4.2 Interest on Floating Rate Covered Bonds and Index Linked Interest Covered Bonds

### (a) *Interest Payment Dates*

Each Floating Rate Covered Bond and Index Linked Interest Covered Bond bears interest in respect of each Interest Period (which expression will in these Conditions mean the period from (and including) a Specified Interest Payment Date (or if none the Interest Commencement Date to (but excluding) the next (or first) Specified Interest Payment Date). For the purposes of this Condition 4.2, **Interest Payment Date** means either:

- (i) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or
- (ii) 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.

Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Final Maturity Date. If a Notice to Pay is served on the Covered Bond Guarantor, the Covered Bond Guarantor will pay Guaranteed Amounts in equivalent amounts to those described above under the Covered Bond Guarantee in respect of the Covered Bonds



on the applicable Original Due for Payment Dates or, if applicable, the Extended Due for Payment Date.

(b) *Interest Payments and Accrual*

Interest will cease to accrue on each Floating Rate Covered Bond or Index Linked Interest Covered Bond (or, in the case of the redemption of part only of a Floating Rate Covered Bond or Index Linked Interest Covered Bond, that part only of such Covered Bond) 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 (i) the day on which all sums due in respect of such Floating Rate Covered Bond or Index Linked Interest Covered Bond up to that day are received by or on behalf of the holder of such Floating Rate Covered Bond or Index Linked Interest Covered Bond and (ii) the day which is seven days after the date on which the U.S. Paying Agent has notified the holder in accordance with Condition 12 that it has received all sums due in respect thereof up to that date.

(c) *Rate of Interest*

The Rate of Interest payable from time to time in respect of each Floating Rate Covered Bond and Index Linked Interest Covered Bond will be determined in the manner specified in the applicable Final Terms.

(d) *ISDA Determination for Floating Rate Covered Bonds*

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 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 4.2(d), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the U.S. Paying Agent or any other person specified in the applicable Final Terms under an interest rate swap transaction if the U.S. 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 Covered Bonds, (the **ISDA Definitions**) and under which:

- (i) the Floating Rate Option is as specified in the applicable Final Terms;
- (ii) the Designated Maturity is a period specified in the applicable Final Terms; and
- (iii) the relevant Reset Date is either (A) if the applicable Floating Rate Option is based on the London inter-bank offered rate (LIBOR) for a currency or on the Euro-zone inter-bank offered rate (EURIBOR) for calculations of payments in euro, the first day of that Interest Period or (B) in any other case, as specified in the applicable Final Terms.

For the purposes of this Condition 4.2(d), **Floating Rate**, **Floating Rate Option**, **Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions.

When this Condition 4.2(d) applies, in respect of each relevant Interest Period:

- (i) the Rate of Interest for such Interest Period will be the rate of interest determined by the U.S. Paying Agent or other person specified in the applicable Final Terms in accordance with this Condition 4.2(d); and
- (ii) the U.S. Paying Agent or other person specified in the applicable Final Terms will be deemed to have discharged its obligations under Condition 4.2(h) in respect of the determination of the Rate of Interest if it has determined the Rate of Interest in respect of such Interest Period in the manner provided in this Condition 4.2(d).

(e) *Screen Rate Determination for Floating Rate Covered Bonds*

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 Interest Period will, subject as provided below, be either:

- (i) the offered quotation; or
- (ii) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (specified in the applicable Final Terms) which appears on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) 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 U.S. 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) must be disregarded by the U.S. Paying Agent or that other person for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Calculation Agency Agreement and the Principal Agency Agreement contain provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph. Such provisions will apply to each Floating Rate Covered Bond where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined.

If the Reference Rate from time to time in respect of Floating Rate Covered Bonds is specified in the applicable Final Terms as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Covered Bonds will be determined as provided in the applicable Final Terms.

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

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

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

- (i) In this Condition, **Business Day** has the meaning given to it in Condition 4.3.
- (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.

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

The U.S. Paying Agent, in the case of Floating Rate Covered Bonds, the Calculation Agent specified in the applicable Final Terms in the case of Index Linked Interest Covered Bonds, or such other person specified in the applicable Final Terms will, as soon as practicable after each time at which the Rate of Interest is set to be determined, determine the Rate of Interest and calculate the amount of interest payable in respect of each Calculation Amount (each, an **Interest Amount**) for the relevant Interest Period as soon as practicable after calculating the same.

The Interest Amount payable on the Floating Rate Covered Bonds or Index Linked Interest Covered Bonds for the relevant Interest Period will be calculated by applying the Rate of Interest to:

- (i) in the case of Floating Rate Covered Bonds or Index Linked Interest Covered Bonds which are Registered Global Covered Bonds, the Calculation Amount of the Covered Bonds represented by such Registered Global Covered Bonds (or, if they are Partly-Paid Covered Bonds, the aggregate amount paid up); or
- (ii) in the case of Floating Rate Covered Bonds or Index Linked Interest Covered which are Definitive Covered Bonds, 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 Covered Bond or an Index Linked Interest Covered Bond which is Definitive Covered Bond is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Covered Bond will 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 U.S. Paying Agent, the Calculation Agent specified in the applicable Final Terms or other person specified in the applicable Final Terms will (in the absence of manifest error) be final and binding upon all parties.

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

The U.S. Paying Agent or the Calculation Agent, will cause the Rate of Interest and the Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer (unless, in the case of the Calculation Agent specified in the applicable Final Terms, it is the Issuer) and, in the case of Floating Rate Covered Bonds or Index Linked Interest Covered Bonds 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 Covered Bonds of this Series in accordance with Condition 12 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 Interest Period. Any such amendment will be promptly notified to any stock exchange on which the Covered Bonds affected thereby are for the time being listed.

(j) *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 U.S. 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 Covered Bond Guarantor, the U.S. Paying Agent, the Calculation Agent, the Paying Agents and all holders of the Covered Bonds of this Series 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 Covered Bonds of this Series will attach to the U.S. 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.

#### **4.3 Day Count Fraction and Business Day Convention**

(a) *Day Count Fraction*

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

- (i) if “Actual/Actual (ISDA)” or “Actual/Actual” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of the Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if “Actual/365 (Fixed)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if “Actual/365 (Sterling)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if “Actual/360” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (v) if “30/360”, “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:

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

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

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

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

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

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

- (vi) if “30E/360” or “Eurobond 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:

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

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

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

$M_2$  is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

$D_1$  is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case  $D_1$  will be 30; and

$D_2$  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  $D_2$  will be 30;

- (vii) if “30E/360 (ISDA)” 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:

$Y_1$  is the year, expressed as a number, in which the first day of the Interest Period falls;

$Y_2$  is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

$M_1$  is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

$M_2$  is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

$D_1$  is the first calendar day, expressed as a number, of the Interest Period, unless (A) that day is the last day of February or (B) such number would be 31, in which case  $D_1$  will be 30; and

$D_2$  is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (A) that day is the last day of February but not the Final Maturity Date or (B) such number would be 31 and  $D_2$  will be 30.

- (viii) if “Actual/Actual (ICMA)” is specified in the Final Terms:

(A) in the case of Covered Bonds where the number of days in relevant period 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 (defined below) 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 Covered Bonds 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;

- (ix) 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.

**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

- (x) if “RBA Bond Basis” is specified in the Final Terms, one divided by the number of Interest Payment Dates in a year in which the Interest Period falls (a year being each 12 month period on and from the Issue Date).

(b) *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:

- (i) in the case where a Specified Period is specified in accordance with Condition 4.2(a)(ii) above, the Floating Rate Convention, such Interest Payment Date (A) in the case of (x) above, must be the last day that is a Business Day in the relevant month and the provisions of (b) below will apply mutatis mutandis or (B) in the case of (y) above, must be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date (or other date) must be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date will be the last Business Day of the last month which falls in the Interest Period after the preceding applicable Interest Payment Date occurred; or
- (ii) the Following Business Day Convention, such Interest Payment Date will be postponed to the next day which is a Business Day; or
- (iii) the Modified Following Business Day Convention, such Interest Payment Date will 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 will be brought forward to the immediately preceding Business Day; or
- (iv) the Preceding Business Day Convention, such Interest Payment Date will be brought forward to the immediately preceding Business Day.

In this Condition:

**Business Day** means (unless otherwise stated 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 Sydney and in London and, in the case of Registered Covered Bonds, New York, and if any Additional Business Centre(s) is specified in the applicable Final Terms, in such Additional Business Centre(s); and
- (ii) 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 and which if the Specified Currency is Australian Dollars will be Sydney or (2) in relation to

any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (**TARGET2**) is open.

#### **4.4 Zero Coupon Covered Bonds, Low Interest (discount) Covered Bonds and High Interest (premium) Covered Bonds**

Where a Zero Coupon Covered Bond, Low Interest (discount) Covered Bond or High Interest (premium) Covered Bond becomes due and repayable prior to the Final Maturity Date and is not paid when due, the amount due and repayable will be the Amortised Face Amount of such Covered Bond as determined in accordance with Condition 5.7. As from the Final Maturity Date any overdue principal of such Covered Bond will bear interest at a rate per annum equal to the Amortisation Yield. Such interest will 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 Covered Bond up to that day are received by or on behalf of the holder of such Covered Bond and (b) the day which is seven days after the date on which the U.S. Paying Agent has notified the holder in accordance with Condition 12 that it has received all sums due in respect thereof up to that date. Unless otherwise specified in the applicable Final Terms, such interest will be calculated on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the actual number of days elapsed.

#### **4.5 Dual Currency Interest Covered Bonds**

In the case of Dual Currency Interest Covered Bonds where the rate of interest falls to be determined by reference to the Rate of Exchange, the provisions for determining the rate of interest, accrual of interest, calculation of interest amounts, determination of interest payment dates and other relevant provisions may be specified in the applicable Final Terms.

#### **4.6 Partly-Paid Covered Bonds**

In the case of Partly-Paid Covered Bonds (other than Partly-Paid Covered Bonds which are Zero Coupon Covered Bonds) interest will accrue on the paid up nominal amount of such Covered Bonds and otherwise as indicated in the applicable Final Terms.

### **5. REDEMPTION AND PURCHASE**

#### **5.1 Final Redemption**

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

Without prejudice to Condition 9, if an Extended Due for Payment Date is specified as applicable in the Final Terms for a Series of Covered Bonds and the Issuer has failed to pay the Final Redemption Amount on the Final Maturity Date specified in the Final Terms (or after expiry of the grace period set out in Condition 9.1(a) and, following the service of a Notice to Pay on the Covered Bond Guarantor by no later than the date falling one Business Day prior to the Extension Determination Date, the Covered Bond Guarantor has insufficient monies available under the Guarantee Priority of Payments to pay the Guaranteed Amounts corresponding to the Final Redemption Amount in full in respect of the relevant Series of Covered Bonds on the date falling on the earlier of (a) the date which falls two Business Days after service of such Notice to Pay on the Covered Bond Guarantor or, if later, the Final Maturity Date (or, in each case, after the expiry of the grace period set out in Condition 9.2(a)) under the terms of the Covered Bond Guarantee and (b) the Extension Determination Date, then (subject as provided below) payment of the unpaid amount by the Covered Bond Guarantor under the Covered Bond Guarantee will be deferred until the Extended Due for Payment Date, provided that the Covered Bond Guarantor may pay any amount representing the Final Redemption Amount on the relevant Final Maturity Date and any amount representing the Final Redemption Amount due and remaining unpaid on the earlier of (a) and (b) above may also be paid by the Covered Bond Guarantor on any Interest Payment Date thereafter up to (and including) the Extended Due for Payment Date. The Issuer must confirm to the U.S. Paying Agent as soon as reasonably practicable and in any event at least four Business Days prior to the Final Maturity Date of a Series of Covered Bonds whether (x) payment will be made in full of the Final Redemption Amount in respect of a Series of Covered Bonds on that Final Maturity Date or (y) payment will not be made in full of the Final Redemption Amount in respect of a Series of Covered Bonds on that Final Maturity Date.

The Covered Bond Guarantor must notify the relevant Covered Bondholders (in accordance with Condition 12), the Rating Agencies, the Bond Trustee, the Security Trustee, the U.S. Paying Agent and the U.S. Registrar (in the case of Registered Covered Bonds) as soon as reasonably practicable and in any event at least one Business Day prior to the dates specified in (a) and (b) of the preceding paragraph of any inability of the Covered Bond Guarantor to pay in full the Guaranteed Amounts corresponding to the Final Redemption Amount in respect of a Series of Covered Bonds pursuant to the Covered Bond Guarantee. Any failure by the Covered Bond Guarantor to notify such parties will not affect the validity or effectiveness of the extension nor give rise to any rights in any such party. In such circumstances, the Covered Bond Guarantor must on the earlier of (a) the date falling two Business Days after the service of a Notice to Pay on the Covered Bond Guarantor or if later the Final Maturity Date (or, in each case, after the expiry of the grace period set out in Condition 9.2(a)) and (b) the Extension Determination Date, under the Covered Bond Guarantee, apply the monies (if any) available (after paying or providing for payment of higher ranking or *pari passu* amounts in accordance with the Guarantee Priority of Payments) pro rata in part payment of an amount equal to the Final Redemption Amount of each Covered Bond of the relevant Series of Covered Bonds and must pay Guaranteed Amounts constituting the Scheduled Interest in respect of each such Covered Bond on such date. The obligation of the Covered Bond Guarantor to pay any amounts in respect of the balance of the Final Redemption Amount not so paid will be deferred as described above. Such failure to pay by the Covered Bond Guarantor will not constitute a Covered Bond Guarantor Event of Default.

Any discharge of the obligations of the Issuer as the result of the payment of Excess Proceeds to the Bond Trustee must be disregarded for the purposes of determining the amounts to be paid by the Covered Bond Guarantor under the Covered Bond Guarantee in connection with this Condition 5.1.

For the purposes of these Conditions:

**Extended Due for Payment Date** means, in relation to any Series of Covered Bonds, the date, if any, specified as such in the applicable Final Terms to which the payment of all or (as applicable) part of the Final Redemption Amount payable on the Final Maturity Date will be deferred in the event that the Final Redemption Amount is not paid in full on the Extension Determination Date.

**Extension Determination Date** means, in respect of a Series of Covered Bonds to which an Extended Due for Payment Date applies, the date falling two Business Days after the expiry of seven days starting on (and including) the Final Maturity Date of such Series of Covered Bonds.

**Guarantee Priority of Payments** means the guarantee priority of payments relating to the allocation and distribution of the Available Income Amount and Available Principal Amount following service of a Notice to Pay on the Covered Bond Guarantor, but prior to service of a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer, as set out in clause 15.4 of the Establishment Deed.

**Rating Agency** means any one of Moody's Investors Service Pty Limited and Fitch Australia Pty Limited (together, the **Rating Agencies**) or their successors, to the extent they provide ratings in respect of the Covered Bonds.

## 5.2 Redemption for Tax Reasons

The Covered Bonds 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 Covered Bonds other than Floating Rate Covered Bonds, Index Linked Interest Covered Bonds and Dual Currency Interest Covered Bonds) or on any Interest Payment Date (in the case of Floating Rate Covered Bonds, Index Linked Interest Covered Bonds and Dual Currency Interest Covered Bonds), on giving not less than 30 nor more than 60 days' notice in accordance with Condition 12 which notice is irrevocable), at the Early Redemption Amount provided in, or calculated in accordance with, Condition 5.8 or 5.9 (as applicable) below, together with (if provided in such paragraphs) interest accrued up to, but excluding, the date fixed for redemption, if the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 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 Covered Bonds



of this Series, the Issue Date for the original Tranche) provided that no such notice of redemption may be given in respect of the Covered Bonds 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 will 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 Covered Bonds of this Series on the day on which any such change or amendment becomes effective.

### 5.3 Redemption at the Option of the Issuer (Issuer Call)

If Issuer Call is specified 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 five Business Days' notice or such other notice period specified in the applicable Final Terms to the Bond Trustee, the U.S. Registrar, and Covered Bondholders of a relevant Series, which in the case of Covered Bonds that clear through DTC should be not less than 30 nor more than 60 days, (which notice is irrevocable) in accordance with Condition 12, redeem all or from time to time some only of the Covered Bonds then outstanding on the relevant Optional Redemption Date and at the Optional Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms together, if applicable, with (in the case of Fixed Rate Covered Bonds) interest accrued to, but excluding, the relevant Optional Redemption Date. In the event of a redemption of some only of such Covered Bonds, such redemption must be for an amount being equal to the Minimum Redemption Amount or a Higher Redemption Amount (if any) specified in the applicable Final Terms. In the case of a partial redemption of Covered Bonds, the Covered Bonds to be redeemed (the **Redeemed Covered Bonds**) will be selected:

- (i) individually by lot, in the case of Redeemed Covered Bonds represented by Definitive Covered Bonds; and
- (ii) in the case of Redeemed Covered Bonds represented by a Registered Global Covered Bond, in accordance with the rules of DTC, Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) (or any alternative or additional clearing system as may be specified in the Final Terms);

in each case, not less than 40 days prior to the date fixed for redemption. 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 Redeemed Covered Bonds are represented by Definitive Covered Bonds, the serial numbers of the Redeemed Covered Bonds and, in each case, the aggregate nominal amount of the Covered Bonds of this Series which will be outstanding after the partial redemption. In addition, in the case of a partial redemption of a Series of Covered Bonds which includes Registered Covered Bonds, 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 Covered Bonds may not be made as provided for in Condition 2.

### 5.4 Redemption at the Option of the Covered Bondholders (Investor Put)

If Investor Put is specified in the applicable Final Terms, upon any Covered Bondholder giving to the Issuer in accordance with Condition 12 not less than 30 nor more than 60 days' notice (the **notice period**), the Issuer will, upon the expiry of such notice redeem in whole (but not in part) subject to, and in accordance with, the terms specified in the applicable Final Terms the Covered Bonds the subject of the notice on the Optional Redemption Date and at the Optional Redemption Amount indicated in the applicable Final Terms together with (in the case of Fixed Rate Covered Bonds) interest accrued up to, but excluding, the Optional Redemption Date. It may be that before an Investor Put can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable Final Terms.

To exercise the right to require redemption of this Covered Bond the holder of this Covered Bond must, if this Covered Bond is in Definitive form, deliver, at the specified office of the U.S. Registrar on any business day (as defined in Condition 6.8), 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 U.S. Registrar (a **Put Notice**) and in which the holder must

specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition 5.4. If this Covered Bond is in Definitive form, the Put Notice must be accompanied by this Covered Bond or evidence satisfactory to the Paying Agent concerned that this Covered Bond will, following delivery of the Put Notice, be held to its order or under its control.

If the Covered Bond is represented by a Registered Global Covered Bond held through DTC, Euroclear or Clearstream, Luxembourg to exercise the right to require redemption of the Covered Bond the holder of the Covered Bond must, within the notice period, give notice to the U.S. Paying Agent of such exercise in accordance with the standard procedures of DTC, Euroclear or Clearstream, Luxembourg (which may include notice being given on his instruction by DTC, Euroclear or Clearstream, Luxembourg, or any common depository or common safekeeper, as the case may be, for them to the U.S. Paying Agent by electronic means) in a form acceptable to DTC, Euroclear or Clearstream, Luxembourg, as the case may be, from time to time.

Any Put Notice or other notice given in accordance with the standard procedures of a clearing system by a holder of, or the holder of a beneficial interest in, as applicable, any Covered Bond pursuant to this Condition 5.4 is irrevocable except where, prior to the due date of redemption, an Issuer Event of Default or a Covered Bond Guarantor Event of Default has occurred and is continuing and the Bond Trustee has declared the Covered Bonds to be due and payable pursuant to Condition 9, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 5.4 and instead request or direct the Bond Trustee to declare such Covered Bond forthwith due and payable pursuant to Condition 9.

## **5.5 Redemption due to Illegality**

The Covered Bonds of all Series may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Bond Trustee, the U.S. Paying Agent, the U.S. Registrar and, in accordance with Condition 12, all the Covered Bondholders (which notice is irrevocable), if the Issuer satisfies the Bond Trustee immediately before the giving of such notice that it has, or will before the next Interest Payment Date of any Covered Bond of any Series, become unlawful for the Intercompany Loan Provider and/or Demand Loan Provider to make, fund or allow to remain outstanding any Term Advance or the Demand Loan (or, in either case, any part thereof) made by the Intercompany Loan Provider or the Demand Loan Provider, as the case may be, to the Covered Bond Guarantor pursuant to the Intercompany Loan Agreement or the Demand Loan Agreement, as the case may be, as a result of any change in, or amendment to, the applicable laws or regulations or any change in the application or official interpretation of such laws or regulations, which change or amendment has become or will become effective before the next such Interest Payment Date.

Covered Bonds redeemed pursuant to this Condition 5.5 will be redeemed at their Early Redemption Amount referred to in Condition 5.8 together (if appropriate) with interest accrued to (but excluding) the date of redemption.

Prior to the publication of any notice of redemption pursuant to Condition 5.2 and Condition 5.5, the Issuer must deliver to the Bond Trustee a certificate signed by either a Director, authorised representative, attorney or authorised signatory stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer to redeem have occurred and the Bond Trustee will be entitled to accept the certificate as sufficient evidence of the satisfaction of such conditions precedent, in which event it will be conclusive and binding on all holders of the Covered Bonds.

## **5.6 Final Terms**

The applicable Final Terms indicates that either (a) this Covered Bond cannot be redeemed prior to its Final Maturity Date except as provided in Conditions 5.2 and 5.5 above or (b) that this Covered Bond will be redeemable at the option of the Issuer and/or the holder of this Covered Bond prior to such Final Maturity Date in accordance with the provisions of Conditions 5.3 and/or 5.4 an Optional Redemption Date and at an Optional Redemption Amount and in any Minimum Redemption Amount or Higher Redemption Amount indicated therein or (c) that this Covered Bond will be redeemable in instalments and the relevant Instalment Amounts and Instalment Dates.

## 5.7 Zero Coupon Covered Bonds, Low Interest (discount) Covered Bonds and High Interest (premium) Covered Bonds

- (a) The amount payable in respect of any Zero Coupon Covered Bond, Low Interest (discount) Covered Bond or High Interest (premium) Covered Bond upon redemption of such Covered Bond pursuant to Condition 5.2, 5.3, 5.4 or 5.5 above or upon its becoming due and repayable as provided in Condition 9 is the Amortised Face Amount (calculated as provided below) of such Covered Bond.
- (b) Subject to the provisions of Condition 5.7(c) below, the **Amortised Face Amount** of any Zero Coupon Covered Bond, Low Interest (discount) Covered Bond or High Interest (premium) Covered Bond is the sum of (A) the sum of (i) the Reference Price and (ii) the aggregate amortisation of the difference between the Reference Price and the nominal amount of the Covered Bond from, and including, the Issue Date to, but excluding, the date on which the Covered Bond is redeemed or becomes due and repayable as provided in Condition 9 at a rate per annum (expressed as a percentage) equal to the Amortisation Yield compounded annually and (B) interest (if any) accrued but unpaid to, but excluding, the date on which the Covered Bond is redeemed or becomes due and repayable as provided in Condition 9. Unless otherwise specified in the applicable Final Terms, where such calculation is to be made for a period other than a full year, it must be made on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the actual number of days elapsed.
- (c) If the amount payable in respect of any Zero Coupon Covered Bond, Low Interest (discount) Covered Bond or High Interest (premium) Covered Bond upon redemption of such Covered Bond pursuant to Condition 5.2, 5.3, 5.4 or 5.5 above or upon its becoming due and repayable as provided in Condition 9 is not paid when due, the amount due and repayable in respect of such Covered Bond is the Amortised Face Amount of such Covered Bond calculated pursuant to Condition 5.7(b) above, except that such subparagraph will have effect as though the reference therein to the date on which the Covered Bond becomes due and repayable was replaced by a reference to the date (the **Reference Date**) which is the earlier of (i) the date on which all sums due in respect of the Covered Bond up to that day are received by or on behalf of the holder thereof and (ii) the date on which the U.S. Paying Agent has notified the holder in accordance with Condition 12 that it has received all sums due in respect thereof up to that date. The calculation of the Amortised Face Amount in accordance with this subparagraph will continue to be made, after as well as before judgment, until the Reference Date unless the Reference Date falls on or after the Final Maturity Date, in which case the amount due and repayable will be the nominal amount of such Covered Bond together with any interest which may accrue in accordance with Condition 4.3.

## 5.8 Early Redemption Amounts

For the purposes of Condition 5.2 or Condition 5.5 above and Condition 9, unless otherwise indicated in the applicable Final Terms, Covered Bonds (other than Index Linked Redemption Covered Bonds and Dual Currency Redemption Covered Bonds) will be redeemed at their Early Redemption Amount, being (a) in the case of Fixed Rate Covered Bonds or Floating Rate Covered Bonds (other than Low Interest (discount) Covered Bonds and High Interest (premium) Covered Bonds), the Final Redemption Amount or (b) in the case of Zero Coupon Covered Bonds, Low Interest (discount) Covered Bonds or High Interest (premium) Covered Bonds, at the Amortised Face Amount of such Covered Bonds determined in accordance with Condition 5.7 above, in each case in the relevant Specified Currency together with, in the case of Fixed Rate Covered Bonds redeemed pursuant to Condition 5.2 or Condition 5.5 above, interest accrued to, but excluding, the date fixed for redemption.

## 5.9 Index Linked Redemption Covered Bonds and Dual Currency Redemption Covered Bonds

In respect of an Index Linked Redemption Covered Bond or a Dual Currency Redemption Covered Bond where the amount payable in respect of principal upon redemption (as set out in the applicable Final Terms) (the **Final Redemption Amount**) falls to be determined by reference to one or more Indices and/or Formulae or, as the case may be, Rates of Exchange, the Final Redemption Amount must be determined in accordance with such Indices and/or Formulae or, as the case may be, Rates of Exchange in the manner specified in the applicable Final Terms and each such Index Linked

Redemption Covered Bond or Dual Currency Redemption Covered Bond must, unless previously redeemed or purchased and cancelled as provided below, be redeemed at the applicable Final Redemption Amount on the Final Maturity Date. In respect of an Index Linked Redemption Covered Bond or a Dual Currency Redemption Covered Bond where the amount payable on an early redemption (including an early redemption pursuant to Condition 9 in respect of principal only or, principal and interest (the **Early Redemption Amount**) falls to be determined in whole or in part by reference to one or more Indices and/or Formulae or, as the case may be, Rates of Exchange, the Early Redemption Amount must be calculated in accordance with the applicable Final Terms and must be paid together with, in the case of a Covered Bond where the Early Redemption Amount is calculated in respect of principal only, interest accrued to, but excluding, the date fixed for redemption.

#### **5.10 Purchase and Cancellation**

The Issuer or any of its subsidiaries or the Covered Bond Guarantor may (subject as provided below) at any time purchase or otherwise acquire Covered Bonds of this Series in any manner and at any price. If purchases are made by tender, tenders must be available to all the Covered Bondholders alike. Such Covered Bonds may be held, reissued, resold or, in respect of Covered Bonds, at the option of the Issuer or the relevant subsidiary, surrendered to the U.S. Registrar and/or to any Paying Agent for cancellation (except that any Covered Bonds purchased or otherwise acquired by the Covered Bond Guarantor must immediately be surrendered to the U.S. Registrar and/or to any Paying Agent for cancellation).

#### **5.11 Partly-Paid Covered Bonds**

Partly-Paid Covered Bonds will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition as modified by the provisions of the applicable Final Terms.

#### **5.12 Instalments**

Each Instalment Covered Bond will be redeemed in the Instalment Amounts and on the Instalment Dates, in the case of all instalments other than the final instalment by (in the case of Registered Global Covered Bonds) presentation and endorsement of the Registered Global Covered Bond, and (in the case of the final instalment) by surrender of the relevant Covered Bond

### **6. PAYMENTS**

#### **6.1 [Reserved]**

#### **6.2 Payments in respect of Registered Covered Bonds**

Payments of principal in respect of Registered Covered Bonds (whether or not in Global form) will (subject as provided in this Condition 6.2 be made against presentation and surrender of such Registered Covered Bonds at the specified office of the U.S. 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 Covered Bonds will (subject as provided in this Condition 6.2 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 U.S. 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 Covered Bond appearing on the register at the close of business on the 15th 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 U.S. Registrar not less than five business days in the city in which the U.S. Registrar has its specified office before the due date for any payment in respect of a Registered Covered Bond, 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 Covered Bond 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 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 to a euro account specified by the payee.

Holders of Registered Covered Bonds will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any such Registered Covered Bond as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses may be charged to such Covered Bondholders by the U.S. Registrar in respect of any payment of principal or interest in respect of the Registered Covered Bonds.

All amounts payable to DTC or its nominee as registered holder of a Registered Global Covered Bond in respect of Covered Bonds denominated in a Specified Currency other than U.S. dollars must be paid by transfer by the U.S. Registrar to an account in the relevant Specified Currency of the Exchange Agent for conversion into and payment in U.S. dollars in accordance with the provisions of the Principal Agency Agreement.

None of the Issuer, the Bond Trustee, the Covered Bond Guarantor nor the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Covered Bonds or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

**6.3 [Reserved]**

**6.4 [Reserved]**

**6.5 [Reserved]**

**6.6 Payments subject to applicable laws**

Payments in respect of the Covered Bonds will be subject in all cases to any fiscal or other laws and regulations applicable thereto (including withholding or deduction required pursuant to an agreement described in section 1471(b) of the Code) but without prejudice to the provisions of Condition 7.

**6.7 [Reserved]**

**6.8 Payments due on non-business days**

If any date for payment of principal in respect of any Registered Covered Bond is not a business day, then the holder thereof will not be entitled to payment at the place of presentation of the amount due until the next following business day (unless otherwise specified in the applicable Final Terms) and will not be entitled to any interest or other sum in respect of any such postponed payment. In addition if any date for the payment of interest by transfer to an account specified by the holder in respect of any Registered Covered Bond is not a business day, then the holder will not be entitled to payment to such account until the next following business day and will 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:

- (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:
  - (i) in the relevant place of presentation;
  - (ii) New York and London; and
  - (iii) any Additional Financial Centre specified in the applicable Final Terms;
- (b) 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 (if other than the places specified in paragraph (a)) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open; and
- (c) in the case of any payment in respect of a Registered Global Covered Bond denominated in a Specified Currency other than U.S. dollars and registered in the name of DTC or its nominee and in respect of which an accountholder of DTC (with an interest in such Registered Global

Covered Bond) has elected to receive any part of such payment in U.S. dollars, a day on which commercial banks are not authorised or required by law or regulation to be closed in New York City.

**6.9 [Reserved]**

**6.10 [Reserved]**

**6.11 Interpretation of principal and interest**

Any reference in these Conditions to principal in respect of the Covered Bonds will be deemed to include, as applicable:

- (a) any additional amounts which may be payable with respect to principal under Condition 7 or under any undertakings or covenants given in addition thereto, or in substitution therefor, pursuant to the Bond Trust Deed;
- (b) the Final Redemption Amount of the Covered Bonds;
- (c) the Early Redemption Amount of the Covered Bonds;
- (d) the Optional Redemption Amount(s) (if any) of the Covered Bonds;
- (e) in relation to Covered Bonds redeemable in instalments, the Instalment Amounts;
- (f) in relation to Zero Coupon Covered Bonds, the Amortised Face Amount (as defined in Condition 5.7);
- (g) any premium and any other amounts (other than interest) which may be payable under or in respect of the Covered Bonds;
- (h) in relation to Dual Currency Covered Bonds, the principal payable in any relevant Specified Currency; and
- (i) any Excess Proceeds which may be payable by the Bond Trustee under or in respect of the Covered Bonds.

Any reference in these Conditions to interest in respect of the Covered Bonds will be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7 or under any undertakings given in addition thereto, or in substitution therefor, pursuant to the Bond Trust Deed.

**7. TAXATION**

All payments of, or in respect of, principal and interest on the Covered Bonds of this Series by or on behalf of the Issuer and all payments of Guaranteed Amounts by or on behalf of the Covered Bond Guarantor, as the case may be, 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 imposed or levied by or on behalf of the Commonwealth of Australia or any political sub-division thereof or any authority thereof or therein having power to tax unless such taxes, duties, assessments or governmental charges are required by Australian law to be withheld or deducted (including withholding or deduction required pursuant to an agreement described in section 1471(b) of the Code). In that event, in respect of a payment made by it, the Issuer will pay such additional amounts of, or in respect of, principal and/or interest as will result (after deduction of the taxes, duties, assessments or governmental charges) in payment to the holders of the Covered Bonds of this Series of the amounts which would otherwise have been payable in respect of the Covered Bonds of this Series, except that no such additional amounts will be payable with respect to any Covered Bond of this Series:

- (a) by or on behalf of a holder who is subject to such taxes, duties, assessments or governmental charges in respect of such Covered Bond by reason of his being connected with the Commonwealth of Australia other than by reason only of the holding of the Covered Bond;

- (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 (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;
- (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;
- (e) where such withholding or deduction is imposed on a payment and is required to be made pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, or providing for measures equivalent to those laid down in, such Directive;
- (f) presented for payment, where such withholding or deduction is imposed by reason of the failure of a person entitled to such payment to perfect an exemption from any withholding imposed pursuant to Sections 1471 through 1474 of the Code and any regulations or agreements thereunder or official interpretations thereof; or
- (g) by or on behalf of a holder who would be able to avoid such withholding or deduction by presenting the relevant Covered Bond to another Paying Agent in a member state of the European Union which does not impose such withholding or deduction.

The **Relevant Date** in relation to any Covered Bond of this Series means whichever is the later of:

- (i) the date on which payment in respect of such Covered Bond first becomes due and payable; or
- (ii) if the full amount of the moneys payable in respect of such Covered Bond has not been duly received by the U.S. Paying Agent on or prior to such date, the date on which notice is duly given to the Covered Bondholders of this Series in accordance with Condition 12 that such moneys have been so received.

References in these Conditions to principal and interest will be deemed also to refer (as appropriate) (i) to any additional amounts which may be payable under this Condition 7, (ii) in relation to Zero Coupon Covered Bonds, Low Interest (discount) Covered Bonds or High Interest (premium) Covered Bonds, to the Amortised Face Amount, (iii) in relation to Index Linked Redemption Covered Bonds, to the Final Redemption Amount or Early Redemption Amount, (iv) in relation to Dual Currency Covered Bonds, to the principal and interest in the relevant Specified Currency and (v) to any premium which may be payable in respect of the Covered Bonds.

If any withholding or deduction is required by the Covered Bond Guarantor in respect of a payment of a Guaranteed Amount to be made by it, the Covered Bond Guarantor must pay the Guaranteed Amounts net of such withholding or deduction and must account to the appropriate Tax Authority for the amount required to be withheld or deducted. The Covered Bond Guarantor will not be obliged to pay any additional amount to the Bond Trustee or any holder of Covered Bonds in respect of the amount of such withholding or deduction.

## **8. PRESCRIPTION**

Claims for payment of principal under the Covered Bonds will be prescribed upon the expiry of 10 years, and claims for payment of interest (if any) in respect of the Covered Bonds will be prescribed upon the expiry of five years, in each case from the Relevant Date (as defined in Condition 7) therefor.

## **9. EVENTS OF DEFAULT AND ENFORCEMENT**

### **9.1 Issuer Events of Default**

The Bond Trustee at its discretion may, and if so requested in writing by the holders of at least 25 per cent. of the aggregate Principal Amount Outstanding of the Covered Bonds (which for this purpose or the purpose of any Extraordinary Resolution referred to in this Condition 9.1 means the Covered Bonds of this Series together with the Covered Bonds of any other Series constituted by the Bond Trust Deed) then outstanding, as if they were a single Series (with the Principal Amount Outstanding of Covered Bonds not denominated in Australian Dollars converted into Australian Dollars at the relevant Swap Rate) or, if so directed by an Extraordinary Resolution of the Covered Bondholders, must (but in the case of the happening of any of the events mentioned in subparagraphs (b) and (c) below, only if the Bond Trustee has certified in writing to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Covered Bondholders of any Series) (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction) give notice (an **Issuer Acceleration Notice**) in writing to the Issuer that as against the Issuer (but not, for the avoidance of doubt, as against the Covered Bond Guarantor under the Covered Bond Guarantee) each Covered Bond of each Series is, and each such Covered Bond will, unless such event has been cured by the Issuer prior to the Issuer's receipt of the notice in writing from the Bond Trustee, thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest as provided in the Bond Trust Deed if any of the following events (each an **Issuer Event of Default**) occurs and is continuing:

- (a) default is made by the Issuer in the payment of any principal or interest when due, in respect of any Covered Bonds and such default continues for a period of 14 days; or
- (b) the Issuer defaults in performance or observance of or compliance with any of its other undertakings set out in the Covered Bonds which default is incapable of remedy or which, if capable of remedy, is not remedied within 30 days after notice of such default has been given to the Issuer by the Bond Trustee; or
- (c) 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 substantially the whole 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
- (d) 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; or
- (e) if an Asset Coverage Test Breach Notice is served and not deemed to be revoked in accordance with the terms of the Establishment Deed on or before the next Determination Date to occur following the service of such Asset Coverage Test Breach Notice; or
- (f) if the Pre-Maturity Test in respect of any Series of Hard Bullet Covered Bonds is breached during the Pre-Maturity Test Period and the amount standing to the credit of the Pre-Maturity Ledger of the GIC Account is less than the aggregate Australian Dollar Equivalent of the Required Redemption Amount for each Series of Hard Bullet Covered Bonds in respect of which the Pre-Maturity Test has been breached, on the earlier to occur of:
  - (A) the later of:
    - I. the date that is 10 Local Business Days from the date that the Seller is notified of that breach; and
    - II. the date that is six months prior to the Final Maturity Date of the relevant Series of Hard Bullet Covered Bonds; and
  - (B) the Final Maturity Date of that Series of Hard Bullet Covered Bonds.

Upon the Covered Bonds becoming immediately due and repayable against the Issuer pursuant to this Condition 9.1, the Bond Trustee must immediately serve a notice to pay (the **Notice to Pay**) on the Covered Bond Guarantor pursuant to the Covered Bond Guarantee and the Covered Bond Guarantor will be required to make payments of Guaranteed Amounts when the same become Due for Payment in accordance with the terms of the Covered Bond Guarantee.



Following the occurrence of an Issuer Event of Default and service of an Issuer Acceleration Notice, the Bond Trustee may or must take such proceedings or other action or step against the Issuer in accordance with Condition 9.3.

The Bond Trust Deed provides that all monies received by or on behalf of the Bond Trustee following the occurrence of an Issuer Event of Default and the delivery of an Issuer Acceleration Notice and a Notice to Pay, from the Issuer or any receiver, liquidator, administrator, receiver and manager, statutory manager or other similar official appointed in relation to the Issuer (the **Excess Proceeds**), must be paid by the Bond Trustee on behalf of the Covered Bondholders of the relevant Series to the Covered Bond Guarantor for its own account, as soon as practicable, and must be held by the Covered Bond Guarantor in the GIC Account and the Excess Proceeds will thereafter form part of the Security and must be used by the Covered Bond Guarantor in the same manner as all other monies from time to time standing to the credit of the GIC Account pursuant to the Security Deed and the Establishment Deed. Any Excess Proceeds received by the Bond Trustee will discharge *pro tanto* the obligations of the Issuer in respect of the payment of the amount of such Excess Proceeds under the Covered Bonds (as applicable and to the extent of the amount so received and subject to restitution of the same if such Excess Proceeds are required to be repaid by the Covered Bond Guarantor) (but will be deemed not to have done so for the purposes of subrogation rights of the Covered Bond Guarantor contemplated by the Bond Trust Deed). However, the obligations of the Covered Bond Guarantor under the Covered Bond Guarantee are (following service of an Issuer Acceleration Notice and a Notice to Pay or if earlier, service of a Covered Bond Guarantee Acceleration Notice) unconditional and irrevocable and the receipt by the Bond Trustee of any Excess Proceeds and payment to the Covered Bond Guarantor of such Excess Proceeds will not reduce or discharge any of such obligations.

By subscribing for Covered Bond(s), each Covered Bondholder will be deemed to have irrevocably directed the Bond Trustee to pay the Excess Proceeds to the Covered Bond Guarantor in the manner as described above.

## 9.2 Covered Bond Guarantor Events of Default

The Bond Trustee at its discretion may, and if so requested in writing by the holders of at least 25 per cent. of the aggregate Principal Amount Outstanding of the Covered Bonds (which for this purpose and the purpose of any Extraordinary Resolution referred to in this Condition 9.2 means the Covered Bonds of this Series together with the Covered Bonds of any other Series constituted by the Bond Trust Deed) then outstanding as if they were a single Series (with the Principal Amount Outstanding of Covered Bonds not denominated in Australian Dollars converted into Australian Dollars at the relevant Swap Rate) or, if so directed by an Extraordinary Resolution of all the Covered Bondholders, must (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction), but in the case of the happening of any of the events described in paragraph (b) or (c), only if the Bond Trustee has certified in writing to the Issuer and the Covered Bond Guarantor that such event is, in its opinion, materially prejudicial to the interests of the Covered Bondholders of any Series, give notice (the **Covered Bond Guarantee Acceleration Notice**) in writing to the Issuer and to the Covered Bond Guarantor, that (x) each Covered Bond of each Series is, and each Covered Bond of each Series will as against the Issuer (if not already due and repayable against it following an Issuer Event of Default), thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest and (y) all amounts payable by the Covered Bond Guarantor under the Covered Bond Guarantee will thereupon immediately become due and payable at the Guaranteed Amount corresponding to the Early Redemption Amount for each Covered Bond of each Series together with accrued interest, in each case as provided in the Bond Trust Deed and thereafter the Security will become enforceable if any of the following events (each a **Covered Bond Guarantor Event of Default**) has occurred and is continuing:

- (a) default is made by the Covered Bond Guarantor for a period of 14 days or more in the payment of any Guaranteed Amounts when Due for Payment in respect of the Covered Bonds of any Series except in the case of the payments of a Guaranteed Amount when Due for Payment on the Extended Due for Payment Date under Condition 5.1 where the Covered Bond Guarantor will be required to make payments of Guaranteed Amounts which relate to the Final Redemption Amount and which are Due for Payment on the Extended Due for Payment Date; or

- (b) if default is made by the Covered Bond Guarantor in the performance or observance of any other obligation, condition or provision binding on it (other than any obligation for the payment of Guaranteed Amounts in respect of the Covered Bonds of any Series) under the Bond Trust Deed, the Security Deed or any other Programme Document to which the Covered Bond Guarantor is a party (other than the Programme Agreements, any Subscription Agreement or any Terms Agreement) and, except where such default is or the effects of such default are, in the opinion of the Bond Trustee, not capable of remedy when no such continuation and notice as is hereinafter mentioned will be required, such default continues for 30 days (or such longer period as the Bond Trustee may permit) after written notice thereof has been given by the Bond Trustee to the Covered Bond Guarantor requiring the same to be remedied; or
- (c) the Covered Bond Guarantor retires or is removed, or is required to retire or be removed as trustee of the Trust in accordance with the Establishment Deed and another trustee is not appointed as trustee of the Trust in accordance with the Establishment Deed within 60 days of the occurrence of that event; or
- (d) a failure to satisfy the Amortisation Test (as set out in the Establishment Deed) on any Determination Date following service of a Notice to Pay on the Covered Bond Guarantor; or
- (e) the Covered Bond Guarantee is not, or is claimed by the Covered Bond Guarantor not to be, in full force and effect.

Following the occurrence of a Covered Bond Guarantor Event of Default and service of a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer, each of the Bond Trustee and the Security Trustee may or must take such proceedings or steps in accordance with the first and third paragraphs, respectively, of Condition 9.3 and the Bond Trustee will have a claim against the Covered Bond Guarantor, under the Covered Bond Guarantee, for an amount equal to the Early Redemption Amount for each Covered Bond of each Series together with accrued interest and any other amount due under the Covered Bonds (other than additional amounts payable under Condition 7) as provided in the Bond Trust Deed in respect of each Covered Bond.

### **9.3 Enforcement**

The Bond Trustee may at any time, at its discretion and without further notice, following service of an Issuer Acceleration Notice (in the case of the Issuer) or, if earlier, following service of a Covered Bond Guarantee Acceleration Notice (in the case of the Covered Bond Guarantor) take such proceedings or other action or step as it may think fit against or in relation to the Issuer and/or the Covered Bond Guarantor, as the case may be, and/or any other person as it may think fit to enforce the provisions of the Bond Trust Deed, the Covered Bonds or any other Programme Document, but it will not be bound to take any such enforcement proceedings or other action or step in relation to the Bond Trust Deed, the Covered Bonds or any other Programme Document unless (i) it has been so directed by an Extraordinary Resolution of the Covered Bondholders of all Series then outstanding (with the Covered Bonds of all Series taken together as a single Series and converted into Australian Dollars at the relevant Swap Rate as aforesaid) or so requested in writing by the holders of not less than 25 per cent. of the aggregate Principal Amount Outstanding of the Covered Bonds of all Series then outstanding (with the Covered Bonds of all Series taken together as a single Series and converted into Australian Dollars at the relevant Swap Rate as aforesaid) and (ii) it has been indemnified and/or secured and/or prefunded to its satisfaction.

In exercising any of its powers, trusts, authorities and discretions the Bond Trustee must only have regard to the interests of the Covered Bondholders of all Series equally or, if only applicable to one Series, the Covered Bondholders of the relevant Series, and must not have regard to the interests of any other Secured Creditors.

The Bond Trustee may at any time, following service of a Covered Bond Guarantee Acceleration Notice at its discretion and without further notice, direct the Security Trustee to take such actions, steps or proceedings against the Covered Bond Guarantor and/or any other person as it may think fit to enforce the provisions of the Security Deed or any other Programme Document and may, at any time after the Security has become enforceable, direct the Security Trustee to take such steps as it may think fit to enforce the Security, but it will not be bound to give any such direction and the Security Trustee

or the Bond Trustee will not be bound to take any such proceedings, steps or actions unless: (i) the Bond Trustee has been so directed by an Extraordinary Resolution of the Covered Bondholders of all Series then outstanding (with the Covered Bonds of all Series taken together as a single Series and converted into Australian Dollars at the relevant Swap Rate as aforesaid) or so requested in writing by the holders of not less than 25 per cent. of the aggregate Principal Amount Outstanding of the Covered Bonds of all Series then outstanding (with the Covered Bonds of all Series taken together as a single Series and converted into Australian Dollars at the relevant Swap Rate as aforesaid); and (ii) the Bond Trustee has been indemnified and/or secured and/or prefunded to its satisfaction. In exercising any of its powers, trusts, authorities and discretions under this paragraph each of the Bond Trustee and the Security Trustee must only have regard to the interests of the Covered Bondholders of all Series equally or, if only applicable to one Series, the Covered Bondholders of the relevant Series, and must not have regard to the interests of any other Secured Creditors.

No Covered Bondholder will be entitled to institute proceedings directly against the Issuer or the Covered Bond Guarantor or to take any step or action with respect to the Bond Trust Deed, the Covered Bonds, or the Security unless the Bond Trustee or the Security Trustee, as applicable, having become bound so to proceed, fails so to do within a reasonable time and such failure is continuing in which event any Covered Bondholder may itself institute such proceedings and/or prove in the winding up, administration or liquidation of the Issuer or the Covered Bond Guarantor to the same extent and in the same jurisdiction (but not further or otherwise than the Bond Trustee would have been entitled to do so in respect of the Covered Bonds and/or the Bond Trust Deed).

#### **9.4 Directions of Security Trustee by Bond Trustee**

The Security Trustee will not be obliged to take any steps under any of the Programme Documents or exercise any of its powers, rights, trusts, authorities, duties, functions or discretions under any of the Programme Documents to which the Security Trustee is a party without first taking instructions from the Bond Trustee (provided that the Security Trustee will never be entitled to seek or receive instructions from the Bond Trustee in relation to clause 21 of the Security Deed or in relation to investing in Authorised Investments) and having been indemnified and/or secured to its satisfaction as aforesaid and provided always that the Security Trustee will not be bound to take any enforcement proceedings which may, in the opinion of the Security Trustee in its absolute discretion, result in the Security Trustee failing to receive any payment to which it is or would be entitled. The Security Trustee may exercise a right, power or discretion without receiving any instructions from the Bond Trustee if the Covered Bondholders or, if there are none, the Security Trustee reasonably believes that it is in the best interests of the Secured Creditors that it does so.

In the event that the Bond Trustee is (i) requested by the Security Trustee, or (ii) required by the holders of the Covered Bonds, to provide the Security Trustee with instructions, the Bond Trustee must do so (save where expressly provided otherwise), in relation to (i) only, in its absolute discretion subject to and in accordance with these presents or, in relation to both (i) and (ii) if so requested in writing by the holders of not less than 25 per cent. in aggregate of the Principal Amount Outstanding of the Covered Bonds then outstanding (with the Covered Bonds of all Series taken together as a single Series and, if the nominal amount of the Covered Bonds is not denominated in Australian Dollars, converted into Australian Dollars at the relevant Swap Rate) or directed by an Extraordinary Resolution of the holders of the Covered Bonds then outstanding (with the Covered Bonds of all Series taken together as a single Series and, if the nominal amount of the Covered Bonds is not denominated in Australian Dollars, converted into Australian Dollars at the relevant Swap Rate) subject in each case to the Bond Trustee being indemnified and/or secured and/or prefunded to its satisfaction prior to it giving any instructions to the Security Trustee. The Bond Trustee will be entitled to request the Covered Bondholders (voting as aforesaid) to direct it in relation to any matter in relation to which the Security Trustee has requested instructions, the Bond Trustee will have no obligation to monitor the performance of the Security Trustee and will have no liability to any person for the performance or non-performance of the Security Trustee. In no circumstances will the Bond Trustee be required to indemnify, secure or prefund the Security Trustee.

An Extraordinary Resolution passed at a meeting of Covered Bondholders duly convened and held in accordance with the Bond Trust Deed is binding upon the Security Trustee and all the Secured Creditors whether present or not present at such meeting and each of such Secured Creditors and, subject to the provisions of the Security Deed, the Security Trustee is bound to give effect to the Extraordinary Resolution. The Security Trustee is not required to do or omit to do any act if, in the

opinion of the Security Trustee, this might cause it to breach a law, a Programme Document, a fiduciary duty or an obligation owed to another person.

## **10. MEETINGS OF COVERED BONDHOLDERS, MODIFICATION, WAIVER, SUBSTITUTION AND RATINGS AGENCIES**

Covered Bondholders and other Secured Creditors should note that the Issuer, the Covered Bond Guarantor and the U.S. Paying Agent may without their consent or the consent of the Bond Trustee or the Security Trustee agree to modify any provision of any Final Terms which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with any mandatory provisions of law.

### **10.1 Meetings**

The Bond Trust Deed contains provisions for convening meetings of the Covered Bondholders of any Series to consider any matter affecting their interests, including the modification of these Conditions or the provisions of the Bond Trust Deed. The quorum at any such meeting in respect of the Covered Bonds of any Series for passing an Extraordinary Resolution (other than in respect of a Series Reserved Matter) is one or more persons holding or representing not less than a clear majority of the aggregate Principal Amount Outstanding of the Covered Bonds of such Series for the time being outstanding, or at any adjourned meeting one or more persons being or representing the Covered Bondholders of such Series whatever the Principal Amount Outstanding of the Covered Bonds of such Series so held or represented, except that at any meeting the business of which includes any Series Reserved Matter, the quorum for any such meeting will be one or more persons holding or representing not less than two-thirds of the aggregate Principal Amount Outstanding of the Covered Bonds of such Series for the time being outstanding or at any adjourned meeting, the business of which includes any Series Reserved Matter, the quorum will be one or more persons holding or representing not less than one-third of the aggregate Principal Amount Outstanding of the Covered Bonds of such Series for the time being outstanding. The expression Extraordinary Resolution when used in these Conditions means: (i) a resolution passed at a meeting of the Covered Bondholders duly convened and held in accordance with the Bond Trust Deed by a majority consisting of not less than three-fourths of the persons voting thereat upon a show of hands or if a poll is duly demanded by a majority consisting of not less than three-fourths of the votes cast on such poll; or (ii) a resolution in writing signed by or on behalf of Covered Bondholders holding not less than three-fourths in Principal Amount Outstanding of the Covered Bonds then outstanding, which resolution in writing may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Covered Bondholders; or (iii) a resolution passed by way of electronic consents given by holders through the relevant clearing system(s) (in a form satisfactory to the Bond Trustee) by or on behalf of the Covered Bondholders of not less than three-fourths in Principal Amount Outstanding for the time being outstanding of the Covered Bonds (of the relevant Series or all Series, as applicable). An Extraordinary Resolution passed at any meeting of the Covered Bondholders of a Series will, subject as provided below, be binding on all the Covered Bondholders of such Series, whether or not they are present at the meeting. Pursuant to the Bond Trust Deed, the Bond Trustee may convene a single meeting of the holders of Covered Bonds of more than one Series if in the opinion of the Bond Trustee there is no conflict between the respective interests of such Covered Bondholders, in which event the provisions of this paragraph will apply thereto *mutatis mutandis*.

Notwithstanding the provisions of the immediately preceding paragraph, any Extraordinary Resolution to direct the Bond Trustee to accelerate the Covered Bonds pursuant to Condition 9.1 or to give a Covered Bond Guarantee Acceleration Notice pursuant to Condition 9.2 or to direct the Bond Trustee or the Security Trustee or to direct the Bond Trustee to direct the Security Trustee to take any enforcement action or to direct the Bond Trustee to determine that any Issuer Event of Default, Potential Issuer Event of Default, Covered Bond Guarantor Event of Default or Potential Covered Bond Guarantor Event of Default will not be treated as such for the purposes of the Bond Trust Deed (each a **Programme Resolution**) and will only be capable of being passed at a single meeting of the Covered Bondholders of all Series then outstanding. Any such meeting to consider a Programme Resolution may be convened by the Issuer, the Covered Bond Guarantor or the Bond Trustee or by the Covered Bondholders of any Series. The quorum at any such meeting for passing a Programme Resolution is one or more persons holding or representing at least a clear majority of the aggregate Principal Amount Outstanding of the Covered Bonds of all Series for the time being outstanding or at any adjourned such meeting one or more persons holding or representing Covered Bonds whatever the

Principal Amount Outstanding of the Covered Bonds of any Series so held or represented. A Programme Resolution passed at any meeting of the Covered Bondholders of all Series will be binding on all the Covered Bondholders of all Series, whether or not they are present at the meeting.

In connection with any meeting of the holders of Covered Bonds of more than one Series where such Covered Bonds are not denominated in Australian Dollars, the Principal Amount Outstanding of the Covered Bonds of any Series not denominated in Australian Dollars must be converted into Australian Dollars at the relevant Swap Rate.

## **10.2 Modification and waiver**

The Bond Trustee may, without the consent or sanction of any of the Covered Bondholders of any Series and without the consent or sanction of the other Secured Creditors (other than any Secured Creditor who is party to the relevant document), at any time and from time to time, concur with the Issuer, the Covered Bond Guarantor (acting on the directions of the Trust Manager) or any other party and/or direct the Security Trustee to concur with the Issuer, the Covered Bond Guarantor (acting on the directions of the Trust Manager) or any other party in making:

- (i) any modification (other than in relation to a Series Reserved Matter) to the Covered Bonds of one or more Series or any Programme Document which in the opinion of the Bond Trustee is not materially prejudicial to the interests of the Covered Bondholders of any Series; or
- (ii) any modification to the Covered Bonds of one or more Series or any Programme Document which is in the opinion of the Bond Trustee is (A) of a formal, minor or technical nature, (B) made to correct a manifest error or (C) made to comply with mandatory provisions of law (and for the purpose of this item (C), the Bond Trustee may disregard whether any such modification relates to a Series Reserved Matter).

In forming its opinion as to whether the Covered Bonds or any one or more Series or any Programme Document is subject to a manifest error, the Bond Trustee may have regard to any evidence which it considers reasonably to rely on (including a certificate from the Issuer as to certain matters and a Rating Affirmation Notice issued by the Issuer).

Notwithstanding the above the Bond Trustee will not be obliged to agree to any amendment, which, in the sole opinion of the Bond Trustee, would have the effect of: (x) exposing the Bond Trustee, to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction; or (y) increasing the obligations or duties, or decreasing the protections, of the Bond Trustee, in the Programme Documents and/or the Conditions.

The Bond Trustee may without the consent or sanction of any of the Covered Bondholders of any Series and without the consent of any other Secured Creditor and without prejudice to its rights in respect of any subsequent breach, Issuer Event of Default, Potential Issuer Event of Default, Covered Bond Guarantor Event of Default or Potential Covered Bond Guarantor Event of Default from time to time and at any time but only if in so far as in its opinion the interests of the Covered Bondholders of any Series will not be materially prejudiced thereby, waive or authorise, or direct the Security Trustee to waive or authorise, any breach or proposed breach by the Issuer or the Covered Bond Guarantor or any other person of any of the covenants or provisions contained in the Bond Trust Deed, the other Programme Documents or the Conditions or determine that any Issuer Event of Default, Potential Issuer Event of Default, Covered Bond Guarantor Event of Default or Potential Covered Bond Guarantor Event of Default will not be treated as such for the purposes of the Bond Trust Deed, PROVIDED ALWAYS THAT the Bond Trustee must not exercise any powers conferred on it in contravention of any express direction given by Extraordinary Resolution or by a request under Condition 9.1 or 9.2 but so that no such direction or request will affect any waiver, authorisation or determination previously given or made. Any such waiver, authorisation or determination may be given or made on such terms and subject to such conditions (if any) as the Bond Trustee may determine, will be binding on the Covered Bondholders and, if, but only if, the Bond Trustee requires, must be notified by the Issuer or the Trust Manager (on behalf of the Covered Bond Guarantor) (as the case may be) to the Covered Bondholders in accordance with Condition 12 and each Rating Agency as soon as practicable thereafter.

Subject to as provided below, the Bond Trustee will be bound to waive or authorise, or direct the Security Trustee to waive or authorise, any breach or proposed breach by the Issuer or the Covered Bond Guarantor or any other person of any of the covenants or provisions contained in the Bond Trust Deed, the other Programme Documents or the Conditions or determine that any Issuer Event of Default, Potential Issuer Event of Default, Covered Bond Guarantor Event of Default or Potential Covered Bond Guarantor Event of Default will not be treated as such for the purposes of the Bond Trust Deed if it is: (i) in the case of such waiver or authorisation, (a) so directed by an Extraordinary Resolution of the Covered Bondholders of the relevant one or more Series (with the Covered Bonds of all such Series taken together as a single Series in the circumstances provided in the Bond Trust Deed and, if applicable, converted into Australian Dollars at the relevant Swap Rate); or (b) requested to do so in writing by the holders of not less than 25 per cent. of the Principal Amount Outstanding of the Covered Bonds of the relevant one or more Series (with the Covered Bonds of all such Series taken together as a single Series in the circumstances provided in the Bond Trust Deed and, if applicable, converted into Australian Dollars at the relevant Swap Rate); or (ii), in the case of any such determination, (a) so directed by an Extraordinary Resolution of the Covered Bondholders of all Series then outstanding with the Covered Bonds of all Series taken together as a single Series and, if applicable, converted into Australian Dollars at the relevant Swap Rate); or (b) requested to do so in writing by the holders of not less than 25 per cent. of the Principal Amount Outstanding of the Covered Bonds of all Series then outstanding with the Covered Bonds of all Series taken together as a single Series and, if applicable, converted into Australian Dollars as aforesaid), and at all times then only if it is indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing.

The Security Trustee may, without the consent of the Covered Bondholders of any Series and without the consent of the other Secured Creditors and without prejudice to their rights in respect of any subsequent breach, Issuer Event of Default, Potential Issuer Event of Default, Covered Bond Guarantor Event of Default or Potential Covered Bond Guarantor Event of Default from time to time and at any time, but only if (for so long as any Covered Bonds are outstanding) it is instructed by the Bond Trustee in accordance with the Bond Trust Deed or (if no Covered Bonds are outstanding) it is instructed by the Majority Secured Creditors, authorise or waive any breach or proposed breach of any of the covenants or provisions contained in the Covered Bonds of any Series or any Programme Document or determine that any Issuer Event of Default, Potential Issuer Event of Default, Covered Bond Guarantor Event of Default or Potential Covered Bond Guarantor Event of Default will not be treated as such for the purposes of the Security Deed. Any such authorisation, waiver or determination will be binding on the Covered Bondholders and the other Secured Creditors and, unless the Bond Trustee otherwise agrees, must be notified by the Issuer or the Covered Bond Guarantor (acting on the directions of the Trust Manager) (as the case may be) to the Covered Bondholders in accordance with Condition 12 and each Rating Agency as soon as practicable thereafter.

Any such modification, waiver, authorisation or determination will be binding on all the Covered Bondholders of all Series of Covered Bonds for the time being outstanding and the other Secured Creditors, and unless the Bond Trustee otherwise agrees, any such modification must be notified by the Issuer, to the Covered Bondholders of all Series of Covered Bonds in accordance with Condition 12 and to the Rating Agencies as soon as practicable thereafter.

Where in connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or determination), the Bond Trustee and the Security Trustee are required to have regard to the general interests of the Covered Bondholders of each Series as a class (but must not have regard to any interests arising from circumstances particular to individual Covered Bondholders whatever their number) and, in particular but without limitation, must not have regard to the consequences of any such exercise for individual Covered Bondholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Bond Trustee and the Security Trustee will not be entitled to require, nor will any Covered Bondholder be entitled to claim, from the Issuer, the Covered Bond Guarantor, the Bond Trustee, the Security Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Covered Bondholders, except to the extent already provided for in Condition 7 and/or in any undertaking or covenant given in addition to, or in substitution for, Condition 7 pursuant to the Bond Trust Deed.

The Bond Trustee and Security Trustee must concur in and effect any modifications to the Programme Documents that are requested by the Issuer, the Covered Bond Guarantor or the Trust Manager to (a) accommodate the accession of a new Servicer, new Swap Provider, new Trust Manager, new Account Bank, new Agent or new Cover Pool Monitor to the Programme provided that (i) each of the Swap Providers provide written confirmation to the Security Trustee and the Bond Trustee consenting to such modification of those documents to which they are a party (such consent not to be unreasonably withheld); (ii) the Trust Manager has certified to the Security Trustee and the Bond Trustee in writing that such modifications are required in order to accommodate the addition of the new Servicer, new Swap Provider, new Trust Manager, new Account Bank, new Agent or new Cover Pool Monitor to the Programme; (iii) the Trust Manager has certified to the Security Trustee and the Bond Trustee that all other conditions precedent to the accession of the new Servicer, new Swap Provider, new Trust Manager, new Account Bank, new Agent or new Cover Pool Monitor to the Programme set out in the Programme Documents have been satisfied at the time of the accession; (b) take into account any changes in the covered bonds ratings criteria of the Rating Agencies where, absent such modifications, the Issuer is reasonably satisfied following discussions with the relevant Rating Agency (and has provided a certificate in writing to the Bond Trustee and the Security Trustee to that effect) that the rating assigned by the relevant Rating Agency to one or more Series of Covered Bonds may be subject to a downgrade, qualification or withdrawal and even if such changes are, or may be, prejudicial or materially prejudicial to the interests of the Covered Bondholders of any Series; (c) allow a Swap Provider to transfer securities as Swap Collateral under a relevant Swap Agreement Credit Support Annex, including to appoint a custodian to hold such securities in a custody account pursuant to a custody agreement; (d) enable N Covered Bonds to be issued under the Programme subject to receipt by the Bond Trustee and the Security Trustee of a certificate signed by two Authorised Officers of the Issuer and a certificate of an Authorised Officer of the Trust Manager, each certifying to the Bond Trustee and the Security Trustee: (i) that the requested amendments are to be made solely for the purpose of the issuance of N Covered Bonds; and (ii) that the requested amendments are not, in the opinion of the Issuer or the Trust Manager, materially prejudicial to the interests of any Covered Bondholders or any Secured Creditor; or (e) ensure compliance of the Programme or the Issuer, as applicable, with, or ensure that the Issuer may benefit from, any existing, new or amended legislation, regulation, directive, prudential standard or prudential guidance note of any regulatory body (including APRA) in relation to covered bonds provided that the Trust Manager has certified to the Bond Trustee and the Security Trustee in writing that such modifications are required in order to comply with or benefit from such legislation, regulation, directive, prudential standard or prudential guidance note, as the case may be.

For the purposes of paragraph (d) above:

**N Covered Bond** means a Registered Covered Bond in definitive form made out in the name of a specified N Covered Bondholder issued or to be issued by the Issuer, in the form of a German Namensschuldverschreibung and having the N Covered Bond Conditions applicable to it annexed thereto and subject to the provisions of the N Covered Bond Agreement relating thereto;

**N Covered Bond Agreement** means, in respect of any N Covered Bond, an agreement between the Issuer, the Covered Bond Guarantor, the Trust Manager and the Bond Trustee;

**N Covered Bond Conditions** means the terms and conditions of each N Covered Bond annexed thereto; and

**N Covered Bondholder** means the holder of an N Covered Bond.

### 10.3 Substitution

The Bond Trust Deed provides that in connection with any scheme of amalgamation or reconstruction of the Issuer not involving the bankruptcy or insolvency of the Issuer and (A) where the Issuer does not survive the amalgamation or reconstruction or (B) where all or substantially all of the assets and business of the Issuer will be disposed of to, or succeeded to, by another entity (whether by operation of law or otherwise), the Bond Trustee will, if requested by the Issuer, be obliged, without the consent or sanction of the Covered Bondholders, at any time to agree to the substitution in the place of the Issuer (or of the previous substitute) as principal debtor under the Bond Trust Deed (the **Substituted Debtor**) being the entity with and into which the Issuer amalgamates or the entity to which all or

substantially all of the business and assets of the Issuer is transferred, or succeeded to, pursuant to such scheme of amalgamation or reconstruction (whether by operation of law or otherwise), subject to:

- (i) the Substituted Debtor entering into a supplemental trust deed or some other form of undertaking in form and manner satisfactory to the Bond Trustee agreeing to be bound by the Bond Trust Deed with any consequential amendments which the Bond Trustee may deem appropriate as fully as if the Substituted Debtor had been named in the Bond Trust Deed as principal debtor in place of the Issuer;
- (ii) the Substituted Debtor acquiring or succeeding to pursuant to such scheme of amalgamation or reconstruction all or substantially all of the assets and business of the Issuer;
- (iii) each stock exchange or market on which the Covered Bonds are listed confirming in writing that following the proposed substitution of the Substituted Debtor the Covered Bonds will continue to be listed on such stock exchange or market;
- (iv) the supplemental trust deed containing a warranty and representation by the Substituted Debtor that (A) the Substituted Debtor has obtained all necessary governmental and regulatory approvals and consents necessary for or in connection with the assumption by the Substituted Debtor of liability as principal debtor in respect of, and of its obligations under, the supplemental trust deed and the Covered Bonds; (B) such approvals and consents are at the time of substitution in full force and effect; and (C) the obligations assumed by the Substituted Debtor under the supplemental trust deed are legal, valid and binding in accordance with their respective terms;
- (v) confirmations being received by the Bond Trustee from each Rating Agency that the substitution will not adversely affect the then current rating of the Covered Bonds;
- (vi) where the Substituted Debtor is incorporated, domiciled or resident in, or subject generally to the taxing jurisdiction of a territory other than or in addition to Australia, undertakings or covenants in form and manner satisfactory to the Bond Trustee being given by the Substituted Debtor in terms corresponding to the provisions of Condition 7 with the substitution for (or, as the case may be, the addition to) the references to Australia of references to that other or additional territory in which the Substituted Debtor is incorporated, domiciled or resident or to whose taxing jurisdiction it is subject and (where applicable) Condition 5.2 being modified accordingly;
- (vii) without prejudice to the rights of reliance of the Bond Trustee under the immediately following paragraph, the Bond Trustee being satisfied that the relevant transaction is not materially prejudicial to the interests of the Covered Bondholders;
- (viii) if two directors of the Substituted Debtor (or other officer acceptable to the Bond Trustee) certifying that the Substituted Debtor is solvent both at the time at which the relevant transaction is proposed to be effected and immediately thereafter (which certificate the Bond Trustee may rely on absolutely without liability to any person) and the Bond Trustee must not have regard to the financial condition, profits or prospects of the Substituted Debtor or compare the same with those of the Issuer;
- (ix) the Issuer and the Trust Manager, delivering to the Bond Trustee legal opinions obtained from lawyers of international repute in (a) England and Wales and (b) the jurisdiction of incorporation of the Substituted Debtor in form and substance satisfactory to the Bond Trustee; and
- (x) the Covered Bond Guarantee remaining in place or being modified to apply *mutatis mutandis* and continuing in full force and effect in relation to any Substituted Debtor.

Any such supplemental trust deed or undertaking will, if so expressed, operate to release the Issuer or in either case the previous substitute as aforesaid from all of its obligations as principal debtor under the Bond Trust Deed.

In addition, subject as further provided in the Bond Trust Deed, the Bond Trustee may without the consent or sanction of the Covered Bondholders, at any time agree to the substitution in place of the



Issuer (or any previous substitute under this Condition) as the principal debtor under the Covered Bonds, and the Bond Trust Deed or any other corporation subject to certain other conditions set out in the Bond Trust Deed being complied with.

Any substitution pursuant to this Condition 10.3 will be binding on the Covered Bondholders and must be notified in a form previously approved by the Bond Trustee by the new Issuer to the Covered Bondholders not later than 14 days after any such substitution in accordance with Condition 12.

#### **10.4 Rating Agencies**

If:

- (i) a confirmation or affirmation of rating or other response by a Rating Agency is a condition to any action or step under any Programme Document; and
- (ii) the Issuer has delivered to the Covered Bond Guarantor (copied to the Seller and each Rating Agency) written confirmation that it has notified the Rating Agencies of the action or step and that the Trust Manager is satisfied, following discussions with the Rating Agencies, that the action or step, as applicable, will not result in a reduction, qualification or withdrawal of the ratings then assigned by the Rating Agencies and the Rating Agency does not consider such confirmation necessary,

the parties will be entitled to assume that the then current rating of the Covered Bonds from that Rating Agency will not be downgraded, qualified or withdrawn by such Rating Agency as a result of such action or step.

The Bond Trustee will be entitled to treat as conclusive a certificate signed by an Authorised Officer of the Issuer or the Covered Bond Guarantor as to any matter referred to in (ii) above and the Bond Trustee will not be responsible for any Liability that may be caused as a result.

For the purposes of this Condition 10:

**Potential Issuer Event of Default** means any condition, event or act which, with the lapse of time and/or the issue, making or giving of any notice, certification, declaration, demand, determination and/or request and/or the taking of any similar action and/or the fulfilment of any similar condition, would constitute an Issuer Event of Default;

**Potential Covered Bond Guarantor Event of Default** means any condition, event or act which, with the lapse of time and/or the issue, making or giving of any notice, certification, declaration, demand, determination and/or request and/or the taking of any similar action and/or the fulfilment of any similar condition, would constitute a Covered Bond Guarantor Event of Default; and

**Series Reserved Matter** in relation to Covered Bonds of a Series means any proposal:

- (i) to amend the dates of maturity or redemption of the Covered Bonds, or any date for payment of interest or Interest Amounts on the Covered Bonds or the obligation of the Issuer to pay additional amounts pursuant to Condition 7, (ii) to reduce or cancel the Principal Amount Outstanding of, or any premium payable on redemption of, the Covered Bonds, (iii) to reduce the rate or rates of interest in respect of the Covered Bonds or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Covered Bonds, (iv) if a Minimum and/or a Maximum Rate of Interest, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount is set out in the Final Terms, to reduce any such amount, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or Specified Denomination of the Covered Bonds, (vii) to take any steps that as specified in the Final Terms may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply, (viii) to modify the provisions concerning the quorum required at any meeting of Covered Bondholders or the majority required to pass the Extraordinary Resolution, (ix) to amend the Covered Bond Guarantee or the Security Deed (other than any amendment that the Bond Trustee may consent to without the consent of the Covered Bondholders under the Bond Trust Deed); and (x) to

alter this proviso or the quorum requirements for an adjourned meeting of Covered Bondholders for the transaction of business comprising any Series Reserved Matter or the alteration of this definition.

## **11. REPLACEMENT OF COVERED BONDS**

Should any Covered Bond be lost, stolen, mutilated, defaced or destroyed, it may be replaced subject to applicable laws, regulations and, if applicable, listing authority, stock exchange and/or quotation system regulations at the specified office of the specified office of the U.S. Registrar (in the case of Registered Covered Bonds), or any other place approved by the Bond Trustee of which notice has been published in accordance with Condition 12 upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, inter alia, that if the allegedly lost, stolen or destroyed Covered Bond is subsequently presented for payment there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Covered Bonds) and otherwise as the Issuer may require. Mutilated or defaced Covered Bonds must be surrendered before replacements will be issued.

## **12. NOTICES**

All notices regarding the Registered Covered Bonds will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Registered Covered Bonds are admitted to trading on a stock exchange and the rules of that stock exchange (or any other relevant authority) so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules.

Until such time as any Definitive Covered Bonds are issued, there may, so long as the Covered Bonds are represented in their entirety by any Registered Global Covered Bonds held on behalf of Euroclear and/or Clearstream, Luxembourg and/or DTC, be substituted for such publication in such newspaper(s) or such mailing the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or DTC for communication by them to the Covered Bondholders and, in addition, for so long as any Covered Bonds are listed on a stock exchange or admitted to trading by any other relevant authority and the rules of that stock exchange, or as the case may be, other relevant authority so require, such notice or notices will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice will be deemed to have been given to the Covered Bondholders on the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg and/or DTC.

Notices to be given by any Covered Bondholder must be in writing and given by lodging the same, together (in the case of any Covered Bond in Definitive form) with the relative Covered Bond or Covered Bonds, the U.S. Registrar (in the case of Registered Covered Bonds). Whilst any of the Covered Bonds are represented by a Registered Global Covered Bond, such notice may be given by any holder of a Covered Bond to the U.S. Paying Agent or the U.S. Registrar through Euroclear, Clearstream, Luxembourg and/or DTC, as the case may be, in such manner as the U.S. Paying Agent, the U.S. Registrar and DTC and/or Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

## **13. FURTHER ISSUES**

The Issuer will be at liberty from time to time without the consent of the Covered Bondholders to create and issue further bonds having terms and conditions the same as the Covered Bonds of any Series or the same in all respects save for the amount and date of the first payment of interest thereon, issue date and/or purchase price and so that the same can be consolidated and form a single Series with the outstanding Covered Bonds of such Series.

## **14. INDEMNIFICATION OF THE BOND TRUSTEE AND THE SECURITY TRUSTEE AND THE BOND TRUSTEE AND SECURITY TRUSTEE CONTRACTING WITH THE ISSUER AND/OR THE COVERED BOND GUARANTOR**

If, in connection with the exercise of its powers, trusts, authorities or discretions the Bond Trustee is of the opinion that the interests of the Covered Bondholders of any one or more Series would be materially prejudiced thereby, the Bond Trustee must not exercise such power, trust, authority or

discretion without the approval of such Covered Bondholders of the relevant Series by Extraordinary Resolution or by a direction in writing of such Covered Bondholders of at least 25 per cent. of the Principal Amount Outstanding of Covered Bonds of the relevant Series then outstanding or as otherwise required under the Programme Documents.

The Bond Trust Deed and the Security Deed contain provisions for the indemnification of the Bond Trustee and the Security Trustee and for their relief from responsibility, including provisions relieving them from taking any action unless indemnified and/or secured and/or prefunded to their satisfaction.

The Bond Trust Deed and the Security Deed also contain provisions pursuant to which each of the Bond Trustee and Security Trustee, respectively, is entitled, inter alia: (i) to enter into business transactions with the Issuer, the Covered Bond Guarantor and/or any of their respective Subsidiaries and affiliates and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer, the Covered Bond Guarantor and/or any of their respective Subsidiaries and affiliates; (ii) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Covered Bondholders or the other Secured Creditors and (iii) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

Neither the Bond Trustee nor the Security Trustee will be responsible for any loss, expense or liability which may be suffered as a result of any Mortgage Loan Rights or any Charged Property, or any deeds or documents of title thereto, being uninsured or inadequately insured or being held by clearing organisations or their operators or by intermediaries such as banks, brokers or other similar persons whether or not on behalf of the Bond Trustee and/or the Security Trustee. Neither the Bond Trustee nor the Security Trustee will be responsible for inter alia: (i) supervising the performance by the Issuer or any other party to the Programme Documents of their respective obligations under the Programme Documents and the Bond Trustee and the Security Trustee will be entitled to assume, until they each have written notice to the contrary, that all such persons are properly performing their duties; (ii) considering the basis on which approvals or consents are granted by the Issuer or any other party to the Programme Documents under the Programme Documents; (iii) monitoring the Mortgage Loan Rights forming part of the Assets of the Trust, including whether the Asset Coverage Test is satisfied or otherwise or the Amortisation Test is satisfied or otherwise; (iv) monitoring whether Mortgage Loans are Eligible Mortgage Loans or (v) monitoring whether the Issuer is in breach of the Pre-Maturity Test. Neither the Bond Trustee nor the Security Trustee will be liable to any Covered Bondholder or other Secured Creditor for any failure to make or to cause to be made on their behalf the searches, investigations and enquiries which would normally be made by a prudent secured creditor in relation to the Security and have no responsibility in relation to the legality, validity, sufficiency and enforceability of the Security and the Programme Documents.

The Bond Trustee may refrain from taking any action or exercising any right, power, authority or discretion vested in it relating to the transactions contemplated in the Programme Documents until it has been indemnified and/or secured and/or prefunded to its satisfaction against any and all actions, charges, claims, costs, damages, demands, expenses, liabilities, losses and proceedings which might be sustained by it as a result and will not be required to do anything which may cause it to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties or in the exercise of any of its rights, powers, authorities or discretions if it has reasonable grounds for believing that repayment of such funds or adequate indemnity, security or prefunding against such liability is not assured to it.

## **15. LIMITED RECOURSE AND NON-PETITION**

15.1 Only the Security Trustee may pursue the remedies available under the general law or under the Security Deed to enforce the Security and no Transaction Party will be entitled to proceed directly against the Covered Bond Guarantor to enforce the Security. In particular, each Transaction Party (other than the Covered Bond Guarantor and the Security Trustee) has agreed with and acknowledges to each of the Covered Bond Guarantor and the Security Trustee, and the Security Trustee agreed with and acknowledged to the Covered Bond Guarantor, that:

- (a) none of the Transaction Parties (nor any person on their behalf, other than the Security Trustee where appropriate) is entitled, otherwise than as permitted by the Programme Documents, to

direct the Security Trustee to enforce the Security or take any proceedings against the Covered Bond Guarantor to enforce the Security;

- (b) none of the Transaction Parties (other than the Security Trustee) will have the right to take or join any person in taking any steps against the Covered Bond Guarantor for the purpose of obtaining payment of any amount due from the Covered Bond Guarantor to any of such Transaction Parties;
- (c) until the date falling two years after the Vesting Date none of the Transaction Parties nor any person on their behalf may initiate or join any person in initiating an Insolvency Event in relation to the Trust other than a Receiver appointed under clause 15 of the Security Deed; and
- (d) none of the Transaction Parties is entitled to take or join in the taking of any corporate action, legal proceedings or other procedure or step which would result in the Priorities of Payments not being complied with.

15.2 The Covered Bondholders agree with and acknowledge to each of the Covered Bond Guarantor and the Security Trustee, and the Security Trustee has agreed with and acknowledged to the Covered Bond Guarantor, that notwithstanding any other provision of any Programme Document, all obligations of the Covered Bond Guarantor to such party including, without limitation, the Secured Obligations, are limited in recourse to the Covered Bond Guarantor as set out below:

- (a) it will have a claim only in respect of the Charged Property and will not have any claim, by operation of law or otherwise, against, or recourse to, any of the Covered Bond Guarantor's other assets;
- (b) sums payable to each party in terms of the Covered Bond Guarantor's obligations to such party will be limited to the lesser of (a) the aggregate amount of all sums due and payable to such party and (b) the aggregate amounts received, realised or otherwise recovered and immediately available for payment by or for the account of the Covered Bond Guarantor in respect of the Charged Property whether pursuant to enforcement of the Security or otherwise, net of any sums which are payable by the Covered Bond Guarantor in accordance with the Priorities of Payments in priority to or *pari passu* with sums payable to such party; and
- (c) upon the Security Trustee giving written notice to the relevant party that it has determined in its opinion, and the Servicer having certified to the Security Trustee, that there is no reasonable likelihood of there being any further realisations in respect of the Charged Property (whether arising from an enforcement of the Security or otherwise) which would be available to pay unpaid amounts outstanding under the relevant Programme Document, the relevant party will have no further claim against the Covered Bond Guarantor in respect of any such unpaid amounts and the obligations to pay such unpaid amounts will be discharged in full,

save that this limitation will not apply to a liability of the Covered Bond Guarantor to the extent it results from the Covered Bond Guarantor's fraud, negligence or wilful default.

15.3 The Covered Bondholders agree with and acknowledge to the Security Trustee that the Security Trustee enters into each Programme Document to which it is a party only in its capacity as trustee of the Security Trust and in no other capacity and that the Security Trustee will have no liability under or in connection with this deed or any other Programme Document (whether to the Secured Creditors, the Covered Bond Guarantor or any other person) other than to the extent to which the liability is able to be satisfied out of the property of the Security Trust from which the Security Trustee is actually indemnified for the liability. This limitation will not apply to a liability of the Security Trustee to the extent it results from the Security Trustee's fraud, negligence or wilful default.

15.4 To the extent permitted by law, no recourse under any obligation, covenant, or agreement of any person contained in the Programme Documents may be had against any shareholder, officer, agent or director of such person as such, by the enforcement of any assessment or by any legal proceeding, by virtue of any statute or otherwise; it being expressly agreed and understood that the Programme Documents are corporate obligations of each person expressed to be a party thereto and no personal liability will attach to or be incurred by the shareholders, officers, agents or directors of such person as such, or any of them, under or by reason of any of the obligations, covenants or agreements of such person contained in the Programme Documents, or implied therefrom, and that any and all personal liability for breaches

by such person of any of such obligations, covenants or agreements, either under any applicable law or by statute or constitution, of every such shareholder, officer, agent or director is expressly waived by each person expressed to be a party thereto as a condition of and consideration for execution of the Programme Documents.

## **16. 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 Covered Bond but this does not affect any right or remedy of any person which exists or is available apart from that Act.

## **17. GOVERNING LAW**

The Bond Trust Deed (including the Covered Bond Guarantee), the Principal Agency Agreement, the Covered Bonds, and any non contractual obligations arising out of or in connection with them are governed by, and will be construed in accordance with, English law unless specifically stated to the contrary (in this regard, the covenant to pay made by the Issuer to the Bond Trustee in respect of the Covered Bonds, (but only, in respect of such provisions, to the extent that they relate to any A\$ Registered Covered Bonds) in the Bond Trust Deed, the provisions relating to the issuance of A\$ Registered Covered Bonds and the maintenance of the A\$ Register in respect of the A\$ Registered Covered Bonds in the Bond Trust Deed and the provisions relating to limiting recourse to the Covered Bond Guarantor and the Security Trustee in the Bond Trust Deed, the Principal Agency Agreement and the A\$ Registered Covered Bonds are governed by, and will be construed in accordance with, the laws applying in the State of New South Wales, Australia).

## **18. JURISDICTION**

18.1 Each of the Issuer and the Covered Bond Guarantor hereby irrevocably submits to the jurisdiction of the English courts in any action or proceeding arising out of or related to the Covered Bonds. The courts of England and (in the case of any action involving the Issuer or the Covered Bond Guarantor) the Commonwealth of Australia are to have jurisdiction to settle any dispute (including a dispute relating to any non-contractual obligations arising out of or in connection with the Covered Bonds), and each party hereby irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined by such courts. Each party hereby irrevocably waives, to the fullest extent it may possibly do so, any defence or claim that the English or the Commonwealth of Australia courts (as applicable) are an inconvenient forum for the maintenance or hearing of such action or proceeding. Each party may take any suit, action or proceeding arising out of or in connection with the Covered Bonds (including any proceedings relating to any non-contractual obligations arising out of or in connection with the Covered Bonds) against any of the Issuer and the Covered Bond Guarantor in any other court of competent jurisdiction and concurrent proceedings in any number of jurisdictions.

18.2 Each of the Issuer and the Covered Bond Guarantor:

- (a) agrees that the process by which any proceedings in England are begun may be served on it by delivery to the General Manager, Europe being at the date hereof at Senator House, 85 Queen Victoria Street, London EC4V 4HA;
- (b) agrees to procure that, so long as any of the Covered Bonds issued or guaranteed by it (as the case may be) remains liable to prescription, there will be in force an appointment of such a person approved by the Bond Trustee with an office in London with authority to accept service as aforesaid;
- (c) agrees that a failure by any such person to give notice of such service or process to the Issuer or the Covered Bond Guarantor will not impair the validity of such service or of any judgment based thereon; and
- (d) agrees that nothing in these Conditions will affect the right to serve process in any other manner permitted by law.

## **USE OF PROCEEDS**

The net proceeds from each issue of Covered Bonds by the Issuer will be used for the general purposes of the Issuer and its subsidiaries.

## COMMONWEALTH BANK OF AUSTRALIA

*The following is a summary of some of the information contained elsewhere or incorporated by reference into this Offering Circular. More detailed information and financial statements are contained elsewhere and incorporated by reference into this Offering Circular.*

The Issuer provides a comprehensive range of banking, financial, insurance and funds management services in Australia, New Zealand, throughout Asia and in Malta and the United Kingdom. These services include general banking, finance company activities, life and risk business insurance and investment and funds management. As at June 30, 2012, the Issuer (together with its subsidiary Bank of Western Australia Ltd) was Australia's largest bank in terms of housing loans and retail deposits.

The Issuer began originating and servicing residential mortgage loans in 1946 and is currently Australia's largest home mortgage lender. As at June 30, 2012, the Issuer and its subsidiaries acted as the primary servicer on approximately 1.4 million residential mortgage loans having an aggregate unpaid balance of approximately A\$351 billion.

The Issuer conducts its operations primarily through the following business units: (i) Retail Banking Services, through which the Issuer conducts its Australian retail banking business; (ii) Business and Private Banking, through which the Issuer conducts its Corporate Financial Services, Regional and Agribusiness, Local Business, Private Bank, and Equities and Margin Lending businesses; (iii) Institutional Banking and Markets, through which the Issuer conducts its Institutional Banking and Markets businesses; (iv) Wealth Management, through which the Issuer conducts its Funds Management business in Australia, the United Kingdom and Asia and its Australian insurance businesses; (v) New Zealand, through which the Issuer conducts its New Zealand banking, life insurance and funds management businesses; (vi) International Financial Services Asia, through which the Issuer operates retail and small medium enterprise banking operations in India, China, Indonesia and Vietnam, investment in Chinese and Vietnamese retail banks, the joint venture Chinese life insurer and life insurance business operations in Indonesia; and (vii) Bankwest, through which the Issuer conducts full service retail and commercial banking services within Australia under the Bankwest brand.

The address of the Issuer principal executive office is Ground Floor, Tower 1, 201 Sussex Street, Sydney, New South Wales, 2000, Australia and its telephone number is (612) 9378 2000.

The Bank has been rated AA- by Standard & Poor's (Australia) Pty Ltd, Aa2 by Moody's and AA- by Fitch.

## THE CBA COVERED BOND TRUST

The CBA Covered Bond Trust (**Trust**) is a special purpose trust established by the Establishment Deed under the law of New South Wales, Australia on November 13, 2011. Perpetual Corporate Trust Limited is the trustee of the Trust (in such capacity, the **Covered Bond Guarantor**).

The Covered Bond Guarantor's principal office is at Level 12, 123 Pitt Street, Sydney NSW 2000, Australia. The telephone number of the Covered Bond Guarantor's principal office is +61 2 8256 1424.

The Covered Bond Guarantor is dependent on the Trust Manager and the Servicer (amongst others) to provide certain management and administrative services to it, on the terms of the Establishment Deed and the other Programme Documents.

The principal activities of the Trust are set out in the Establishment Deed and include the acquisition, management and sale of, amongst other things, Mortgage Loan Rights, the borrowing of moneys to fund the acquisition of such assets, the hedging of risks associated with such assets and such funding, the acquisition, management and sale of Substitution Assets and Authorised Investments, the giving of guarantees in respect of the Covered Bonds (including the Covered Bond Guarantee), the granting of security to secure repayment of any Covered Bonds and other liabilities and any purpose which is ancillary or incidental to the activities set out above. The Assets of the Trust comprise principally Mortgage Loan Rights, Substitution Assets, Authorised Investments, Trust Accounts and rights of the Covered Bond Guarantor under the Programme Documents.

The Trust has not engaged since its establishment, and will not engage whilst the Covered Bonds or the Term Advances remain outstanding, in any material activities other than activities incidental to its establishment, activities contemplated under the Programme Documents to which the Covered Bond Guarantor is or will be a party and other matters which are incidental or ancillary to the foregoing.

### Unitholders

The Income Unitholder of the Trust as at the date of this Offering Circular is the Bank.

The Capital Unitholder of the Trust as at the date of this Offering Circular is the Bank.

### Covered Bond Guarantor

Perpetual Corporate Trust Limited ABN 99 000 341 533 was incorporated in New South Wales on October 27, 1960 as Perpetual Trustees Nominees Limited under the Companies Statute of New South Wales as a public company. The name was changed to Perpetual Corporate Trust Limited on October 18, 2006 and Perpetual Corporate Trust Limited now operates as a limited liability public company under the Australian Corporations Act. Perpetual Corporate Trust Limited is registered in New South Wales and its registered office is at Level 12, 123 Pitt Street, Sydney NSW 2000, Australia.

Perpetual Corporate Trust Limited has 5,010,000 ordinary shares issued with a paid amount of A\$1.00 per share. Perpetual Corporate Trust Limited is a wholly owned subsidiary of Perpetual Limited, a publicly listed company on the Australian Securities Exchange.

The principal activities of Perpetual Corporate Trust Limited are the provision of trustee and other commercial services. Perpetual Corporate Trust Limited is an authorised representative (No. 266799) under Australian Financial Services Licence under Part 7.6 of the Australian Corporations Act (Australian Financial Services Licence number 236643). Perpetual Corporate Trust Limited and its related companies provide a range of services including custodial and administrative arrangements to funds management, superannuation, property, infrastructure and capital markets. Perpetual Corporate Trust Limited and its related companies are leading trustee companies in Australia with in excess of A\$100 billion under administration. Perpetual Corporate Trust Limited is an authorised representative of Perpetual Trustee Company Limited ABN 42 000 001 007.

The name and function of each of the Directors of Perpetual Corporate Trust Limited are listed below. Unless otherwise stated, the business address of each Director is Level 12, 123 Pitt Street Sydney NSW 2000 Australia.

- Roger Burrows, Director;
- Christopher Green, Director; and



- Joanne Hawkins, Director.

As at the date of this Offering Circular, no potential conflicts or conflicts of interest exist between any duties owed to the Covered Bond Guarantor by the members of its Board of Directors listed above and their private interests and/or other duties in respect of their management roles.

### **Trust Manager**

At the date of this Offering Circular, the Trust Manager is Securitisation Advisory Services Pty. Limited ABN 88 064 133 946. The registered office of the Trust Manager is Ground Floor Tower 1, 201 Sussex Street, Sydney NSW 2000, Australia.

Pursuant to the Establishment Deed, the Trust Manager will act as manager of the Trust and will provide certain administrative services required by the Covered Bond Guarantor pursuant to the Programme Documents. As compensation for the performance of the Trust Manager's obligations under the Programme Documents and as reimbursement for its related expenses, the Trust Manager will be entitled to a fee, which will be paid in accordance with the applicable Priority of Payments.

### **Directors**

The directors of Securitisation Advisory Services Pty. Limited, the business address of each of whom should be regarded for the purposes of this Offering Circular as being Ground Floor Tower 1, 201 Sussex Street, Sydney, NSW, 2000, Australia and their principal outside activities, where significant, are as follows:

#### **D. (David) Durante**

Mr Durante is General Manager Financial Reporting and Analysis at the Bank. He is a director of the following other Bank companies:

Australian Bank Pty Limited  
CBA Funding (NZ) Limited  
CBA Funding (Holdings) Pty Ltd  
CMG Asia Pty Ltd  
Colonial Finance (Australia) Pty Limited  
Commwealth International Holdings Pty Limited  
Emerald Holding Company Pty Limited  
GT Funding No. 3 Pty Ltd  
GT Investments No. 3 Pty Limited  
GT USD Funding Pty Limited  
M-Land Pty Ltd  
Padang Pty Ltd

#### **S.R.D. (Simon) Maidment**

Mr Maidment is Head of Group Funding and Execution at the Bank. He is a director of the following other Bank companies:

Colonial Finance Limited  
Homepath Pty Limited  
Residential Mortgage Group Pty Ltd

As at the date of this Offering Circular, no potential conflicts or conflicts of interest exist between any duties owed to Securitisation Advisory Services Pty. Limited by the members of its Board of Directors listed above and their private interests and/or other duties in respect of their management roles.

### **Delegation by the Trust Manager**

The Trust Manager may, in performing its functions under the Establishment Deed and the other Programme Documents, delegate to any service provider the performance of any of its functions and appoint any person to be delegate or sub-delegate, in each case subject to and in accordance with the provisions of the Establishment Deed and the Management Agreement, as the case may be.

## SUMMARY OF THE PRINCIPAL DOCUMENTS

### **Bond Trust Deed**

The Bond Trust Deed, entered into between the Issuer, the Trust Manager, the Covered Bond Guarantor and the Bond Trustee, is the principal agreement governing the Covered Bonds.

The Bond Trust Deed contains provisions relating to:

- (a) the constitution of the Covered Bonds and the terms and conditions of the Covered Bonds issued under this Offering Circular (as set out under the section “*Terms and Conditions of the Covered Bonds*” in this Offering Circular);
- (b) the covenants of the Issuer and the Covered Bond Guarantor;
- (c) the terms of the Covered Bond Guarantee (as described below);
- (d) the enforcement procedures relating to the Covered Bonds and the Covered Bond Guarantee; and
- (e) the appointment, powers and responsibilities of the Bond Trustee and the circumstances in which the Bond Trustee may resign, retire or be removed.

The Bond Trust Deed (other than certain provisions of the Bond Trust Deed under which the Issuer covenants to the Bond Trustee to repay principal and to pay interest in respect of the Covered Bonds (but only, in respect of such provisions, to the extent they relate to any A\$ Registered Covered Bonds), certain provisions of the Bond Trust Deed constituting the A\$ Registered Covered Bonds and the N Covered Bonds and certain provisions of the Bond Trust Deed limiting recourse to the Covered Bond Guarantor and the Security Trustee) and any non-contractual obligations arising out of or in connection with it are governed by English law. Those provisions of the Bond Trust Deed noted above which are not governed by English law, are governed by, and will be construed in accordance with, the laws applying in the State of New South Wales, Australia (other than with respect to certain provisions of the N Covered Bonds, which are governed by, and will be construed in accordance with, German law).

### ***The Covered Bond Guarantee***

#### *The Covered Bond Guarantee*

The Covered Bond Guarantor has guaranteed to the Bond Trustee, for the benefit of Covered Bondholders, the prompt performance by the Issuer of its obligations to pay the Guaranteed Amounts.

Following the occurrence of an Issuer Event of Default and the service by the Bond Trustee of an Issuer Acceleration Notice on the Issuer (copied to the Covered Bond Guarantor) and a Notice to Pay on the Covered Bond Guarantor (copied to the Trust Manager and the Security Trustee), the Covered Bond Guarantor must, as principal obligor, pay or procure to be paid on each Scheduled Payment Date (or on such later date provided for in the Bond Trust Deed) irrevocably and unconditionally to or to the order of the Bond Trustee (for the benefit of the Covered Bondholders), an amount equal to those Guaranteed Amounts which have become Due for Payment in accordance with the terms of the Bond Trust Deed (or which would have become Due for Payment but for any variation, release or discharge of the Guaranteed Amounts) but which have not been paid by the Issuer to the relevant Covered Bondholder, Receiptholders and/or Couponholders on the relevant date for payment, provided that no Notice to Pay may be so served on the Covered Bond Guarantor until an Issuer Acceleration Notice has been served by the Bond Trustee on the Issuer.

Following the occurrence of a Covered Bond Guarantor Event of Default and the service by the Bond Trustee of a Covered Bond Guarantee Acceleration Notice on the Issuer and the Covered Bond Guarantor (copied to the Trust Manager), in respect of the Covered Bonds of each Series which have become immediately due and repayable (or which would have become Due for Payment but for any variation, release or discharge of the Guaranteed Amounts), the Covered Bond Guarantor must, as principal obligor, pay or procure to be paid to or to the order of the Bond Trustee (for the benefit of itself and the Covered Bondholders) in the manner described in the Bond Trust Deed) the Guaranteed Amounts.

Subject to the grace periods specified in Condition 9.2(a) of the Programme Conditions, failure by the Covered Bond Guarantor to pay the Guaranteed Amounts when Due for Payment will constitute a Covered Bond Guarantor Event of Default.

*Covered Bond Guarantor not obliged to pay additional amounts*

All payments of Guaranteed Amounts by or on behalf of the Covered Bond Guarantor will be made without withholding or deduction for, or on account of, any present or future tax, duties, assessment or other governmental charges of whatever nature, imposed or levied by or on behalf of Australia or any political subdivision thereof or by any authority therein or thereof having power to tax, unless such withholding or deduction is required by law or regulation or administrative practice of any jurisdiction. If any such withholding or deduction is required, the Covered Bond Guarantor must pay the Guaranteed Amounts net of such withholding or deduction and must account to the appropriate Tax Authority for the amount required to be withheld or deducted. The Covered Bond Guarantor will not be obliged to pay any additional amount to the Bond Trustee or any holder of Covered Bonds, Receipts and/or Coupons in respect of the amount of such withholding or deduction.

See “Taxation” for further information.

*Guarantor and Covered Bond Guarantor as principal debtor and not merely as surety*

The Covered Bond Guarantor has agreed that its obligations under the Covered Bond Guarantee will be:

- (a) as if it were principal debtor and not merely as surety or guarantor and will be absolute; and
- (b) (following service of an Issuer Acceleration Notice and Notice to Pay or a Covered Bond Guarantee Acceleration Notice) unconditional; and
- (c) irrespective of, and unaffected by, any invalidity, irregularity, illegality or unenforceability of, or defect in, any provisions of the Bond Trust Deed or any other Programme Document, or in the absence of any action to enforce the same or the waiver, modification or consent by the Bond Trustee, any of the Covered Bondholders, Receiptholders or Couponholders in respect of any provisions of the same or the obtaining of any judgment or decree against the Issuer or any action to enforce the same or any other circumstances which might otherwise constitute a legal or equitable discharge or defence of a guarantor,

and the Covered Bond Guarantee will not be discharged nor shall the liability of the Covered Bond Guarantor under the Bond Trust Deed be affected by any act, thing or omission or means whatsoever whereby its liability would not have been discharged if it had been the principal debtor.

*Excess Proceeds*

Following the occurrence of an Issuer Event of Default and the delivery of the Issuer Acceleration Notice and Notice to Pay, any Excess Proceeds must be paid by the Bond Trustee on behalf of the Covered Bondholders of the relevant Series to the Covered Bond Guarantor, as soon as practicable, and must be held by the Covered Bond Guarantor in the GIC Account, and the Excess Proceeds will thereafter form part of the Charged Property and must be used by the Covered Bond Guarantor in the same manner as all other monies from time to time standing to the credit of the GIC Account pursuant to the Security Deed and the Establishment Deed. Any Excess Proceeds received by the Bond Trustee and held by it or under its control will discharge *pro tanto* the obligations of the Issuer in respect of the Covered Bonds, Receipts and Coupons (as applicable and to the extent of the amount so received and subject to restitution of the same if such Excess Proceeds are to be required to be repaid by the Covered Bond Guarantor) (but will be deemed not to have so discharged the Issuer’s obligations for the purposes of subrogation rights of the Covered Bond Guarantor contemplated by the Covered Bond Guarantee and the Bond Trust Deed). However, the obligations of the Covered Bond Guarantor under the Covered Bond Guarantee are (following service of an Issuer Acceleration Notice and Notice to Pay or, if earlier, service of a Covered Bond Guarantee Acceleration Notice) unconditional and irrevocable, and the receipt by, or on behalf of, the Bond Trustee of any Excess Proceeds will not reduce or discharge any such obligations.

By subscribing for Covered Bonds, each Covered Bondholder will be deemed to have irrevocably directed the Bond Trustee to pay the Excess Proceeds to the Covered Bond Guarantor in the manner described above.

For the avoidance of doubt, any payments by the Covered Bond Guarantor to the Covered Bondholders out of the Excess Proceeds will reduce the Guaranteed Amounts *pro tanto*.

### **Intercompany Loan Agreement**

Under the Intercompany Loan Agreement, the Intercompany Loan Provider has agreed to make available to the Covered Bond Guarantor a multi-currency credit facility under which the Intercompany Loan Provider may make Term Advances to the Covered Bond Guarantor.

On each Issue Date, the Intercompany Loan Provider will make a Term Advance to the Covered Bond Guarantor in an amount equal to either (i) if a Non-Forward Starting Covered Bond Swap is entered into on the relevant Issue Date, the Principal Amount Outstanding on the Issue Date of the relevant Series or, as applicable, Tranche of Covered Bonds in the Specified Currency of the relevant Series or Tranche of Covered Bonds or (ii) if a Forward Starting Covered Bond Swap is entered into on the relevant Issue Date, the Australian Dollar Equivalent of the Principal Amount Outstanding on the Issue Date of the relevant Series or, as applicable, Tranche of Covered Bonds, and for a matching term. The Covered Bond Guarantor may only use the proceeds of the Term Advances received under the Intercompany Loan Agreement from time to time (if not denominated in Australian Dollars, upon exchange into Australian Dollars under the applicable Non-Forward Starting Covered Bond Swap): (i) to fund (in whole or in part) the Consideration for any Mortgage Loan Rights to be acquired from the Seller in accordance with the terms of the Mortgage Sale Agreement; and/or (ii) acting in accordance with the Establishment Deed, to invest in Substitution Assets in an amount not exceeding the prescribed limit, to the extent required to meet the Asset Coverage Test; and thereafter or otherwise the Covered Bond Guarantor may use such proceeds (if not denominated in Australian Dollars, upon exchange into Australian Dollars under the applicable Non-Forward Starting Covered Bond Swap) (subject to complying with the Asset Coverage Test): (A) if an existing Series or Tranche or part of an existing Series or Tranche of Covered Bonds is being refinanced by the issue of a further Series or Tranche of Covered Bonds to which the Term Advance relates, to repay the Term Advance(s) corresponding to the Covered Bonds being so refinanced (after exchange into the currency of the Term Advance(s) being repaid, if necessary); and/or (B) to make a repayment of the Demand Loan, provided that the Trust Manager has determined the outstanding balance of the Demand Loan by calculating the Asset Coverage Test as at the Intercompany Loan Drawdown Date having taken into account such repayment and the Trust Manager has confirmed that the Asset Coverage Test will continue to be met after giving effect to such repayment; and/or (C) subject to the terms of the Establishment Deed, to make a deposit of all or part of the proceeds into the GIC Account (including, without limitation, to fund the Reserve Fund). If the Intercompany Loan Provider is also the Seller, to the extent that the proceeds of a Term Advance are to be applied to the payment of the Consideration for any Mortgage Loan Rights to be acquired from the Seller, the Intercompany Loan Provider may, in satisfaction of its obligation to make the Term Advance in accordance with the Intercompany Loan Agreement on the applicable Intercompany Loan Drawdown Date, set-off the amount of the Term Advance against the Consideration for the relevant Mortgage Loan Rights.

The Issuer will not be relying on repayment of any Term Advance in order to meet its repayment obligations under the Covered Bonds. The Covered Bond Guarantor (acting on the instructions of the Trust Manager) will pay amounts due in respect of Term Advances in accordance with the Intercompany Loan Agreement and the relevant Priority of Payments. Prior to the service of a Notice to Pay on the Covered Bond Guarantor or the service of a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer, amounts due in respect of each Term Advance will be paid by the Covered Bond Guarantor to, or as directed by, the Intercompany Loan Provider on each Intercompany Loan Interest Payment Date, subject to paying all higher ranking amounts in the Pre-Acceleration Income Priority of Payments or, as applicable, the Pre-Acceleration Principal Priority of Payments. Any failure by the Covered Bond Guarantor to pay any amounts due on the Term Advances will not affect the liability of the Issuer to pay the relevant amount due on the Covered Bonds.

Any amounts owing by the Intercompany Loan Provider (as Issuer of a particular Tranche or Series of Covered Bonds) to the Covered Bond Guarantor in respect of amounts paid by the Covered Bond Guarantor under the Covered Bond Guarantee in relation to the particular Covered Bonds or the purchase of the particular Covered Bonds by the Covered Bond Guarantor, as applicable, will be set-off automatically (and without any action being required by the Covered Bond Guarantor, the Trust Manager, the Intercompany Loan Provider, the Demand Loan Provider or the Security Trustee) against any amounts payable by the Covered Bond Guarantor under the Intercompany Loan Agreement in relation to the Term Advance corresponding to the relevant Covered Bonds (and, in accordance with paragraph (d) below, against any amounts payable by the Covered Bond Guarantor to the Demand Loan Provider under the Demand Loan Agreement). The amount set-off will be the amount of the relevant payment made by the Covered Bond Guarantor under the Covered Bond Guarantee in

relation to the relevant Covered Bonds (or the Australian Dollar Equivalent of such amount if the related Term Advance is denominated in Australian Dollars and the relevant Covered Bonds are not denominated in Australian Dollars) or the Principal Amount Outstanding of any relevant Covered Bonds purchased or otherwise acquired and cancelled in accordance with Condition 5.10 of the Programme Conditions and Condition 4 of the N Covered Bond Conditions (as applicable) (or the Australian Dollar Equivalent of such amount if the related Term Advance is denominated in Australian Dollars and the relevant Covered Bonds are not denominated in Australian Dollars), as applicable, which amount must be applied to reduce amounts payable under the Intercompany Loan Agreement in relation to the Term Advance corresponding to the relevant Covered Bonds (and, in accordance with paragraph (d) below, against any amounts payable by the Covered Bond Guarantor to the Demand Loan Provider under the Demand Loan Agreement) in the following order of priority:

- (a) *first*, to reduce and discharge interest (including accrued interest) due and unpaid on the outstanding principal balance of such Term Advance;
- (b) *second*, to reduce and discharge the outstanding principal balance of such Term Advance;
- (c) *third*, to reduce and discharge any other amounts due and payable by the Covered Bond Guarantor to the Intercompany Loan Provider under the Intercompany Loan Agreement; and
- (d) *fourth*, to reduce and discharge amounts due and payable by the Covered Bond Guarantor to the Demand Loan Provider under the Demand Loan Agreement (see below).

The Intercompany Loan Agreement is governed by and is to be construed in accordance with the laws applying in the State of New South Wales, Australia.

### **Demand Loan Agreement**

Under the Demand Loan Agreement, the Demand Loan Provider has agreed to make available to the Covered Bond Guarantor an Australian Dollar revolving credit facility under which the Demand Loan Provider may make Demand Loan Advances to the Covered Bond Guarantor. Each Demand Loan Advance will be denominated in Australian Dollars. The interest rate on the Demand Loan will be equal to the 30 day Bank Bill Rate plus a spread to be determined by the Demand Loan Provider. The balance of the Demand Loan will fluctuate over time, as described below.

The proceeds of each Demand Loan Advance may only be used by the Covered Bond Guarantor: (a) to fund the Consideration (in whole or part) for the acquisition of Mortgage Loan Rights from the Seller on a Closing Date where the aggregate of the proceeds of a Term Advance (if any) made on that date and/or (subject to paragraph (c) of the Pre-Acceleration Principal Priority of Payments as set out in the section “*Cashflows*” in this Offering Circular) any Available Principal Amount available to acquire Mortgage Loan Rights is not sufficient to pay the Consideration for the relevant Mortgage Loan Rights to be acquired; (b) to repay a Term Advance on the date on which the Series of Covered Bonds corresponding to such Term Advance matures (subject to paragraph (f) of the Pre-Acceleration Principal Priority of Payments as set out in the section “*Cashflows*” in this Offering Circular); (c) to rectify a failure to meet the Asset Coverage Test; (d) to rectify a breach of the Pre Maturity Test; (e) to rectify an Interest Rate Shortfall; (f) to make a deposit to the OC Account in accordance with the Demand Loan Agreement; or (g) for any other purpose whatsoever as may be agreed from time to time between the Covered Bond Guarantor (acting on the directions of the Trust Manager) and the Demand Loan Provider (including, without limitation, to fund the Reserve Fund if required).

At any time prior to an Issuer Event of Default and provided the relevant conditions precedent have been satisfied, the Trust Manager may direct the Covered Bond Guarantor to, and the Covered Bond Guarantor must upon receiving that direction, re-borrow any amount of the Demand Loan repaid by the Covered Bond Guarantor in accordance with the Demand Loan Agreement and the relevant Priority of Payments. Unless otherwise agreed by the Demand Loan Provider, no further Demand Loan Advances will be made to the Covered Bond Guarantor under the Demand Loan Facility following an Issuer Event of Default or Covered Bond Guarantor Event of Default.

The Covered Bond Guarantor must repay the Demand Loan in the following circumstances:

- (a) by way of set-off by application of the proceeds of any Term Advance as described in “*Intercompany Loan Agreement*” above;

- (b) following the Demand Loan Provider requesting repayment of all or part of the Demand Loan in accordance with the Demand Loan Agreement;
- (c) after the service of a Covered Bond Guarantee Acceleration Notice in accordance with the Post-Enforcement Priority of Payments; and
- (d) after the Covered Bonds of each Series and Tranche have been repaid in full and the Issuer has confirmed to the Trust Manager that no additional Covered Bonds will be issued under the Programme Documents in accordance with the applicable Priority of Payments.

*Repayment following a demand by the Demand Loan Provider*

Any repayment amount which is the subject of a demand made as described in paragraph (b) above must (if so elected by the Demand Loan Provider) be paid within one Local Business Day of the demand (such date, a **Demand Loan Repayment Date**) or, where no such election is made, on the next Distribution Date immediately following such demand.

If a demand for repayment of all or part of the Demand Loan is made as described in paragraph (b) above, then subject to the applicable Priority of Payments (other than in the case of repayment on a Demand Loan Repayment Date) and the following paragraphs, the principal amount of the Demand Loan must be repaid by an amount equal to the lesser of: (a) the amount requested to be repaid by the Demand Loan Provider; (b) the maximum amount (as calculated by the Trust Manager) that may be repaid provided that the Asset Coverage Test is satisfied after giving effect to such repayment; and (c) in the case of the repayment of the Demand Loan on a Demand Loan Repayment Date, the amount standing to the credit of the OC Account. No repayment of the Demand Loan may be made in these circumstances on any Distribution Date or any Demand Loan Repayment Date if the Asset Coverage Test will be breached after giving effect to the repayment.

In satisfaction of the repayment obligation in respect of the Demand Loan in accordance with paragraph (e) of the Pre-Acceleration Principal Priority of Payments, paragraph (g) of the Guarantee Priority of Payments, paragraph (f) of the Post-Enforcement Priority of Payments and on a Demand Loan Repayment Date (i) first, the Demand Loan Provider (in its capacity as Account Bank in respect of the OC Account) must set-off the amount standing to the credit of the OC Account against the amount payable in respect of the Demand Loan in accordance with the relevant Priority of Payments or on the Demand Loan Repayment Date and (ii) second, other than on a Demand Loan Repayment Date, the Trust Manager must direct the Covered Bond Guarantor to and the Covered Bond Guarantor must (in the case of the Pre-Acceleration Principal Priority of Payments and the Guarantee Priority of Payments) or the Security Trustee must (in the case of the Post-Enforcement Priority of Payments) distribute Mortgage Loan Rights of the Trust in specie (the aggregate value of which will be determined by reference to the Current Principal Balance plus arrears of interest and accrued interest thereon in respect of the corresponding Mortgage Loan calculated as at the date of the in specie distribution) (the **In Specie Mortgage Loan Rights**) in accordance with the applicable Priority of Payments. Any In Specie Mortgage Loan Rights must be selected by the Trust Manager (in the case of a distribution in accordance with the Pre-Acceleration Principal Priority of Payments and the Guarantee Priority of Payments) or the Security Trustee (in the case of the Post-Enforcement Priority of Payments), on a basis that is representative of the Mortgage Loan Rights forming part of the Assets of the Trust at the date of the in specie distribution to the Demand Loan Provider.

For the avoidance of doubt, if the Covered Bond Guarantor (acting on the directions of the Trust Manager) or the Security Trustee, as applicable, fails (as determined by the Demand Loan Provider) for any reason whatsoever to distribute Mortgage Loan Rights as an in specie distribution in accordance with the Demand Loan Agreement and the applicable Priority of Payments (an **In Specie Failure**), such In Specie Failure will not discharge the repayment obligation in respect of the Demand Loan and such repayment obligation will be payable in accordance with the applicable Priority of Payments and the Demand Loan Agreement from the amount available to be applied in accordance with the relevant Priority of Payments.

An In Specie Failure does not constitute a Covered Bond Guarantor Event of Default, Trust Manager Default and/or a Covered Bond Guarantor Termination Event other than, in the case of a Trust Manager Default or a Covered Bond Guarantor Termination Event, where the Covered Bond Guarantor or Trust Manager, as applicable, has been fraudulent, negligent or in wilful default in connection with the In Specie Failure.

*Ranking of repayments under the Demand Loan*

Where repayment of the principal amount owing under the Demand Loan is made by way of a set-off against the amount standing to the credit of the OC Account and/or by an in specie distribution of Mortgage Loan Rights as described above, such repayment will rank in priority to amounts owing by the Covered Bond Guarantor under the Covered Bond Guarantee or under the Intercompany Loan Agreement, as applicable, in accordance with the applicable Priority of Payments (unless such repayment is being made on a Demand Loan Repayment Date). Otherwise (including as a result of an In Specie Failure), repayment of the principal amount owing under the Demand Loan will be subordinated to amounts owed by the Covered Bond Guarantor under the Intercompany Loan Agreement and under the Covered Bond Guarantee, as applicable, in accordance with the applicable Priority of Payments (and repayment of such amounts may also be satisfied by an in specie distribution of Mortgage Loan Rights (determined in the manner described above), at the discretion of the Trust Manager or, in the case of the Post-Enforcement Priority of Payments, the Security Trustee).

Other than to the extent the principal on the Demand Loan is repaid by way of a set-off against the OC Account and/or by an in specie distribution of Mortgage Loan Rights, the Covered Bond Guarantor will repay the principal on the Demand Loan on a Distribution Date in accordance with the applicable Priority of Payments and the terms of the Demand Loan Agreement and the Establishment Deed, using (i) funds in the applicable Trust Accounts (other than the OC Account); and/or (ii) proceeds from the sale of Substitution Assets and/or Authorised Investments; and/or (iii) the proceeds of a Term Advance pursuant to the terms of the Intercompany Loan Agreement (see the section “Cashflows” in this Offering Circular).

The Australian Dollar Equivalent of any amounts owing by the Intercompany Loan Provider (as Issuer) to the Covered Bond Guarantor in respect of amounts paid by the Covered Bond Guarantor under the Covered Bond Guarantee in relation to particular Covered Bonds or the purchase of particular Covered Bonds by the Covered Bond Guarantor, as applicable, which are not set-off in accordance with the order of priority contained in the Intercompany Loan Agreement (set out above) will be set-off automatically (and without any action being required by the Covered Bond Guarantor, the Trust Manager, the Demand Loan Provider or the Security Trustee) against any amounts payable by the Covered Bond Guarantor under the Demand Loan Agreement in the following order of priority:

- (A) *first*, to reduce and discharge interest (including accrued interest) due and unpaid on the Demand Loan;
- (B) *second*, to reduce and discharge the outstanding principal balance of the Demand Loan; and
- (C) *third*, to reduce and discharge any other amounts due and payable by the Covered Bond Guarantor to the Demand Loan Provider under the Demand Loan Agreement.

The Demand Loan Agreement is governed by and is to be construed in accordance with the laws applying in the State of New South Wales, Australia.

## **Mortgage Sale Agreement**

### ***Sale by the Seller of Mortgage Loan Rights***

Mortgage Loan Rights have been, and will be, sold to the Covered Bond Guarantor from time to time on a fully serviced basis pursuant to the terms of the Mortgage Sale Agreement entered into on or about the Programme Date between the Bank (in its capacity as Seller, Issuer, Servicer and beneficiary of the CBA Trust), the Covered Bond Guarantor (in its capacity as trustee of the Trust and as trustee of the CBA Trust), the Trust Manager and the Security Trustee.

The types of Mortgage Loans forming part of the Assets of the Trust will vary over time provided that, at the time the relevant Mortgage Loan is sold to the Covered Bond Guarantor, the Mortgage Loan is an Eligible Mortgage Loan (as described below) on the relevant Cut-Off Date. Accordingly, Mortgage Loan Rights sold by the Seller to the Covered Bond Guarantor on a Closing Date may have characteristics that differ from Mortgage Loan Rights already forming part of the Assets of the Trust as at that date.

Prior to the occurrence of an Issuer Event of Default or a Covered Bond Guarantor Event of Default, the Covered Bond Guarantor will acquire Mortgage Loan Rights from the Seller in the four circumstances described below:

- (a) *first*, in connection with a proposed issue of a Series or Tranche of Covered Bonds or the prudent maintenance of the Mortgage Loan Rights forming part of the Assets of the Trust, the proceeds of a Demand Loan and/or a Term Advance (after being swapped into Australian Dollars at the applicable

Swap Rate if the Term Advance is not denominated in Australian Dollars), together with (if applicable) the Available Principal Amount available for that purpose, may be applied in whole or in part by the Covered Bond Guarantor to acquire Mortgage Loan Rights from the Seller on the relevant Closing Date;

- (b) *second*, if at any time prior to the service of an Asset Coverage Test Breach Notice (which has not been deemed to have been revoked) and prior to the occurrence of an Issuer Event of Default and service of an Issuer Acceleration Notice or the occurrence of a Covered Bond Guarantor Event of Default and service of a Covered Bond Guarantee Acceleration Notice, part of the Available Principal Amount is available to be applied under paragraph (g) of the Pre-Acceleration Principal Priority of Payments and the Trust Manager notifies the Seller and requests the Seller to offer to sell Mortgage Loan Rights to the Covered Bond Guarantor, the Seller will use all reasonable endeavours to offer to sell such Mortgage Loan Rights to the Covered Bond Guarantor and such Mortgage Loan Rights will be purchased by the Covered Bond Guarantor using that part of the Available Principal Amount (provided that the Seller will not be obliged to sell to the Covered Bond Guarantor and the Covered Bond Guarantor will not be obliged to acquire Mortgage Loan Rights if, in the reasonable opinion of the Seller, the sale of such Mortgage Loan Rights would materially adversely affect the business or financial condition of the Seller);
- (c) *third*, the Trust Manager is required to ensure that the Adjusted Aggregate Mortgage Loan Amount is maintained at all times in compliance with the Asset Coverage Test (as determined by the Trust Manager on each Determination Date). If on any Determination Date the Adjusted Aggregate Mortgage Loan Amount is less than the Australian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds, the Seller will use all reasonable endeavours to offer to sell sufficient Mortgage Loan Rights to the Covered Bond Guarantor so the Asset Coverage Test is satisfied on the immediately following Determination Date (provided that the Seller will not be obliged to sell to the Covered Bond Guarantor and the Covered Bond Guarantor will not be obliged to acquire Mortgage Loan Rights if, in the reasonable opinion of the Seller, the sale of such Mortgage Loan Rights would materially adversely affect the business or financial condition of the Seller); and
- (d) *fourth*, if there is an Interest Rate Shortfall, and the Trust Manager notifies the Servicer and the Seller, having regard to the obligations of the Covered Bond Guarantor and the amount of that Interest Rate Shortfall, that further Mortgage Loan Rights should be offered by the Seller to the Covered Bond Guarantor pursuant to the Mortgage Sale Agreement to rectify the Interest Rate Shortfall, the Seller will use all reasonable endeavours to offer to sell in accordance with the Mortgage Sale Agreement sufficient Mortgage Loan Rights to the Covered Bond Guarantor to ensure that there will not be an Interest Rate Shortfall on the next Determination Date and the Trust Manager must request a Demand Loan Advance to the extent required to pay the Consideration in relation to such Mortgage Loan Rights (provided that the Seller will not be obliged to sell to the Covered Bond Guarantor and the Covered Bond Guarantor will not be obliged to acquire Mortgage Loan Rights if, in the reasonable opinion of the Seller, the sale of such Mortgage Loan Rights would materially adversely affect the business or financial condition of the Seller).

In exchange for the sale of the Mortgage Loan Rights to the Covered Bond Guarantor, the Seller will receive a payment of the Consideration for the Mortgage Loan Rights in accordance with the applicable Priority of Payments.

The Seller may set-off any amount payable on the Closing Date by it as Intercompany Loan Provider and/or Demand Loan Provider under the Intercompany Loan Agreement and/or the Demand Loan Agreement, as applicable, against the Consideration for any new Mortgage Loan Rights.

The Consideration for Mortgage Loan Rights acquired by the Covered Bond Guarantor will be paid on the applicable Closing Date.

The Seller will be required to repurchase Mortgage Loan Rights sold to the Covered Bond Guarantor in the circumstances described under “*Repurchase by the Seller following breach of Representations and Warranties*”, below.



### ***Eligible Mortgage Loans***

The Seller gives certain representations and warranties in respect of each Mortgage Loan, which include that the Mortgage Loan is an Eligible Mortgage Loan as at the relevant Cut-Off Date. An Eligible Mortgage Loan is a Mortgage Loan that satisfies the following conditions:

- (a) it has a stated term remaining to maturity as at the Cut-Off Date not exceeding 30 years;
- (b) the Mortgage Loan is regarded as “prime” loan not a “low-doc” loan;
- (c) the Borrower in respect of the Mortgage Loan is not an employee of the Seller who is paying a concessional rate of interest under the Mortgage Loan as a result of such employment;
- (d) it was advanced in, and is repayable in, Australian Dollars;
- (e) as at the Cut-Off Date no payment due from the Borrower under the Mortgage Loan is in arrear by more than 30 days;
- (f) it is a first ranking mortgage;
- (g) it is secured by a Mortgage over Land which was erected on or within it a residential dwelling or unit; and
- (h) it is or has been fully drawn.

On each Cut-Off Date, the Representations and Warranties (described below in “*Representations and Warranties*”) will be given by the Seller in respect of the Mortgage Loan Rights sold by the Seller to the Covered Bond Guarantor on that Closing Date.

### ***Transfer of Title to the Mortgage Loan Rights to the Covered Bond Guarantor***

Mortgage Loan Rights will be sold by the Seller to the Covered Bond Guarantor by way of statutory assignment. Notice of the sale will not be initially provided to the Borrowers. Mortgages will be sold by the Seller to the Covered Bond Guarantor by way of equitable assignment.

Each of the following events is a **Perfection of Title Event**:

- (a) the occurrence of an Issuer Event of Default that is subsisting and the service on the Issuer and the Covered Bond Guarantor of an Issuer Acceleration Notice and the service on the Covered Bond Guarantor of a Notice to Pay, unless the Seller has notified the Covered Bond Guarantor that it will accept the offer set out in a Selected Mortgage Loan Rights Offer Notice within the prescribed time in relation to the Mortgage Loan Rights specified in the Selected Mortgage Loan Rights Offer Notice; or
- (b) at the request of the Covered Bond Guarantor (acting on the directions of the Trust Manager) following the acceptance of an offer to sell the Selected Mortgage Loan Rights (in accordance with the Programme Documents) to any person who is not the Seller; or
- (c) the Seller and/or the Covered Bond Guarantor being required to perfect legal title to the Mortgage Loan Rights by law or by an order of a court of competent jurisdiction; or
- (d) the Security under the Security Deed or any material part of the Security being in the opinion of the Security Trustee (acting on the directions of (if any Covered Bonds are outstanding) the Bond Trustee or (if no Covered Bonds are outstanding) the Majority Secured Creditors in jeopardy and the Security Trustee being directed by the Bond Trustee (if any Covered Bonds are outstanding and subject to the provisions of the Bond Trust Deed) or, if there are no Covered Bonds outstanding, the Majority Secured Creditors, to take that action to reduce that jeopardy; or
- (e) the termination of the Bank’s role as Servicer under the Servicing Deed unless: (i) at the relevant date of termination any Substitute Servicer is a member of the Group; or (ii) the Security Trustee otherwise consents (such consent to be given if a Rating Affirmation Notice has been issued by the Issuer to the Covered Bond Guarantor and the Security Trustee in respect of the termination of the Bank’s role as Servicer); or

- (f) the Seller requesting at its absolute discretion the perfection of a sale of Mortgage Loan Rights by giving notice in writing to the Covered Bond Guarantor and the Security Trustee; or
- (g) the occurrence of an Insolvency Event in relation to the Seller; or
- (h) the Seller's unsecured, unsubordinated, long-term senior debt obligations have been downgraded below Baa3 by Moody's or BBB- by Fitch (or, if Fitch has placed the Seller on ratings watch negative at the relevant time, below BBB by Fitch) (or such other rating in respect of the Seller as is agreed between the Trust Manager and the Seller and in respect of which the Issuer has issued a Rating Affirmation Notice in respect of each Rating Agency).

Following the occurrence of a Perfection of Title Event that is subsisting, the Covered Bond Guarantor may only take any action:

- (i) in the case of the Perfection of Title Event referred to in paragraph (a), in respect of all Mortgage Loans forming part of the Assets of the Trust other than any Selected Mortgage Loan Rights specified in a Selected Mortgage Loan Rights Offer Notice given by the Covered Bond Guarantor to the Seller which has been accepted by the Seller within the prescribed time;
- (ii) in the case of the Perfection of Title Event referred to in paragraph (b), in respect of the relevant Selected Mortgage Loan Rights only;
- (iii) in the case of the Perfection of Title Event referred to in paragraph (c), in respect of affected Mortgage Loan Rights only; and
- (iv) in the case of any other Perfection of Title Event, in respect of all Mortgage Loan Rights forming part of the Assets of the Trust,

in each case, the **Affected Mortgage Loan Rights**.

If a Perfection of Title Event of which the Covered Bond Guarantor is actually aware is subsisting, the Covered Bond Guarantor must, as soon as reasonably practicable, by notice in writing to the Seller, Servicer, Trust Manager, Security Trustee and each Rating Agency, declare that a Perfection of Title Event has occurred unless the Issuer issues a Rating Affirmation Notice prior to such declaration

The Seller agrees (to the extent that any of the following is vested in it) to hold all right, title, interest and benefit (both present and future) in and under: (i) the Mortgage Loan Rights following the acquisition of such Mortgage Loan Rights by the Covered Bond Guarantor; and (ii) any sums that are or may become due in respect thereof, on trust for the Covered Bond Guarantor (excluding from such trust any Mortgage Loans cease to be Assets of the Trust).

At least three Local Business Days before the first Closing Date, the Seller must deliver powers of attorney in registrable form in each Australian jurisdiction appointing the Covered Bond Guarantor as its attorney to, amongst other things: (1) execute, deliver and lodge any Mortgage Transfer relating to any Mortgage Loans forming part of the Assets of the Trust and any other documents referred to in a Mortgage Transfer which are ancillary to them or contemplated by them with any land titles office in any relevant Australian jurisdiction; (2) give effect to the transactions contemplated by any Mortgage Transfer; (3) exercise any rights of the Seller to vary by notice to the Borrower the rate or amount of any interest or fees payable by the Borrower under the related Mortgage Loan; and/or (4) do anything incidental to or conducive to the effective and expeditious exercise of its rights under the powers of attorney (the **Seller Powers of Attorney**). The Seller Powers of Attorney will not be exercisable by the Covered Bond Guarantor until the occurrence of a Perfection of Title Event.

If, and only if, the Covered Bond Guarantor makes a declaration of a Perfection of Title Event, as discussed above, the Covered Bond Guarantor and the Trust Manager must as soon as practicable (i) take all necessary steps to perfect in the name of the Covered Bond Guarantor the Covered Bond Guarantor's legal title to the Mortgages in respect of the Affected Mortgage Loan Rights then forming part of the Assets of the Trust (including lodgement of Mortgage Transfers (where necessary, executed under a Seller Power of Attorney) with the land titles office of the appropriate jurisdiction to achieve registration of the Mortgages in respect of the Affected Mortgage Loan Rights then forming part of the Assets of the Trust); (ii) notifying the Borrowers of the sale of Mortgage Loans and Mortgages in respect of the Affected Mortgage Loan Rights then forming part of the Assets of the Trust including informing them (where appropriate) that they should make payment to the

Trust Account specified to them by the Covered Bond Guarantor; and (3) taking possession of all Loan Files (subject to the Privacy Act and the Seller's duty of confidentiality to its customers under general law or otherwise). Prior to any such declaration, the Seller will retain legal title to the Mortgage Loan Rights and custody of the mortgage title documents.

The Seller indemnifies the Covered Bond Guarantor from and against any Liabilities incurred by the Covered Bond Guarantor in perfecting the Covered Bond Guarantor's legal title to the Mortgages then forming part of the Assets of the Trust in accordance with the Mortgage Sale Agreement.

### ***Representations and Warranties***

The Covered Bond Guarantor has not made or has caused to be made on its behalf any enquiries, searches or investigations in respect of the Mortgage Loan Rights to be sold to the Covered Bond Guarantor. Instead, each will rely entirely on the Representations and Warranties made by the Seller and contained in the Mortgage Sale Agreement. As at the relevant Cut-Off Date, the Seller makes the following Representations and Warranties in relation to each Mortgage Loan sold or to be sold to the Covered Bond Guarantor:

- (a) at the time that the Seller entered into the Mortgage relating to the Mortgage Loan, each Mortgage, Loan Agreement and Collateral Security complied in all material respects with applicable laws (including applicable Consumer Credit Code laws and the National Consumer Credit Protection Laws, as applicable) and, as at the Cut-Off Date, the Seller is not aware of any failure by it to comply with the National Consumer Credit Protection Laws (if applicable) in relation to the Mortgage Loan;
- (b) at the time that the Seller entered into the Mortgage Loan, it did so in good faith;
- (c) at the time that the Seller entered into the Mortgage Loan, the Mortgage Loan was originated in the ordinary course of the Seller's business and since that time the Seller has dealt with the Mortgage Loan in accordance with the Servicing Guidelines and the Servicing Standards;
- (d) at the time that the Seller entered into the Mortgage Loan, all necessary steps were taken in respect of each Mortgage created in connection with the Mortgage Loan so that each Mortgage complied with the legal requirements applicable at that time to ensure that each Mortgage was a first-ranking mortgage (subject to any statutory charges, any prior charges of a body corporate, service company or equivalent, whether registered or otherwise, and any other prior Security Interests which do not prevent the Mortgage from being considered to be a first-ranking mortgage in accordance with the Servicing Standards) secured over Land in the jurisdiction in which the relevant Land is located subject to stamping and registration of each relevant Mortgage in due course;
- (e) where there is a second or other mortgage in existence over Land the subject of a Mortgage in relation to the Mortgage Loan and the Seller is not the mortgagee of that second or other mortgage, the Seller has ensured (by way of a Priority Agreement with the subsequent mortgagee or otherwise) that the Mortgage will rank ahead in priority to the second or other mortgage on enforcement for an amount not less than the principal amount (plus accrued but unpaid interest) outstanding on the Mortgage Loan plus such extra amount determined in accordance with the Servicing Guidelines;
- (f) at the time that the Mortgage Loan was approved, the Seller had not received any notice of the insolvency or the bankruptcy of the corresponding Borrowers or that the corresponding Borrowers did not have the legal capacity to enter into the corresponding Mortgage;
- (g) the Seller is the sole legal and beneficial owner of the Mortgage Loan and the related Mortgages and First Layer of Collateral Securities (other than the Insurance Policies) and to its knowledge, subject to paragraph (d) above no prior ranking Security Interest exists in relation to its right, title and interest in that Mortgage Loan and the related Mortgages and First Layer of Collateral Securities;
- (h) each of the Mortgage Documents (other than the Insurance Policies in respect of Land) relating to the Mortgage Loan which is required to be stamped with stamp duty has been duly stamped;
- (i) the Mortgage Loan has not been satisfied, cancelled, discharged or rescinded and the property relating to each relevant Mortgage has not been released from the security of that Mortgage;

- (j) the Seller holds, in accordance with the Servicing Standards, all documents which, pursuant to the Servicing Standards, it should hold to enforce the provisions of, and the security created by, the corresponding Mortgage and the First Layer of Collateral Securities;
- (k) other than the relevant Mortgage Documents, there are no documents entered into between the Seller and the Borrower or any other relevant party in relation to the Mortgage Loan which would qualify or vary the terms of the Mortgage Loan except as permitted by the Servicing Standards (including any variations of a Mortgage Loan which may be made by notice to the Borrower from the Seller) and recorded in a written instrument forming part of the mortgage documentation applicable to the Mortgage Loan and any documentation relating to any corresponding Interest Off-Set Account;
- (l) other than in respect of priorities granted by statute, the Seller has not received notice from any person that it claims to have a Security Interest ranking in priority to or equal with the Security Interest held by the Seller and constituted by any corresponding Mortgage;
- (m) the Seller holds all consents, licences, approvals, authorisations and exemptions from any Governmental Agency required as at the Cut-Off Date for, or in connection with, performance and enforceability in respect of the Mortgage Loan which, in accordance with the Servicing Standards, it should hold in relation to the Mortgage Loan as at the Cut-Off Date;
- (n) the Mortgage Loan is an Eligible Mortgage Loan as at the Cut-Off Date;
- (o) except in respect of a Mortgage Loan subject to a fixed rate of interest (or a rate of interest which can be converted into a fixed rate of interest or a fixed margin relative to a benchmark) and except as may be provided by applicable laws (including the Consumer Credit Code and the National Consumer Credit Protection Laws, as applicable), any Binding Provision or any Competent Authority or as may be provided in the corresponding Mortgage Documents, the interest rate payable on a Mortgage Loan is not subject to any limitation and no consent, additional memoranda or other writing is required from the relevant Borrower to give effect to a change in the interest rate payable on the Mortgage Loan and, subject to the foregoing, any change in the interest rate may be set at the sole discretion of the Servicer and is effective no later than when notice is given to the Borrower in accordance with the terms of the relevant Mortgage Loan;
- (p) the Seller is lawfully entitled to sell and assign its interests in the corresponding Mortgage Loan Rights and to transfer valid and beneficial title to the Covered Bond Guarantor free from all Security Interests (other than as described in paragraph (d) above);
- (q) it is not aware of anything in relation to the sale of the Mortgage Loan Rights to the Covered Bond Guarantor which might cause a court to hold that the sale constitutes an under-value transfer, a fraudulent conveyance or a voidable preference under any law relating to insolvency;
- (r) the sale, transfer and assignment of the Seller's interest in the Mortgage Loan Rights will not constitute a breach of its obligations or a default under any Security Interest binding on the Seller or its property;
- (s) the terms of the Loan Agreement relating to the Mortgage Loan require payments in respect of that Mortgage Loan to be made to the Seller free of set-off, unless prohibited by law; and
- (t) the Borrower in respect of the Mortgage Loan has made at least one Mortgage Loan Scheduled Payment.

### ***CBA Trust***

The Mortgage in respect of a Mortgage Loan forming part of the Assets of the Trust may constitute an "all money mortgage" in that such Mortgage purports to secure the repayment of indebtedness which a Borrower owes, or may owe, to the Seller, as applicable, from time to time that is not assigned to the Covered Bond Guarantor (such as business loans) as well as securing the repayment of the Mortgage Loan (each, an **Other Loan**). Pursuant to a trust to be established upon entry into the Mortgage Sale Agreement (the **CBA Trust**), the Covered Bond Guarantor (as trustee of the CBA Trust) will hold all of its right, title and interest in:

- (a) each Other Loan;

- (b) the balance of the Mortgages, the Mortgage Documents, the First Layer of Collateral Securities and the Mortgage Receivables (after taking into account so much of any Mortgage Loan, the First Layer of Collateral Securities, the Mortgage Receivables and the Mortgage Documents (including the proceeds of enforcement in relation to such Mortgage Loan)) as is necessary to enable the full and final repayment of all amounts owing in respect of the Mortgage Loan; and
- (c) the Second Layer of Collateral Securities,

which are assigned to the Covered Bond Guarantor by the Seller for the benefit of the Seller.

Where:

- (a) a Mortgage Loan forms part of the Assets of the Trust; and
- (b) an Other Loan forms part of the CBA Trust; and
- (c) a Collateral Security which is part of the First Layer of Collateral Securities or a Mortgage which secures the Mortgage Loan also secures the Other Loan,

then:

- (i) where the Seller in relation to the Mortgage Loan is the Servicer, the Servicer is entitled to enforce that Collateral Security or Mortgage (as the case may be) upon a default occurring in respect of the Other Loan provided that the enforcement proceeds are paid to the Covered Bond Guarantor. Upon receipt of such proceeds the Covered Bond Guarantor must:
  - (A) treat as Collections the amount of such proceeds as is equal to all amounts outstanding under the relevant Mortgage Loan; and
  - (B) pay the excess (if any) of such proceeds to the Seller (as beneficiary of the CBA Trust) in respect of amounts outstanding under the Other Loan; or
- (ii) where the Seller in relation to a Mortgage Loan is not the Servicer, the Servicer must enforce that Collateral Security or Mortgage (as the case may be) upon receipt of a direction to do so from the Seller (as beneficiary of the CBA Trust) which states that the relevant Other Loan is in default. Upon receipt of the enforcement proceeds in respect of that Collateral Security or Mortgage (as the case may be) the Servicer must pay to the Covered Bond Guarantor all such proceeds and the Covered Bond Guarantor must:
  - (A) treat as Collections the amount of such proceeds as is equal to all amounts outstanding under the relevant Mortgage Loan; and
  - (B) pay the excess (if any) of such proceeds to the Seller (as beneficiary of the CBA Trust) in respect of amounts outstanding under the Other Loan.

If a Mortgage Loan has been repaid in full or is treated as having been repaid in full in accordance with the Mortgage Sale Agreement and the Mortgage Loan is not discharged, then, from the date of repayment or treated repayment in full of the Mortgage Loan, automatically by virtue of the Mortgage Sale Agreement and without the necessity for any further act or instrument or other thing to be done or brought into existence:

- (a) if Perfection of Title has not occurred in respect of that Mortgage Loan, the Covered Bond Guarantor's entire right, title and interest in that Mortgage Loan and in the Mortgage Loan Rights in relation to that Mortgage Loan then forming part of the Assets of the Trust and any Other Loan in respect of that Mortgage Loan will be extinguished in favour of the Seller with respect to those Mortgage Loan Rights and that Other Loan with immediate effect; or
- (b) if Perfection of Title has occurred in respect of that Mortgage Loan, the Covered Bond Guarantor will hold the benefit of its right, title and interest in and to:
  - (i) that Mortgage Loan;
  - (ii) any Mortgages and the First Layer of Collateral Securities, held in respect of that Mortgage Loan;

- (iii) any Mortgage Documents held in relation to that Mortgage Loan; and
  - (iv) the Mortgage Receivables held in relation to that Mortgage Loan,
- as trustee of the CBA Trust.

If the Mortgages, First Layer of Collateral Securities, Mortgage Documents, Mortgage Receivables or Other Loans referred to above apply to more than one Mortgage Loan forming part of the Assets of the Trust, the holding of the Covered Bond Guarantor's interest in such as trustee of the CBA Trust occurs only upon repayment in full of all such Mortgage Loans secured by such Mortgages, First Layer of Collateral Securities, Mortgage Documents, Mortgage Receivables and Other Loans.

***Repurchase by the Seller following breach of Representations and Warranties***

If the Trust Manager, the Seller or the Covered Bond Guarantor become actually aware that a Representation or Warranty was materially breached or materially incorrect when given in respect of a Mortgage Loan forming part of the Assets of the Trust it must give notice, in the case of the Trust Manager and the Seller, to the other parties to the Mortgage Sale Agreement and in the case of the Covered Bond Guarantor, to the Trust Manager and the Seller, within five Local Business Days of the relevant party becoming so aware. If that breach is not remedied to the Covered Bond Guarantor's satisfaction within five Local Business Days of the Seller or the Trust Manager giving or receiving such notice, then the Seller must pay to the Covered Bond Guarantor the Current Principal Balance of the relevant Mortgage Loan plus the arrears of interest and any accrued interest (in each case, as at the date of delivery of the notice referred to above) and on receipt of such payment by the Covered Bond Guarantor, the relevant Mortgage Loan will be treated as having been repaid in full.

***Further drawings under the Mortgage Loans***

The Seller will be solely responsible for funding the advance to the relevant Borrowers of all further drawings, if any, in respect of Mortgage Loans forming part of the Assets of the Trust (including, but not limited to, Trust Further Advances).

***Further Advances***

A Mortgage Loan forming part of the Assets of the Trust will be subject to a Further Advance when the Seller agrees to an advance of further money to the relevant Borrower following the making of the initial advance of monies in respect of such Mortgage Loan which is secured by the same Mortgage as the initial advance and is recorded on the same account as the initial advance.

The Seller has an absolute right to agree to or refuse to grant a Further Advance and the Seller will be solely responsible for funding any such Further Advance to a Borrower.

If the Seller makes an advance to a Borrower and:

- (a) the Seller opens a separate account in its records in relation to the advance, the advance is considered for the purposes of the Mortgage Sale Agreement to be an Other Loan and upon creation, the Covered Bond Guarantor will automatically by virtue of the Mortgage Sale Agreement, and without the necessity for any further act or thing to be done or brought into existence, hold the benefit of its right, title and interest in such Other Loan for the Seller as trustee of the CBA Trust and the Covered Bond Guarantor will hold any Mortgage and any First Layer of Collateral Securities in respect of such Other Loan and any Second Layer of Collateral Securities in respect of such Other Loan in accordance with the Mortgage Sale Agreement;
- (b) the Seller records the advance as a debit to the account in its records for an existing Mortgage Loan forming part of the Assets of the Trust notwithstanding whether the advance leads to the Scheduled Balance in respect of that Mortgage Loan (prior to the approval of the advance) being exceeded by more than one Mortgage Loan Scheduled Payment or not, the advance is treated as a Further Advance for the purposes of the Mortgage Sale Agreement and the rights to repayment of such will be a Mortgage Loan Right forming part of the Assets of the Trust unless the Seller elects, in its absolute discretion to pay to the Covered Bond Guarantor an amount equal to the Current Principal Balance (before the advance was made) plus the arrears of interest and any accrued interest in respect of the relevant Mortgage Loan (which amount must be deposited into the GIC Account) and on such payment

the Mortgage Loan is, for the purposes of the Mortgage Sale Agreement only, treated as having been repaid in full.

If the Seller makes a Further Advance and the Seller has not elected to remove the Mortgage Loan in respect of which such Further Advance was made (and the related Mortgage Loan Rights) from the Assets of the Trust (a **Trust Further Advance**) and, in accordance with the Servicing Deed, notifies the Trust Manager of the amount of that Trust Further Advance:

- (a) if the Seller is the Servicer, the Seller may apply an amount of Principal Collections held by it prior to deposit in the GIC Account; or
- (b) if the Seller is not the Servicer or if the Seller notifies the Trust Manager that it cannot, or chooses not to, apply Principal Collections as described in paragraph (a), the Trust Manager must direct the Covered Bond Guarantor to pay the Seller that amount from Principal Collections held by the Covered Bond Guarantor in the GIC Account,

in each case, in reimbursement of such Trust Further Advance, provided that Principal Collections may only be applied in accordance with paragraphs (a) and (b) above if there are sufficient Principal Collections to be able to make the reimbursement and the Trust Manager has confirmed to the Covered Bond Guarantor that it is satisfied on a reasonable basis that the estimated Principal Collections for the Collection Period in which the day of application falls exceeds the aggregate of the amount of that reimbursement and any other reimbursement made to the Seller during that Collection Period. If the Covered Bond Guarantor receives a direction from the Trust Manager in accordance with paragraph (b) above, the Covered Bond Guarantor must pay the Seller the amount so directed and will be entitled to assume that the Trust Manager has complied with its obligations described in this paragraph in giving that direction.

### ***Defaulted Mortgage Loans***

If a Mortgage Loan becomes a Defaulted Mortgage Loan, then that Mortgage Loan will be attributed a zero value in the calculation of the Asset Coverage Test, the Amortisation Test and the Legislated Collateralisation Test on the relevant Determination Date.

### ***General ability to repurchase***

The Seller may, at any time prior to the occurrence of an Issuer Event of Default, by serving a Seller Mortgage Loan Repurchase Notice on the Covered Bond Guarantor (copied to the Trust Manager and the Security Trustee), offer to repurchase Mortgage Loan Rights from the Covered Bond Guarantor for an amount equal to the Current Principal Balance plus arrears of interest and any accrued interest in respect of the Mortgage Loans relating to such Mortgage Loan Rights. The Covered Bond Guarantor will be under no obligation whatsoever to accept such an offer and any such decision will be made by the Trust Manager. In no circumstances will the Trust Manager direct the Covered Bond Guarantor to (and the Covered Bond Guarantor will not) accept any such offer unless the Trust Manager confirms to the Covered Bond Guarantor that, after giving effect to the sale of the Mortgage Loan Rights, the Asset Coverage Test will be satisfied.

### ***Timing of repurchase and payment***

Subject as provided in “*General ability to repurchase*” above, the Covered Bond Guarantor (acting on the directions of the Trust Manager) may accept an offer by the Seller to repurchase Mortgage Loan Rights in writing (including by email) to the Seller. If the Covered Bond Guarantor so accepts an offer made by the Seller, the Seller must pay to the Covered Bond Guarantor an amount equal to the Current Principal Balance plus the arrears of interest and any accrued interest in respect of the Mortgage Loans the subject of the Seller Mortgage Loan Repurchase Notice and on receipt of such amount by the Covered Bond Guarantor the Mortgage Loans will be treated as having been repaid in full. Such payment must be allocated by the Covered Bond Guarantor to the GIC Account of the Trust.

A repurchase of the right, title and interest in any Mortgage Loan Rights in the circumstances described under “*General ability to repurchase*” will take place on a date agreed by the Seller and the Covered Bond Guarantor (acting on the directions of the Trust Manager).

### ***Right of pre-emption***

Under the terms of the Mortgage Sale Agreement, the Seller will have a right of pre-emption in respect of any sale, in whole or in part, of Selected Mortgage Loan Rights. The Covered Bond Guarantor may be required to sell selected Mortgage Loan Rights in the circumstances described in “*Establishment Deed – Sale of Selected Mortgage Loan Rights if the Pre-Maturity Test is breached*” and “*Establishment Deed - Sale of Selected Mortgage Loan Rights following service of a Notice to Pay*” below.

In connection with the sale of Mortgage Loan Rights, the Covered Bond Guarantor will serve on the Seller a Selected Mortgage Loan Rights Offer Notice offering to sell those Selected Mortgage Loan Rights for the best price reasonably available, but in any event: (a) following the service of an Asset Coverage Test Breach Notice (but prior to the service of a Notice to Pay), for an amount not less than the Current Principal Balance of the Mortgage Loans relating to the Selected Mortgage Loan Rights plus the arrears of interest and any accrued interest; and (b) following a breach of the Pre-Maturity Test or service of a Notice to Pay on the Covered Bond Guarantor, for an amount not less than the Adjusted Required Redemption Amount for the relevant Series of Covered Bonds. If the Seller accepts the Covered Bond Guarantor’s offer to sell the relevant Selected Mortgage Loan Rights in accordance with the foregoing, the Seller must, within 10 Local Business Days of service of the Selected Mortgage Loan Rights Offer Notice on the Seller, countersign and return to the Covered Bond Guarantor the relevant Selected Mortgage Loan Rights Offer Notice. The Seller’s right to accept the offer (and therefore exercise its right of pre-emption) will be conditional upon the Covered Bond Guarantor, the Trust Manager and Security Trustee (each acting reasonably) being satisfied that no Insolvency Event has occurred in respect of the Seller. Upon receipt by the Covered Bond Guarantor of a countersigned Selected Mortgage Loan Rights Offer Notice, the Mortgage Loans identified in the Selected Mortgage Loan Rights Offer Notice will be treated as having been repaid in full by the payment by the Seller to the Covered Bond Guarantor of an amount equal to the repurchase price referred to above and specified in the relevant Selected Mortgage Loan Rights Offer Notice. Such payment must be allocated by the Covered Bond Guarantor to the GIC Account.

Completion of such repurchase (by payment of the repurchase price by the Seller (or other Purchaser nominated by the Seller)) will take place on such date as the Covered Bond Guarantor (acting on the directions of the Trust Manager) and the Seller may agree (provided that such date shall not be later than the earlier to occur of the date which is (i) 10 Local Business Days after receipt by the Covered Bond Guarantor of the Selected Mortgage Loan Rights Offer Notice countersigned by the Seller or (ii) the Final Maturity Date of the Earliest Maturing Covered Bonds).

If the Seller rejects the Covered Bond Guarantor’s offer or fails to accept it in accordance with the foregoing, the Covered Bond Guarantor will offer to sell the Selected Mortgage Loan Rights to other Purchasers (as described under “*Establishment Deed – Method of Sale of Selected Mortgage Loan Rights*”, below).

For the purposes of the above:

“**Adjusted Required Redemption Amount**” means in relation to a Series of Covered Bonds:

- (i) the Australian Dollar Equivalent of the Required Redemption Amount; plus or minus
- (ii) the Australian Dollar Equivalent of any swap termination amounts payable under the Covered Bond Swaps corresponding to the Series to or by the Covered Bond Guarantor less (where applicable) amounts standing to the credit of (i) the Pre-Maturity Ledger, (ii) the GIC Account (excluding amounts standing to the credit of the Pre-Maturity Ledger) and (iii) the principal balance of any Substitution Assets and Authorised Investments (excluding all amounts to be applied on the next following Distribution Date to repay higher ranking amounts in the relevant Priority of Payments and those amounts that are required to repay any Series of Covered Bonds which mature prior to or on the same date as the relevant Series of Covered Bonds); plus or minus
- (iii) the Australian Dollar Equivalent of any swap termination amounts payable to or by the Covered Bond Guarantor under the Interest Rate Swap.

The Mortgage Sale Agreement is governed by and is to be construed in accordance with the laws applying in the State of New South Wales, Australia.



## **Servicing Deed**

Pursuant to the terms of the Servicing Deed entered into on or about the Programme Date between the Covered Bond Guarantor (in its capacity as trustee of the Trust and as trustee of the CBA Trust), the Bank (in its capacity as Servicer and Seller), the Trust Manager and the Security Trustee, the Servicer has agreed to administer and service on behalf of the Covered Bond Guarantor the Mortgage Loan Rights sold by the Seller to the Covered Bond Guarantor.

The Servicer must ensure that the servicing of the Mortgage Loan Rights which from time to time form part of the Assets of the Trust (including the exercise of the express powers set out in the Servicing Deed) is:

- (a) at all times, conducted in the best interests of the Covered Bond Guarantor;
- (b) in compliance with the express limitations of the Servicing Deed (unless the prior written consent of the Trust Manager and the Covered Bond Guarantor is obtained); and
- (c) to the extent the Servicing Deed does not provide otherwise, in accordance with the Servicing Standards.

The function of servicing the Mortgage Loans Rights forming part of the Assets of the Trust is vested in the Servicer to be exercised on behalf, and in the best interests, of the Covered Bond Guarantor, however the parties to the Servicing Deed acknowledge and agree that the Servicer is an independent contractor and not the agent of the Covered Bond Guarantor in the exercise and performance of its duties under the Servicing Deed.

The Servicer's actions in servicing the Mortgage Loan Rights are binding on the Covered Bond Guarantor, whether or not such actions or any omissions are in compliance with the Servicing Deed. The Servicer may appoint an agent or delegate for the purposes of carrying out and performing its duties and obligations under the Servicing Deed provided that it meets the conditions as set out in the Servicing Deed in relation to such appointment. The Servicer at all times remains liable for its agents and delegates insofar as the act or omissions of any such person constitute a breach by the Servicer of its obligations under the Servicing Deed and in respect of payment of fees to any such person.

## ***Undertakings of the Servicer***

Pursuant to the terms of the Servicing Deed, the Servicer must, in servicing the Mortgage Loan Rights forming part of the Assets of the Trust, exercise its powers and discretions under the Servicing Deed, the Servicing Guidelines and the relevant Mortgage Documents to which it is a party in accordance with the standards and practices suitable for a prudent lender in the business of making retail home loans and in the best interests of the Covered Bond Guarantor following such collection procedures it follows with respect to comparable mortgage loans owned and serviced by it.

Under the Servicing Deed, the Servicer undertakes to, among other things:

- (a) promptly ensure that any Mortgage Loan Document in relation to a Mortgage Loan following any amendment, consolidation, supplementation, novation or substitution of a Mortgage, is duly stamped (if liable to stamp duty) and duly registered (where registration is required) with the relevant land titles office to constitute, in the case of a Mortgage, a subsisting first-ranking registered mortgage over the relevant property;
- (b) promptly notify the Covered Bond Guarantor, the Trust Manager and the Security Trustee of any material breach of the Servicing Guidelines by the Servicer in relation to the servicing of the Mortgage Loan Rights then forming part of the Assets of the Trust;
- (c) upon receiving notice that a Borrower desires to repay a Mortgage Loan in full, prepare and make available documentation and make such calculations as are necessary to enable repayment of a Mortgage Loan and discharge of the corresponding Mortgage and any other Collateral Securities (provided that the Servicer is not required to discharge a Mortgage or any Collateral Security if it also secures another Mortgage Loan which is an Asset of the Trust);
- (d) if a Perfection of Title Event occurs promptly deliver or procure delivery to the Covered Bond Guarantor of all Loan Files not otherwise provided to the Covered Bond Guarantor or the Trust Manager in accordance with the Mortgage Sale Agreement;

- (e) if the Seller makes any Further Advance or otherwise provides further financial accommodation to a Borrower, ensure that any further stamp duty which becomes payable on the relevant Mortgage Documents as a result of such Further Advance or provision of financial accommodation is duly paid promptly in accordance with any applicable laws;
- (f) duly and punctually perform its material obligations under the Servicing Deed and each of the Mortgage Documents and Programme Documents to which it is a party;
- (g) assist and co-operate with the Covered Bond Guarantor and the Trust Manager in the Covered Bond Guarantor obtaining legal title to any Mortgage Loan Rights (to the extent not already held by it) forming part of the Assets of the Trust following a Perfection of Title Event;
- (h) where any material amount of a Mortgage Loan has been written off as uncollectible in accordance with the Servicing Guidelines and the Servicing Deed, ensure that the documentation relevant to that Mortgage Loan is examined to determine whether the Representations and Warranties in respect of that Mortgage Loan were correct at the relevant Cut-Off Date and notify the Covered Bond Guarantor if they were incorrect;
- (i) give the Covered Bond Guarantor or make available to the Covered Bond Guarantor by posting such Financial Reports to the Servicer's website, the audited Financial Reports of the Servicer for each financial year of the Servicer within 120 days of the end of that year;
- (j) keep proper and adequate books of account (which may be kept electronically) for the Mortgage Loan Rights;
- (k) subject to the provisions of the Privacy Act and the Servicer's duty of confidentiality to its clients under general law or otherwise, promptly make available to the Covered Bond Guarantor, the Trust Manager, the Auditor and the Security Trustee any books, reports or other oral or written information and supporting evidence of which the Servicer is aware that they reasonably request with respect to the Assets of the Trust from time to time or with respect to the performance by the Servicer of its obligations under the Programme Documents;
- (l) notify the Trust Manager and the Covered Bond Guarantor promptly if it becomes actually aware that any material representation or warranty made or taken to be made by or on behalf of the Seller or the Servicer in connection with a Programme Document is incorrect when made or taken to be made;
- (m) within five Local Business Days of a request from the Covered Bond Guarantor, the Trust Manager or the Security Trustee, provide the Covered Bond Guarantor, the Trust Manager or the Security Trustee (as the case may be) with a certificate from the Servicer signed by two Authorised Officers of the Servicer on its behalf which states whether to the best of the Servicer's knowledge and belief a Servicer Default or, if the Servicer is the Seller, a Perfection of Title Event has occurred (provided that such a request may only be made once in each six calendar month period, unless the Covered Bond Guarantor, the Trust Manager or the Security Trustee (as the case may be) when making the request sets out reasonable grounds for believing that a Servicer Default or a Perfection of Title Event is subsisting);
- (n) notify the Covered Bond Guarantor, the Trust Manager and the Security Trustee promptly after the Servicer becomes actually aware of any Servicer Default or the occurrence of any Perfection of Title Event and at the same time or as soon as possible thereafter provide full details thereof;
- (o) comply with the requirements of any relevant laws in carrying out its obligations under the Programme Documents including the Consumer Credit Code and the National Consumer Credit Protection Laws;
- (p) obtain and maintain all authorisations, filings and registrations necessary to properly service the Mortgage Loans;
- (q) not merge or consolidate into another entity, unless the surviving entity assumes its rights and obligations as Servicer and (for so long as the Servicer is the Seller) the Seller under the Programme Documents and each Rating Agency is notified;
- (r) subject to the provisions of the Australian Banking Act, not present any application or pass any resolution for the liquidation of the Servicer, or, subject to paragraph (q), enter into any scheme of arrangement, merger or consolidation with any other person or enter into any other scheme under

which the Servicer ceases to exist, the assets or liabilities of the Servicer are vested in or assumed by any other person or either of those events occur;

- (s) duly and punctually file all returns in respect of Tax which are required to be filed and pay, or procure payment when due, all Taxes and other outgoings payable by it as and when the same respectively become due and payable other than outgoings which are being contested in good faith and promptly pay or cause to be paid those contested outgoings after the final determination or settlement of such contest;
- (t) not, without the prior consent of the Covered Bond Guarantor and the Security Trustee, apply, transfer or set off the whole or any part of any amount payable or owed to the Servicer or to which the Servicer is entitled under any Programme Document towards satisfaction of any obligation which is owed by the Servicer to the Covered Bond Guarantor or the Trust Manager under any other Programme Document, other than as contemplated under any other Programme Document;
- (u) other than as a Secured Creditor, not claim any Security Interest, lien or other possessory right in any of the Assets of the Trust;
- (v) following receipt of actual notice of a claim by a third party with respect to a challenge to the sale and/or assignment to the Covered Bond Guarantor of any Mortgage Loan Rights forming part of the Assets of the Trust, promptly give notice in writing of such action or claim to the Covered Bond Guarantor, the Security Trustee and the Trust;
- (w) not transfer, assign, exchange or otherwise grant a Security Interest over the whole or any part of its right, title and interest in and to any Mortgage Loan Rights forming part of the Assets of the Trust;
- (x) use reasonable efforts to cause all information provided by it to each Rating Agency in relation to the Trust to be complete and accurate in all material respects;
- (y) upon being directed to do so by the Covered Bond Guarantor or the Trust Manager following the occurrence of a Perfection of Title Event, promptly take all action required or permitted by law to assist the Covered Bond Guarantor and the Trust Manager to perfect the Covered Bond Guarantor's legal title to the Mortgage Loan Rights forming part of the Assets of the Trust in accordance with the requirements of the Servicing Deed and the other Programme Documents;
- (z) comply with all other undertakings given by the Servicer in the Servicing Deed and the other Programme Documents;
- (aa) make reasonable efforts to collect all moneys due under the terms and provisions of the Mortgage Loan Rights of the Trust and, to the extent such efforts will be consistent with the Servicing Deed and the other Programme Documents, follow such normal collection procedures as it deems necessary and advisable;
- (bb) if a Mortgage Loan forming part of the Assets of the Trust is a Defaulted Mortgage Loan, take such action on such basis as the Covered Bond Guarantor and the Servicer may agree (in accordance and in conjunction with the Servicer's normal enforcement procedures) to enforce such Mortgage Loan and any related Mortgage Loan Rights (but only to the extent that the Servicer determines that enforcement proceedings should be taken) so as to maximise the return to the Covered Bond Guarantor, taking into account, inter alia, the timing of any enforcement proceedings provided that the Servicer will not be required to institute or continue litigation with respect to collection of any payment if there are reasonable grounds for believing:
  - (i) the provisions of such Mortgage Loan and any related Mortgage Loan Rights under which such payment is required are unenforceable; or
  - (ii) the payment is uncollectible; or
  - (iii) the likely proceeds from such litigation, in light of the expenses in relation to the litigation, do not warrant such litigation;
- (cc) take such steps as are necessary to maintain the Covered Bond Guarantor's title to the Mortgage Loan Rights of the Trust;

- (dd) not grant any extension of the time to maturity of a Mortgage Loan forming part of the Assets of the Trust beyond 30 years from the Settlement Date for the Mortgage Loan or allow any reduced monthly payment that would result in such an extension; and
- (ee) if any amendment is made to the Servicing Guidelines to, upon request, deliver a copy of such amendment to the Covered Bond Guarantor, the Trust Manager, the Security Trustee and the Rating Agencies.

### ***Powers of the Servicer***

The Servicer has a number of express powers, which include but are not limited to the power:

- (a) to release or substitute any Mortgage or First Layer of Collateral Security relating to a Mortgage Loan which is an Asset of the Trust provided that this is in accordance with the Servicing Guidelines or it is required by a Binding Provision or an order, decision, finding, judgment or determination of a Competent Authority or, in the Servicer's opinion, such action would be taken or required to be taken by a Competent Authority;
- (b) subject to certain restrictions set out in the Servicing Deed (including the restriction identified in paragraph (dd) above), to vary, extend or relax the time to maturity, the terms of repayment or any other term of a Mortgage Loan and its related Mortgage and First Layer of Collateral Securities forming part of the Assets of the Trust;
- (c) to release a Borrower from any amount owing under a Mortgage Loan forming part of the Assets of the Trust or any related Mortgage or First Layer Collateral Securities where the Servicer has written-off or determined to write-off that amount in accordance with the Servicing Standards or where it is required to do so by a Binding Provision or an order, decision, finding, judgment or determination of a Competent Authority or, in the Servicer's opinion, such action would be taken or required to be taken by a Competent Authority;
- (d) subject to paragraphs (b) and (c), to waive any breach under, or compromise, compound or settle any claim in respect of, or release any party from an obligation or claim under, the Mortgage Loans or any related Mortgage or First Layer of Collateral Securities;
- (e) subject to restrictions contained in the Servicing Deed, to enter into certain Priority Agreements, to consent to the creation or existence of any Security Interest in relation to any Land the subject of a Mortgage forming part of the Assets of the Trust;
- (f) to institute litigation to recover amounts owing under a Mortgage Loan; and
- (g) to take other enforcement action in relation to a Mortgage Loan as it determines should be taken.

The Servicing Deed provides that if the Servicer: (i) releases a Mortgage or First Layer of Collateral Security forming part of the Assets of the Trust; (ii) reduces the amount outstanding under, or varies the terms (including without limitation in relation to repayment) of, any Mortgage Loan, related Mortgage or First Layer of Collateral Security forming part of the Assets of the Trust; or (iii) grants other relief to a Borrower or the provider of a First Layer Collateral Security forming part of the Assets of the Trust, after having formed the opinion that such action would be taken or required by a Competent Authority, or pursuant to an order, finding, determination or judgment of a Competent Authority and it is determined that such order, finding, determination or judgment, in either case, was made as a result of the Seller or Servicer:

- (a) breaching any Binding Provision, applicable regulation, statute or official directive at the time the Mortgage, the First Layer Collateral Security or the Mortgage Loan was granted or the Further Advance was made in respect of such Mortgage Loan (other than a Binding Provision, regulation, statute or official directive which provides for relief on equitable or like grounds where the Seller or Servicer was acting in accordance with the standards and practices suitable for a prudent lender in the business of making retail home loans); or
- (b) not acting in accordance with the standards and practices suitable for a prudent lender in the business of making retail home loans,

then the Servicer must notify the Covered Bond Guarantor and the Trust Manager of its opinion or the making of such an order, decision, finding, judgment or determination (as applicable). In addition, the Seller or Servicer (as the case may be) must pay damages to the Covered Bond Guarantor by 10.00am on the Distribution Date next occurring after such notification is given by the Servicer.

The amount of such damages will be the amount agreed between the Covered Bond Guarantor (following consultation with the Trust Manager and acting on expert advice taken pursuant to the terms of the Establishment Deed, if necessary) and the Seller or the Servicer, as the case may be (or, failing agreement, by the Seller's or the Servicer's external auditors) as being sufficient to compensate the Covered Bond Guarantor for any losses suffered as a result of any release, reduction, variation or relief (as the case may be).

The amount of any damages cannot exceed the Current Principal Balance plus any accrued but unpaid interest in respect of the relevant Mortgage Loan (as recorded on the Mortgage Loan System) (calculated, in both cases, at the time of agreement between the Covered Bond Guarantor and the Seller or the Servicer or by the Seller's or the Servicer's external auditors, as the case may be).

### ***Limitations on Servicer's liability***

The Servicer will not incur any liability to any person in respect of any failure to act where such act will be hindered, prevented or forbidden by any present or future law. The Servicer will not be responsible to any person for any loss, damage, claim or demand incurred as a result of:

- (a) the wilful default, fraud or negligence of the Security Trustee or the Covered Bond Guarantor (except, in the case of the Covered Bond Guarantor, where the Covered Bond Guarantor is the Servicer);
- (b) the failure by the Servicer to check any document, certificate, schedule, form list or other document prepared or delivered to it by the Covered Bond Guarantor or the Trust Manager or any agent or consultant appointed by either of them and reasonably believed by the Servicer to be genuine; or
- (c) any action taken by the Servicer in accordance with any written direction or instruction from the Covered Bond Guarantor or the Trust Manager,

except to the extent to which the loss, damage, claim or demand is caused by any fraud, negligence or wilful default by the Servicer.

The Servicer has agreed to be liable to the Covered Bond Guarantor or any other Secured Creditor in respect of any loss incurred by the Covered Bond Guarantor (subject to as described below) as a result of any breach by the Servicer of any term of the Servicing Deed, any fraud, negligence or wilful default by the Servicer or any breach or default by any other person appointed by the Servicer to perform its obligations under the Servicing Deed. The maximum amount which the Servicer will be liable to pay in respect of such breach, fraud, negligence or wilful default by the Servicer is the Current Principal Balance of the Mortgage Loan in respect of which such breach, fraud, negligence or wilful default occurred. The Servicer's liability does not include any damages in respect of consequential loss. The Covered Bond Guarantor may only claim damages from the Servicer in accordance with the foregoing by written notice setting out the grounds for the claim together with details of the calculation of the loss incurred by the Covered Bond Guarantor as a result thereof. The Servicer must pay any amounts due in respect of its liability to the Covered Bond Guarantor within seven Local Business Days of receipt by it of such written notice (which will represent prima facie evidence of such amounts).

### ***Interest Rate Shortfall Test***

The Servicer will, if the Interest Rate Swap is not in effect in accordance with its terms, determine on each Determination Date, having regard to:

- (a) the fixed interest rate and the variable interest rate and any other discretionary rate or margin in respect of the Mortgage Loans in the which are Assets of the Trust which the Servicer proposes to set under the Servicing Deed for the Collection Period commencing on the Determination Date; and
- (b) the other resources available to the Covered Bond Guarantor, including the Covered Bond Swap Agreements (if any) and the Reserve Fund (as advised by Trust Manager),

whether the Covered Bond Guarantor would receive an amount of income during the Collection Period commencing on the Determination Date which, when aggregated with the funds otherwise available to the

Covered Bond Guarantor on the Distribution Date immediately following the Collection Period that commences on the Determination Date, is less than the amount which is the aggregate of: (i) the amount of interest which would be payable (or provisioned to be paid) by the Covered Bond Guarantor under the Intercompany Loan Agreement (or, if a Notice to Pay has been served on the Covered Bond Guarantor, the Covered Bond Guarantee), and the Demand Loan Agreement on the Distribution Date immediately following the Collection Period that commences on the Determination Date and the relevant amounts payable (or provisioned to be paid) to the Covered Bond Swap Providers under the Covered Bond Swap Agreements on the Distribution Date immediately following the Collection Period that commences on the Determination Date; and (ii) the other expenses payable (or provisioned to be paid) by the Covered Bond Guarantor on the Distribution Date immediately following the Collection Period that commences on the Determination Date ranking in priority to the amounts described in (i) in accordance with the relevant Priority of Payments applicable prior to a Covered Bond Guarantor Event of Default (the **Interest Rate Shortfall Test**). Any interest rate shortfall will be referred to as an **Interest Rate Shortfall**.

If the Servicer determines on any Determination Date that there is an Interest Rate Shortfall, it will give written notice to the Covered Bond Guarantor and the Seller (copied to the Trust Manager and the Security Trustee), within five Local Business Days of the relevant Determination Date, of the amount of the Interest Rate Shortfall and the fixed interest rate and the variable interest rate and the other discretionary rates or margins which would, in the Servicer's opinion, need to be set in order for no Interest Rate Shortfall to arise on the next succeeding Determination Date, having regard to the date(s) on which the changes to the fixed interest rate and the variable interest rate and the other discretionary rates or margins would take effect, following which: (i) (subject to the Servicing Deed), the Servicer must, to the extent permitted by the terms of the relevant Loan Agreements and all applicable laws, set the fixed interest rate and the variable interest rate (as the case may be) and/or other discretionary rates or margins applicable to Mortgage Loans which are Assets of the Trust at such levels; and/or (ii) the Trust Manager may notify the Servicer and the Seller that, having regard to the obligations of the Covered Bond Guarantor and the amount of the Interest Rate Shortfall, further Mortgage Loan Rights should be offered by the Seller to the Covered Bond Guarantor pursuant to the Mortgage Sale Agreement to rectify the Interest Rate Shortfall, in which case, the Seller will use all reasonable efforts to offer to sell in accordance with the Mortgage Sale Agreement sufficient Mortgage Loan Rights to ensure that there will not be an Interest Rate Shortfall on the next Determination Date.

### ***Yield Shortfall Test***

The Servicer will, if at any time following an Issuer Event of Default (and for so long as such Issuer Event of Default continues unremedied) or the service of an Asset Coverage Test Breach Notice (which has not been deemed to be revoked), the Interest Rate Swap is not in effect in accordance with its terms, determine on each Determination Date, having regard to the aggregate of:

- (a) the fixed interest rate and the variable interest rate (as the case may be) and any other discretionary rate or margin, in respect of the Mortgage Loans forming part of the Assets of the Trust which the Servicer proposes to set under the Servicing Deed for the Collection Period commencing on the Determination Date; and
- (b) the resources available to the Covered Bond Guarantor under the Covered Bond Swap Agreements (if any),

whether the Covered Bond Guarantor would receive an aggregate amount of interest from the Mortgage Loans which are Assets of the Trust and the amounts under the Swap Agreements during the Collection Period commencing on the Determination Date which would give a weighted average annual yield on the Mortgage Loans which are Assets of the Trust of at least equal to the Bank Bill Rate for the Collection Period commencing on the Determination Date plus 0.30 percent per annum (or such other percentage rate as may be determined from time to time by the Trust Manager and notified to each of the Covered Bond Guarantor, the Servicer and the Security Trustee and in respect of which the Issuer has issued a Rating Affirmation Notice) (the **Yield Shortfall Test**). Any yield shortfall shall be referred to as a **Yield Shortfall**.

If the Servicer determines that the Yield Shortfall Test will not be satisfied, it will give written notice to the Covered Bond Guarantor, the Trust Manager and the Security Trustee, within five Local Business Days of the relevant Determination Date, of the amount of the Yield Shortfall and the fixed interest rate and the variable interest rate and the other discretionary rates or margins which would, in the Servicer's opinion, need to be set in order for no Yield Shortfall to arise, and the Yield Shortfall Test to be satisfied, having regard to the date(s) on which the changes to the fixed interest rate and the variable interest rate and the other discretionary rates or

margins would take effect, and at all times acting in accordance with the standards of a prudent lender in the business of making retail home loans. If the Covered Bond Guarantor or the Security Trustee notifies the Servicer that, having regard to the obligations of the Covered Bond Guarantor, the fixed interest rate and the variable interest rate and/or the other discretionary rates or margins should be increased, the Servicer must take all steps which are necessary and are in accordance with the standards and practices of a prudent lender in the business of making retail home loans to increase the fixed interest rate and the variable interest rate and/or any other discretionary rates or margins, including giving any notice which is required in accordance with the Mortgage Documents.

### ***Remuneration***

The Covered Bond Guarantor (acting on the directions of the Trust Manager) will, in accordance with the applicable Priority of Payments, pay an administration fee to the Servicer for the performance of its obligations under the Programme Documents, which will be agreed in writing between the Covered Bond Guarantor (acting on the directions of the Trust Manager), the Security Trustee and the Servicer from time to time. The Covered Bond Guarantor (acting on the directions of the Trust Manager) will on each Distribution Date, subject to the applicable Priority of Payments as further consideration for the Services supplied to it by the Servicer under the Servicing Deed reimburse the Servicer for all out-of-pocket costs, expenses and charges properly incurred by the Servicer in the performance of the Services, including any such costs, expenses or charges not reimbursed to the Servicer on any previous Distribution Date.

### ***Collections***

The Servicer acts as collecting agent for the Covered Bond Guarantor in respect of all payments in respect of the Mortgage Loan Rights forming part of the Assets of the Trust (including, without limitation, a Mortgage Loan Scheduled Payment). If the Servicer receives, during a Collection Period, any money whatsoever arising from the Mortgage Loans Rights forming part of the Assets of the Trust which money belongs to the Covered Bond Guarantor (for itself or as trustee of the CBA Trust) and such money is to be paid to the GIC Account pursuant to the Servicing Deed, the Servicer will hold such money on trust for the Covered Bond Guarantor and will ensure that all such moneys are capable of being readily identified at any time. All such amounts described above received by the Servicer during a Collection Period must be credited to the GIC Account either no later than one Local Business Day before the Distribution Date immediately following the end of that Collection Period (for so long as the Servicer has credit ratings of at least P-1 from Moody's and F1 from Fitch and a long-term credit rating of at least A from Fitch (or, if Fitch has placed the Servicer on ratings watch negative at the relevant time, a short term credit rating of at least F1+ from Fitch and a long-term credit rating of at least A+ from Fitch)) or, in any other case, within two Local Business Days of receipt.

The Servicer must, if it credits money received during a Collection Period to the GIC Account in accordance with the Servicing Deed, on the Distribution Date immediately following the end of that Collection Period, credit an additional amount to the GIC Account calculated as interest on the amount of that money for the period during which it was held by the Servicer. Any such interest is to be calculated on the Determination Date immediately following the end of the Collection Period by the Servicer in its absolute discretion on the daily balance of the amount of money for the period during which it was (or will be) held by the Servicer and at a rate of interest, for each Collection Period (or part thereof) during which the money is (or will be) held, equal to the applicable 30 day Bank Bill Rate on the first day of the Collection Period, or if that day is not a Local Business Day, on the immediately preceding Local Business Day.

### ***Removal or resignation of the Servicer***

A servicer default (**Servicer Default**) occurs if:

- (a) the Servicer fails to remit any amounts due or any other amounts received in respect of the Mortgage Loan Rights then forming part of the Assets of the Trust to the Covered Bond Guarantor within the time periods specified in the Servicing Deed or the other Programme Document and such failure is not remedied within five Local Business Days (or such longer period as the Covered Bond Guarantor and the Trust Manager may agree to) of notice of such failure being given to the Servicer by the Trust Manager or the Covered Bond Guarantor;
- (b) the Servicer fails to prepare and transmit a Reporting Statement by its due date and such failure is not remedied within 20 Local Business Days (or such longer period as the Covered Bond Guarantor and the Trust Manager may agree to) of notice being given to the Servicer by the Trust Manager or the

Covered Bond Guarantor and such failure, as determined by the Security Trustee, acting on the directions of the Bond Trustee (subject to the provisions of the Bond Trust Deed) if there are Covered Bonds outstanding, is materially prejudicial to the Covered Bondholders or acting on the directions of the Majority Secured Creditors (if there are no Covered Bonds outstanding), is materially prejudicial to the Secured Creditors;

- (c) an Insolvency Event occurs in relation to the Servicer;
- (d) the Servicer has breached its obligations (other than those referred to in paragraphs (a) and (b) above), as Servicer under a Programme Document to which it is expressed to be a party and such breach in the opinion of the Security Trustee, acting on the directions of the Bond Trustee (subject to the provisions of the Bond Trust Deed) if there are Covered Bonds outstanding, is materially prejudicial to the Covered Bondholders or acting on the directions of the Majority Secured Creditors (if there are no Covered Bonds outstanding), is materially prejudicial to the Secured Creditors and:
  - (i) that breach is not remedied to the Security Trustee's satisfaction within 20 Local Business Days after receipt by the Servicer of a notice in writing from the Trust Manager, the Covered Bond Guarantor or the Security Trustee requiring it to do so; or
  - (ii) the Servicer has not paid compensation to the Covered Bond Guarantor for its loss from such breach in an amount satisfactory to the Trust Manager (acting reasonably); or
- (e) the Servicer's unsecured, unsubordinated, long-term senior debt obligations have been downgraded below Baa3 by Moody's or BBB- by Fitch (or, if Fitch has placed the Servicer on ratings watch negative at the relevant time, below BBB by Fitch).

If the Trust Manager has determined that:

- (a) the performance by the Servicer of its duties under the Servicing Deed is no longer permissible under any applicable law and the Trust Manager is satisfied that there is no reasonable action which the Servicer could take to make the performance of its duties under the Servicing Deed permissible under that applicable law; or
- (b) a Servicer Default has occurred and is continuing,

then the Trust Manager must by written notice to the Servicer, immediately terminate the rights and obligations of the Servicer and appoint another appropriately qualified organisation to act in its place.

The Servicer will, within two Local Business Days after it becomes aware of any Servicer Default, give notice to the Covered Bond Guarantor, the Trust Manager and the Rating Agencies (and the Trust Manager must give notice to the Security Trustee and the Bond Trustee).

The Servicer may retire from its obligations and duties assumed by it pursuant to the Servicing Deed by three months' notice in writing to the Security Trustee, the Covered Bond Guarantor and the Trust Manager (or such lesser time as the Servicer, the Trust Manager and the Covered Bond Guarantor agree). Upon its retirement the Servicer may, subject to any approval required by law, appoint in writing another person approved by the Covered Bond Guarantor (acting reasonably) as Substitute Servicer in its place. If the Servicer does not propose a replacement by the date which is one month prior to the date of its proposed retirement, the Covered Bond Guarantor is entitled to appoint a Substitute Servicer as of the date of the proposed retirement. The Trust Manager will give or cause to be given prompt notice of the appointment of any Substitute Servicer in accordance with the Servicing Deed to each Rating Agency.

The purported appointment of a Substitute Servicer in the event of the termination or resignation of the Servicer has no effect until the Substitute Servicer executes an agreement under which it covenants to act as Servicer in accordance with the Servicing Deed and all other Programme Documents to which the Servicer is a party and the Issuer issues a Rating Affirmation Notice in relation to each Rating Agency in respect of the proposed appointment of the Substitute Servicer. Until the appointment of the Substitute Servicer is complete the Covered Bond Guarantor must act as Servicer (and is entitled to receive the fee payable to the Servicer in accordance with the Servicing Deed for the period during which the Covered Bond Guarantor so acts). While acting as Servicer, the Covered Bond Guarantor will not be liable for any inability to perform or deficiency in performing its obligations as a result of, amongst other things, a breach by the outgoing Servicer of its obligations, the state of affairs, books and records of the outgoing Servicer and any documents or files delivered by it (including, the



inaccuracy or incompleteness thereof) or the inability of the Covered Bond Guarantor to obtain access to information, premises or equipment reasonably necessary for it to perform its obligations. The Trust Manager must give or cause to be given prompt notice of the appointment of the Substitute Servicer to each Rating Agency.

Neither the Security Trustee, the Covered Bond Guarantor nor the Trust Manager or their respective delegates (as the case may be) is liable for any Servicer Default except to the extent that the Servicer Default is caused by the Security Trustee's, the Covered Bond Guarantor's or the Trust Manager's or their respective delegate's (as the case may be) fraud, negligence or wilful default.

The Covered Bond Guarantor may settle with the Servicer the amount of any sums payable by the Servicer to the Covered Bond Guarantor or by the Covered Bond Guarantor to the Servicer and may give to or accept from the Servicer a discharge in respect of those sums which will be conclusive and binding as between the Covered Bond Guarantor and the Servicer and as between the Servicer and each other Secured Creditor. The Servicer and the Trust Manager have agreed to provide their full co-operation in the event of the appointment of a Substitute Servicer. The Servicer and the Trust Manager must (subject to the Privacy Act and the Servicer's duty of confidentiality to its customers under general law or otherwise) provide the Substitute Servicer with copies of all paper and electronic files, information and other materials in its possession (or in the possession or control of its attorney, delegate, agent or sub-agent) as the Covered Bond Guarantor or the Substitute Servicer may reasonably request within 90 days of the removal or retirement of the Servicer in accordance with the Servicing Deed.

The Security Trustee will not assume or have any of the obligations or liabilities of the Servicer, the Seller or the Covered Bond Guarantor.

The Servicing Deed is governed by and is to be construed in accordance with the laws applying in the State of New South Wales, Australia.

### **Cover Pool Monitor Agreement**

Under the terms of the Cover Pool Monitor Agreement entered into on or about the Programme Date between the Cover Pool Monitor, the Covered Bond Guarantor, the Trust Manager, the Bank (in its capacities as Issuer and Seller), the Bond Trustee and the Security Trustee, the Cover Pool Monitor has agreed, subject to due receipt of the information to be provided by the Trust Manager to the Cover Pool Monitor, to report factual findings of completion of certain agreed upon procedures, including with respect to the verification of the calculations performed by the Trust Manager in respect of the Asset Coverage Test or the Amortisation Test, as applicable, and the Legislated Collateralisation Test on the Determination Date immediately prior to each yearly anniversary (and in the case of the Asset Coverage Test and the Legislated Collateralisation Test, each half yearly anniversary) of the Programme Date, for the purposes of determining compliance or non-compliance by the Covered Bond Guarantor with the Asset Coverage Test or the Amortisation Test, as applicable, and the Legislated Collateralisation Test on that Determination Date. In the case of the Asset Coverage Test and the Amortisation Test, the relevant test to be conducted by the Cover Pool Monitor depends on whether the Determination Date falls prior to or after a Notice to Pay is served on the Covered Bond Guarantor.

The Cover Pool Monitor has also agreed, subject to due receipt of the information to be provided by the Trust Manager to the Cover Pool Monitor, as soon as reasonably practicable following each Determination Date immediately preceding each half-yearly and yearly anniversary of the Programme Date (each, an **Assessment Date**), to perform the functions of the cover pool monitor in respect of the Assets of the Trust (for the purposes of the Australian Banking Act) to:

- (a) assess the keeping by the Trust Manager of an accurate register of the Assets of the Trust; and
- (b) assess the Issuer's and the Seller's compliance with sections 31 and 31A of the Australian Banking Act.

The Cover Pool Monitor must carry out the assessments above with a view to providing a report in accordance with the Cover Pool Monitor Agreement and may use sampling in accordance with the auditing standards made under the Australian Corporations Act in carrying out such assessment.

If the long-term, unsecured, unguaranteed and unsubordinated debt obligation credit ratings of the Issuer fall below Baa3 by Moody's or BBB- by Fitch (or, if Fitch has placed the Issuer on ratings watch negative at the relevant time, below BBB by Fitch) (and for as long as they remain below such credit ratings), the Cover Pool

Monitor will, subject to receipt of the relevant information from the Trust Manager, be required to report on the results of performance of the agreed upon procedures with respect to the Asset Coverage Test and the Amortisation Test referred to above as soon as reasonably practicable (and in any event not later than 10 Local Business Days following receipt of the relevant information from the Trust Manager) following every Determination Date after any such downgrade.

If results of performance of the agreed upon procedures with respect to the Asset Coverage Test and the Amortisation Test conducted by the Cover Pool Monitor reveals arithmetic errors in the relevant calculations performed by the Trust Manager such that the Asset Coverage Test or the Amortisation Test was not satisfied on the applicable Determination Date (where the Trust Manager had recorded it as being satisfied) or the reported Adjusted Aggregate Mortgage Loan Amount or the reported Amortisation Test Aggregate Mortgage Loan Amount is mis-stated by the Trust Manager by an amount exceeding 1% of the actual Adjusted Aggregate Mortgage Loan Amount or the actual Amortisation Test Aggregate Mortgage Loan Amount, as applicable, (as at the date of the relevant Asset Coverage Test or the relevant Amortisation Test), the Cover Pool Monitor will be required to conduct such tests following every Determination Date for a period of six months thereafter.

The Cover Pool Monitor will be entitled to assume that all information provided to it by the Trust Manager for the purpose of performance of the agreed upon procedures referred to above is true and correct and complete and not misleading, and is not required to conduct and audit or other examination in respect of or otherwise take steps to verify the accuracy or completeness of such information. The Cover Pool Monitor Report, together with the reports prepared in respect of the records of the Assets of the Trust kept by the Trust Manager, will be delivered to the Issuer, the Seller, the Trust Manager, the Covered Bond Guarantor, the Bond Trustee and the Security Trustee. The Issuer and/or the Bond Trustee may also provide any reports received from the Cover Pool Monitor with respect to:

- (a) the keeping by the Trust Manager of an accurate register of the Assets of the Trust; and
- (b) the Issuer's and the Seller's compliance with sections 31 and 31A of the Australian Banking Act,

to the Covered Bondholders from time to time. The Cover Pool Monitor is also required, following a written request from APRA, to provide copies of any such reports relating to the cover pool in accordance with the Cover Pool Monitor Agreement to APRA.

Pursuant to the Cover Pool Monitor Agreement, the Cover Pool Monitor has undertaken to:

- (a) exercise reasonable skill and care in the performance of its obligations under the Cover Pool Monitor Agreement;
- (b) to the extent permitted by law, comply with all material legal and regulatory requirements applicable to the conduct of its business so that it can lawfully attend to the performance of its obligations under the Cover Pool Monitor Agreement; and
- (c) at all times:
  - (i) be registered as an auditor under part 9.2 of the Australian Corporations Act; or
  - (ii) hold an Australian Financial Services Licence which licence extends to the provision of financial services as Cover Pool Monitor; or
  - (iii) be exempt from holding an Australian Financial Services Licence which exemption extends to the provision of financial services as Cover Pool Monitor.

The Covered Bond Guarantor will pay to the Cover Pool Monitor a fee for performing its obligations under the Cover Pool Monitor Agreement calculated based on the time spent performing those obligations agreed in writing from time to time between the Cover Pool Monitor, the Covered Bond Guarantor and the Trust Manager.

The Trust Manager may, at any time: (i) with the prior written consent of the Security Trustee, terminate the appointment of the Cover Pool Monitor by giving 40 Local Business Days prior written notice to the Cover Pool Monitor or (ii) terminate the appointment of the Cover Pool Monitor if the Cover Pool Monitor is unable or unwilling to comply with the requirements set out in section 30(2) or 30(3) of the Australian Banking Act, provided that, in each case, such termination may not be effective unless and until a replacement has been found

by the Covered Bond Guarantor (acting on the directions of the Trust Manager) or the Trust Manager (such a replacement to be approved by the Security Trustee who must give such approval if the replacement is an accountancy firm of national standing in Australia or a firm recognised as having expertise in managing assets on behalf of investors).

The Cover Pool Monitor may, at any time, resign by giving 20 Local Business Days prior written notice to the Issuer, the Covered Bond Guarantor, the Trust Manager, the Bond Trustee and the Security Trustee (copied to the Rating Agencies), except that such 20 Local Business Days notice period will not be required if: (i) the Covered Bondholders agree to the resignation of the Cover Pool Monitor by Extraordinary Resolution or; (ii) the Cover Pool Monitor is required to resign pursuant to the applicable professional standards to which it is subject at the time of such resignation.

Upon giving notice of termination or receiving notice of resignation, the Trust Manager must use its best endeavours to promptly appoint a substitute Cover Pool Monitor pursuant to an agreement on substantially the same terms as the terms of the Cover Pool Monitor Agreement, to provide the services set out in the Cover Pool Monitor Agreement. If a substitute Cover Pool Monitor is not appointed by the date which is 20 Local Business Days prior to a Determination Date in respect of which the Trust Manager's calculations are to be verified in accordance with the terms of the Cover Pool Monitor Agreement, then the Trust Manager will use all reasonable endeavours to appoint an accountancy firm of national standing in Australia or a firm recognised as having expertise in managing assets on behalf of investors to carry out the relevant tests on a one-off basis. The Trust Manager must promptly notify the Rating Agencies of the appointment of any substitute Cover Pool Monitor or firm to carry out the relevant tests.

None of the Covered Bond Guarantor, the Bond Trustee nor the Security Trustee will be obliged to act as Cover Pool Monitor or to monitor or supervise the performance by the Cover Pool Monitor in any circumstances.

The Cover Pool Monitor Agreement is governed by and is to be construed in accordance with the laws applying in the State of New South Wales, Australia.

### **Establishment Deed**

The Establishment Deed, made between the Covered Bond Guarantor, the Trust Manager, and the Bank (as Issuer, Seller and Servicer) establishes the Trust and provides that the Covered Bond Guarantor will be the trustee of the Trust. Pursuant to the Establishment Deed, the Trust is established for purposes relating only to the Covered Bonds including: (i) the acquisition, management and sale of, amongst other things, Mortgage Loan Rights; (ii) the borrowing of moneys to fund the acquisition of such assets; (iii) the hedging of risks associated with such assets and such funding; (iv) the acquisition, management and sale of Substitution Assets and Authorised Investments; (v) the giving of guarantees in respect of any Covered Bonds (including the Covered Bond Guarantee); (vi) the granting of security to secure repayment of any Covered Bonds and other liabilities in connection with the Programme; and (vii) any other purpose which is ancillary or incidental to the activities set out above.

### **Unitholders**

The beneficial interest in the Assets of the Trust is vested in the Income Unitholder as holder of the Income Unit and the Capital Unitholder as holder of the Capital Unit. The Bank is the initial holder of both the Income Unit and the Capital Unit. Pursuant to the Establishment Deed, the Income Unitholder is entitled to distributions of the Net Trust Income, if any, of the Trust in respect of each Financial Year. The Capital Unitholder's interest in the Trust comprises (i) an interest in each Asset of the Trust remaining after payment of any amount due to the Income Unitholder in satisfaction of the Income Unitholder's entitlement to the Net Trust Income of the Trust; and (ii) except to the extent included in (i), on the termination of the Trust, the capital of the Trust remaining after the payment (or the provision for payment) of all other outgoings and amounts by the Covered Bond Guarantor.

The right of any Unitholder to recover any amounts in respect of its interests described above is limited to the Assets of the Trust available for distribution after payments or distributions have been made to all other parties under the relevant Priorities of Payment (except, in the case of the Income Unitholder, the Capital Unitholder).

The Capital Unit is non-transferable. The Income Unit may be transferred at any time, provided that the Income Unitholder is only entitled to transfer the Income Unit if the offer for sale, or the invitation to purchase the Income Unit, to the proposed transferee:

- (a) is not made to a person who is a “retail client” (as defined in section 761G of the Australian Corporations Act); and
- (b) complies with all applicable laws in all jurisdictions in which the offer or invitation is made.

A transfer of the Income Unit is not effective unless the name of the proposed transferee has been entered in the Unit Register by the Covered Bond Guarantor. The Covered Bond Guarantor may refuse to so enter a transferee's name for certain reasons set out in the Establishment Deed.

### ***Asset Coverage Test***

Under the terms of the Establishment Deed, the Trust Manager must ensure that, for so long as Covered Bonds remain outstanding, on each Determination Date prior to the service of a Notice to Pay on the Covered Bond Guarantor and/or a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer, the Adjusted Aggregate Mortgage Loan Amount is at least equal to the Australian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds as calculated on the relevant Determination Date by the Trust Manager (the **Asset Coverage Test**). The Asset Coverage Test will also be calculated by the Trust Manager at any other time required for the purposes of determining if the Demand Loan can be repaid.

If on any Determination Date (the **First Determination Date**) prior to the service of a Notice to Pay on the Covered Bond Guarantor and/or a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer, the Adjusted Aggregate Mortgage Loan Amount is less than the Australian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds as calculated on such date by the Trust Manager, then the Asset Coverage Test as calculated on that First Determination Date will not be satisfied and the Trust Manager must immediately notify the Covered Bond Guarantor, the Seller, the Bond Trustee and the Security Trustee in writing and, in the case of paragraph (a) below, use all reasonable endeavours to arrange for the Covered Bond Guarantor to, and in the case of paragraphs (b) and (c) below, direct the Covered Bond Guarantor to, and the Covered Bond Guarantor must:

- (a) acquire sufficient further Mortgage Loan Rights from the Seller in accordance with the Mortgage Sale Agreement (see the section “*Summary of the Principal Documents – Mortgage Sale Agreement – Sale by the Seller of Mortgage Loan Rights*” in this Offering Circular); and/or
- (b) purchase Substitution Assets; and/or
- (c) make drawings under the Demand Loan Agreement,

in each case, in order to ensure that the Asset Coverage Test is satisfied on any date on or before the immediately following Determination Date (the **Second Determination Date**) (by reference to the Adjusted Aggregate Mortgage Loan Amount and the Australian Dollar Equivalent of the aggregate Principal Amount Outstanding of all Covered Bonds, in each case as calculated on such date).

If the Covered Bond Guarantor, acting on the directions of the Trust Manager, has not taken sufficient action by the Second Determination Date, such that the Asset Coverage Test remains unsatisfied on the Second Determination Date then the Trust Manager must immediately notify the Covered Bond Guarantor, the Seller, the Bond Trustee and the Security Trustee in writing and the Bond Trustee must serve an Asset Coverage Test Breach Notice on the Covered Bond Guarantor (subject to the Bond Trustee receiving notification from the Trust Manager or, if earlier, having actual knowledge or express notice that the Asset Coverage Test remains unsatisfied). The Bond Trustee will be deemed to revoke an Asset Coverage Test Breach Notice if, on the next Determination Date to occur following the service of an Asset Coverage Test Breach Notice, the Asset Coverage Test is satisfied and neither a Notice to Pay nor a Covered Bond Guarantee Acceleration Notice has been served. If the Bond Trustee is deemed to revoke an Asset Coverage Test Breach Notice, the Covered Bond Guarantor must immediately notify the Bond Trustee in writing.

Following service of an Asset Coverage Test Breach Notice (for so long as it has not been deemed to be revoked in accordance with the preceding paragraph):

- (a) the Covered Bond Guarantor may be required to sell Selected Mortgage Loan Rights (as further described under “*Sale of Selected Mortgage Loan Rights following service of an Asset Coverage Test Breach Notice*”);

- (b) prior to the occurrence of an Issuer Event of Default and service of an Issuer Acceleration Notice or, if earlier, the occurrence of a Covered Bond Guarantor Event of Default and service of a Covered Bond Guarantee Acceleration Notice, the Pre-Acceleration Priority of Payments will be modified as more particularly described in “Cashflows - Allocation and distribution of Available Income Amount following service of an Asset Coverage Test Breach Notice” and “Cashflows – Allocation and distribution of Available Principal Amount following service of an Asset Coverage Test Breach Notice” below; and
- (c) the Issuer will not be permitted to issue any further Covered Bonds.

If an Asset Coverage Test Breach Notice has been served and has not been deemed to be revoked as set out above on or before the next Determination Date to occur following the service of the Asset Coverage Test Breach Notice, then the Asset Coverage Test will be breached and an Issuer Event of Default will occur. The Bond Trustee will be entitled and in certain circumstances required to serve an Issuer Acceleration Notice. Following service of an Issuer Acceleration Notice, the Bond Trustee will be required to serve a Notice to Pay on the Covered Bond Guarantor.

For the purposes of the above:

**Adjusted Aggregate Mortgage Loan Amount** means the amount calculated on each Determination Date as follows:

$$(A + B + C + D + E) - Z,$$

where:

**A =** means the lesser of:

- (a) the aggregate of the LVR Adjusted Mortgage Loan Balance Amount of each Mortgage Loan forming part of the Assets of the Trust as at the Determination Date; and
- (b) the aggregate of the Asset Percentage Adjusted Mortgage Loan Balance Amount of each Mortgage Loan forming part of the Assets of the Trust as at the Determination Date,

in each case, for the avoidance of doubt, excluding any Mortgage Loans being repurchased by the Seller on that Determination Date but including any Mortgage Loans being purchased by the Covered Bond Guarantor on that Determination Date.

The **LVR Adjusted Mortgage Loan Balance Amount** will be calculated for a Mortgage Loan, on the relevant Determination Date, as:

- (a) for each Mortgage Loan forming part of the Assets of the Trust that is not then a Defaulted Mortgage Loan, the lesser of:
  - (i) the outstanding Current Principal Balance of the Mortgage Loan as at the last day of the immediately preceding Collection Period; and
  - (ii) 80% of the Indexed Valuation for the Land the subject of a Mortgage which secures the Mortgage Loan as at the last day of the immediately preceding Collection Period (but without double counting across Mortgage Loans); and
- (b) for each Mortgage Loan forming part of the Assets of the Trust that is then a Defaulted Mortgage Loan, zero,

less:

- (A) where the Mortgage Loan was, in the immediately preceding Collection Period, known by the Trust Manager to be in breach of the Representations and Warranties made by the Seller in accordance with the Mortgage Sale Agreement in relation to that Mortgage Loan and the Seller has not repurchased the Mortgage Loan Rights to the extent required by the terms of the Mortgage Sale Agreement, an amount equal to the LVR Adjusted Mortgage Loan Balance

Amount (calculated in accordance with paragraph (a) as at the last day of the immediately preceding Collection Period) for each Mortgage Loan to which this paragraph (A) applies; and

- (B) where the Seller, in any preceding Collection Period, was in material breach of any other warranty under the Mortgage Sale Agreement and/or the Servicer was, in any preceding Collection Period, in material breach of a term of the Servicing Deed, an amount equal to the resulting financial loss incurred by the Covered Bond Guarantor in the immediately preceding Collection Period (such financial loss to be calculated by the Trust Manager without double counting and to be reduced by any amount paid (in cash or in kind) to the Covered Bond Guarantor by the Seller or by the Servicer (as applicable) to indemnify the Covered Bond Guarantor for such financial loss).

The **Asset Percentage Adjusted Mortgage Loan Balance Amount** will be calculated for a Mortgage Loan, on the relevant Determination Date, as the Asset Percentage multiplied by:

- (a) for each Mortgage Loan forming part of the Assets of the Trust that is not then a Defaulted Mortgage Loan, the lesser of:
- (i) the outstanding Current Principal Balance of the Mortgage Loan as at the last day of the immediately preceding Collection Period; and
  - (ii) 100% of the Latest Valuation for the Land the subject of a Mortgage which secures the Mortgage Loan as at the last day of the immediately preceding Collection Period (but without double counting across Mortgage Loans); and
- (b) for each Mortgage Loan forming part of the Assets of the Trust that is then a Defaulted Mortgage Loan, zero,

less:

- (A) where the Mortgage Loan was, in the immediately preceding Collection Period, known by the Trust Manager to be in breach of the Representations and Warranties made by the Seller in accordance with the Mortgage Sale Agreement in relation to that Mortgage Loan and the Seller has not repurchased the Mortgage Loan Rights to the extent required by the terms of the Mortgage Sale Agreement, an amount equal to the Asset Percentage Adjusted Mortgage Loan Balance Amount (calculated pursuant to paragraph (a) above as at the last day of the immediately preceding Collection Period) for each Mortgage Loan to which this paragraph (A) applies; and
- (B) where the Seller, in any preceding Collection Period, was in material breach of any other warranty under the Mortgage Sale Agreement and/or the Servicer was, in any preceding Collection Period, in material breach of a term of the Servicing Deed: an amount equal to the resulting financial loss incurred by the Covered Bond Guarantor in the immediately preceding Collection Period (such financial loss to be calculated by the Trust Manager without double counting and to be reduced by any amount paid (in cash or in kind) to the Covered Bond Guarantor by the Seller or by the Servicer (as applicable) to indemnify the Covered Bond Guarantor for such financial loss);

**B =** the aggregate amount of any proceeds of any Term Advances and/or any Demand Loan Advances which have not been applied as at the Determination Date;

**C =** the aggregate principal balance of any Substitution Assets and Authorised Investments as at the relevant Determination Date;

**D =** the aggregate amount of Principal Collections collected by the Servicer during the immediately preceding Collection Period and credited, or to be credited on the immediately following Distribution Date, to the GIC Account but excluding any amounts due to be applied on or before the immediately succeeding Distribution Date in accordance with the applicable Priority of Payments;

**E =** the aggregate amount as at the Determination Date of: (i) Sale Proceeds credited to the GIC Account (including the amount of any Sale Proceeds standing to the credit of the Pre-Maturity Ledger); (ii) the remaining Available Principal Amount credited to the GIC Account in accordance with paragraph (d)

of the Pre-Acceleration Principal Priority of Payments (without double counting any amounts already covered in B and D above); and (iii) any amount transferred since the last Distribution Date from the OC Account to the GIC Account in accordance with the Establishment Deed which has not been applied as at the Determination Date; and

**Z** = the product of:

- (a) the weighted average remaining maturity of all Covered Bonds (expressed in years) then outstanding calculated by the Trust Manager as at the Determination Date (provided that if the weighted average remaining maturity of all Covered Bonds (expressed in years) then outstanding is less than one, such weighted average remaining maturity will be deemed for the purposes of this calculation, to be one);
- (b) the Australian Dollar Equivalent of the then aggregate Principal Amount Outstanding of the Covered Bonds;
- (c)
  - (i) for so long as the Interest Rate Swap is in effect in accordance with its terms, zero; or
  - (ii) otherwise, one; and
- (d) the then Negative Carry Factor, where the **Negative Carry Factor** is the percentage rate per annum equal to the sum of:
  - (i) 0.50%; and
  - (ii) the weighted average of the Relevant Spread of each Series of Covered Bonds then outstanding determined by reference to the Australian Dollar Equivalent of the aggregate Principal Amount Outstanding of the applicable Series of Covered Bonds,

where the **Relevant Spread** is:

- (A) in the case of a Series of floating rate Covered Bonds the Specified Currency of which is Australian Dollars and in respect of which no Covered Bond Swap has been entered into, the Margin for the Series specified in the applicable Final Terms; and
- (B) in any other case the Floating Rate Payer Spread in the applicable Covered Bond Swap.

For the purposes of the above, the **Asset Percentage** means, on any Determination Date, the lesser of:

- (a) 95%;
- (b) such percentage figure determined on or about the Programme Date and on each Determination Date thereafter falling in February, May, August and November of each year (and on such other dates as may be agreed between the Issuer and the Trust Manager) in accordance with the terms of the Establishment Deed, being the percentage figure that is necessary to ensure that the Covered Bonds maintain the then current ratings assigned to them by Fitch; and
- (c) such percentage figure as may be selected by the Trust Manager, from time to time, in accordance with the terms of the Establishment Deed, and notified to Moody's and the Security Trustee on the Determination Date, or if no notification is made to Moody's and the Security Trustee on such Determination Date, on the last date of such notification. If the Trust Manager so elects to notify Moody's and the Security Trustee of a new percentage figure (without being obliged to do so), this percentage figure will be the difference between 100 and the percentage amount of credit enhancement that is necessary to ensure that there is sufficient credit enhancement for the Covered Bonds to achieve an Aaa rating by Moody's using Moody's expected loss methodology (regardless of the actual Moody's rating of the Covered Bonds at the time); and
- (d) such other percentage figure as may be determined by the Issuer from time to time and notified to each of the Covered Bond Guarantor and the Trust Manager.

There is no obligation on the Covered Bond Guarantor, the Trust Manager or the Issuer to ensure that an AAA rating is maintained by Fitch or an Aaa rating is maintained by Moody's and neither the Issuer nor the Trust Manager is under an obligation to change the percentage figure selected by it and notified to Fitch or Moody's, as applicable, and the Security Trustee in line with the level of credit enhancement required to ensure an AAA rating is maintained by Fitch or an Aaa rating by Moody's.

### ***Amortisation Test***

The Trust Manager must ensure that for so long as Covered Bonds are outstanding on each Determination Date following service of a Notice to Pay on the Covered Bond Guarantor (but prior to the service of a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer), the Amortisation Test Aggregate Mortgage Loan Amount will be at least equal to the Australian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds as calculated on the relevant Determination Date (the **Amortisation Test**).

If on any Determination Date following service of a Notice to Pay on the Covered Bond Guarantor (but prior to the service of a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer), the Amortisation Test Aggregate Mortgage Loan Amount is less than the Australian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds as calculated on the relevant Determination Date, the Amortisation Test will not be satisfied and a Covered Bond Guarantor Event of Default will occur. The Trust Manager must immediately notify the Covered Bond Guarantor and the Security Trustee and (if any Covered Bonds are outstanding) the Bond Trustee of any breach of the Amortisation Test.

The **Amortisation Test Aggregate Mortgage Loan Amount** will be calculated by the Trust Manager on each Determination Date following the service of a Notice to Pay on the Covered Bond Guarantor as follows:

$$A + B + C - Z$$

where:

**A** = the aggregate of the **Amortisation Test Current Principal Balance** of each Mortgage Loan, which will be the product of:

- (a) the lesser of:
  - (i) the outstanding Current Principal Balance of the Mortgage Loan as calculated on the last day of the immediately preceding Collection Period; and
  - (ii) 80% of the Indexed Valuation for the Land the subject of a Mortgage which secures the Mortgage Loan as at the last day of the immediately preceding Collection Period (but without double counting across Mortgage Loans); and
- (b) M, where:
  - (i) for each Mortgage Loan that is not then a Defaulted Mortgage Loan, M = 1.0; or
  - (ii) for each Mortgage Loan that is then a Defaulted Mortgage Loan, M = zero;

**B** = the sum of the amount of any cash standing to the credit of the GIC Account and the principal amount of any Authorised Investments (excluding any Finance Charge Collections received in the immediately preceding Collection Period and any principal amounts due to be applied on or before the next Distribution Date in accordance with the applicable Priority of Payments);

**C** = the aggregate principal balance of any Substitution Assets not taken into account elsewhere in this calculation; and

**Z** = the product of:

- (a) the weighted average remaining maturity of all Covered Bonds (expressed in years) then outstanding;



- (b) the Australian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds;
- (c)
  - (i) for so long as the Interest Rate Swap is in effect in accordance with its terms, zero; or
  - (ii) otherwise, one; and
- (d) the Negative Carry Factor.

### ***Legislated Collateralisation Test***

For so long as any Covered Bonds are outstanding, the Issuer must ensure that on each Determination Date, the Legislated Asset Amount will be at least equal to the Australian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds as calculated on the relevant Determination Date (the **Legislated Collateralisation Test**). The Trust Manager will perform all calculations required in respect of the Legislated Collateralisation Test on each Determination Date and any other date on which it is required to do so under any Programme Document.

The **Legislated Asset Amount** means the amount calculated on each Determination Date as follows (or as may otherwise be determined by the Issuer so as to comply with the requirements of section 31A of the Australian Banking Act):

$$(A + B + C + D + E) \times CP - ASL$$

where:

**A** = the Legislated Mortgage Loan Balance Amount;

The **Legislated Mortgage Loan Balance Amount** will be calculated for a Mortgage Loan, on the relevant Determination Date, as:

- (a) for each Mortgage Loan forming part of the Assets of the Trust that is not then a Defaulted Mortgage Loan, the lesser of:
  - (i) the outstanding Current Principal Balance of the Mortgage Loan as at the last day of the immediately preceding Collection Period; and
  - (ii) 80% (or such other percentage figure required to comply with the Australian Banking Act) of the Latest Valuation of the Land which secures the Mortgage Loan (the **Relevant Mortgage Loan**) as at the last day of the immediately preceding Collection Period provided that to the extent that the Land also secures any other loans which rank, as against that Land, in priority to or equally with the Relevant Mortgage Loan (each, an **Additional Mortgage Loan**), then the Latest Valuation for that Property is to be discounted by multiplying it with the ratio of:
    - (A) the outstanding Current Principal Balance of the Relevant Mortgage Loan as at the last day of the immediately preceding Collection Period; to
    - (B) the aggregate outstanding Current Principal Balance of the Relevant Mortgage Loan and each Additional Mortgage Loan at the last day of the immediately preceding Collection Period,
- (b) for each Mortgage Loan forming part of the Assets of the Trust that is a Defaulted Mortgage Loan, zero;

less:

- (A) where the Mortgage Loan was, in the immediately preceding Collection Period, known by the Trust Manager to be in breach of the Representations and Warranties made by the Seller in accordance with the Mortgage Sale Agreement in relation to that Mortgage Loan and the

Seller has not repurchased the Mortgage Loan Rights to the extent required by the terms of the Mortgage Sale Agreement, an amount equal to the Legislated Mortgage Loan Balance Amount (calculated pursuant to paragraph (a) above as at the last day of the immediately preceding Collection Period) for each Mortgage Loan to which this paragraph (A) applies; and

- (B) where the Seller, in any preceding Collection Period, was in material breach of any other warranty under the Mortgage Sale Agreement and/or the Servicer was, in any preceding Collection Period, in material breach of a term of the Servicing Deed: an amount equal to the resulting financial loss incurred by the Covered Bond Guarantor in the immediately preceding Collection Period (such financial loss to be calculated by the Trust Manager without double counting and to be reduced by any amount paid (in cash or in kind) to the Covered Bond Guarantor by the Seller or by the Servicer (as applicable) to indemnify the Covered Bond Guarantor for such financial loss),

in each case, for the avoidance of doubt, excluding any Mortgage Loans being repurchased by the Seller on such Determination Date but including any Mortgage Loans being purchased by the Covered Bond Guarantor on such Determination Date;

- B** = the aggregate amount of any proceeds of any Term Advances and/or any Demand Loan Advances which have not been applied as at the Determination Date;
- C** = the aggregate principal balance of any Substitution Assets and Authorised Investments as at the relevant Determination Date;
- D** = the aggregate amount of Principal Collections collected by the Servicer during the immediately preceding Collection Period and credited, or to be credited on the immediately following Distribution Date, to the GIC Account but excluding any amounts due to be applied on or before the immediately succeeding Distribution Date in accordance with the applicable Priority of Payments;
- E** = the aggregate amount as at the Determination Date of (i) Sale Proceeds credited to the GIC Account (including, the amount of any Sale Proceeds standing to the credit of the Pre-Maturity Ledger); (ii) the remaining Available Principal Amount credited to the GIC Account in accordance with paragraph (d) of the Pre-Acceleration Principal Priority of Payments (without double counting any amounts already covered in B and D above); and (iii) any amount transferred since the last Distribution Date from the OC Account to the GIC Account in accordance with the Establishment Deed which has not been applied as at the Determination Date;

$$\text{CP} = \frac{1}{1.03}; \text{ and}$$

**ASL** = any amounts payable by the Covered Bond Guarantor in accordance with:

- (a) paragraphs (a) to (e) (inclusive) of the Pre-Acceleration Income Priority of Payments and paragraphs (a) to (e) (inclusive) of the Pre-Acceleration Principal Priority of Payments;
- (b) paragraphs 15.4(a) to (h) (inclusive) of the Guarantee Priority of Payments; or
- (c) paragraphs 8.2(a) to (g) (inclusive) of the Post-Enforcement Priority of Payments,

whichever Priority of Payments is applicable at the relevant Determination Date.

The Issuer is required to comply with the minimum over-collateralisation requirements set out in the Australian Banking Act and, for that purpose, the Legislated Collateralisation Test as described above. As the Legislated Collateralisation Test is a minimum requirement, the Issuer expects that the Legislated Mortgage Loan Balance Amount will always be greater than the LVR Adjusted Mortgage Loan Balance Amount, Asset Percentage Mortgage Loan Balance Amount and Amortisation Test Aggregate Mortgage Loan Amount and accordingly, the Legislated Collateralisation Test will be satisfied in all circumstances in which the Asset Coverage Test or the Amortisation Test, as applicable, is satisfied.

### ***Transfers from OC Account***

The Bank may on any day, in its absolute discretion, direct the Trust Manager in writing (copied to the Covered Bond Guarantor) to transfer any amount standing to the credit of the OC Account to the GIC Account (with a corresponding credit to the Principal Ledger). Upon receipt of a written direction from the Bank, the Trust Manager must direct the Covered Bond Guarantor to, and the Covered Bond Guarantor must upon receiving that direction, transfer any amount standing to the credit of the OC Account to the GIC Account (with a corresponding credit to the Principal Ledger).

Any amount transferred to the GIC Account in accordance with the preceding paragraph will form part of the Available Principal Amount to be applied on the following Distribution Date in accordance with the applicable Priority of Payments.

Except to the extent transferred to the GIC on the written direction of the Bank, the amount standing to the credit of the OC Account can only be applied in repayment of the Demand Loan and accordingly, will not be available to make payments in respect of the Covered Bond Guarantee to Covered Bondholders, Receiptholders and Couponholders.

### ***Sale of Selected Mortgage Loan Rights if the Pre-Maturity Test is breached***

The Establishment Deed provides for the sale of Selected Mortgage Loan Rights in circumstances where the Pre-Maturity Test has been breached in relation to a Series of Hard Bullet Covered Bonds. The Pre-Maturity Test will be breached in relation to a Series of Hard Bullet Covered Bonds if the Issuer's short-term credit rating from Moody's falls to P-2 (or lower) or from Fitch is less than F1+ and the Final Maturity Date of the Series of Hard Bullet Covered Bonds falls within 12 months from the relevant Pre-Maturity Test Date. Following a breach of the Pre-Maturity Test in respect of a Series of Hard Bullet Covered Bonds, the Trust Manager must (after taking into account the amount standing to the credit of the Pre-Maturity Ledger) direct the Covered Bond Guarantor to, and the Covered Bond Guarantor must on that direction, immediately commence an offer process to sell Selected Mortgage Loan Rights to Purchasers, subject to the rights of pre-emption of the Seller to buy the Selected Mortgage Loan Rights pursuant to the terms of the Mortgage Sale Agreement and subject to any Pre-Maturity Demand Loan Advance having been made by the Demand Loan Provider from time to time in accordance with the Mortgage Sale Agreement (after taking into account, to the extent possible, any Available Income Amount or Available Principal Amount to be applied on the next Distribution Date as a credit to the Pre-Maturity Ledger in accordance with the Establishment Deed). The proceeds from any such sale that forms part of the Available Principal Amount will be credited to the Pre-Maturity Ledger and deposited into the GIC Account.

If the Issuer fully repays a Series of Hard Bullet Covered Bonds on their Final Maturity Date, any amount standing to the credit of the Pre-Maturity Ledger on the GIC Account in respect of the Series of Hard Bullet Covered Bonds following such repayment in full must be applied by the Covered Bond Guarantor, acting on the directions of the Trust Manager, in accordance with the applicable Priority of Payments unless the Issuer is in breach of the Pre-Maturity Test in respect of any other Series of Hard Bullet Covered Bonds, in which case the Trust Manager must ensure that sufficient cash is retained on the Pre-Maturity Ledger in order to provide liquidity for that other Series of Hard Bullet Covered Bonds. Otherwise, the proceeds will be applied in accordance with the applicable Priority of Payments.

For a description of the Pre-Maturity Test, see "*Credit Structure – Pre-Maturity Test*" below.

### ***Sale of Selected Mortgage Loan Rights following service of an Asset Coverage Test Breach Notice***

Following service of an Asset Coverage Test Breach Notice (which has not been deemed to be revoked) (but prior to the service of a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer), the Covered Bond Guarantor will, subject to first utilising the proceeds of any advance made by the Demand Loan Provider under the Demand Loan Agreement, be obliged to sell Selected Mortgage Loan Rights forming part of the Assets of the Trust to Purchasers in accordance with the Establishment Deed (as described below), subject to the rights of pre-emption in favour of the Seller to buy the Selected Mortgage Loan Rights pursuant to the Mortgage Sale Agreement. The proceeds from any such sale will be deposited into the GIC Account and applied as set out in the section "*Allocation and distribution of Available Income Amount and Available Principal Amount following service of an Asset Coverage Test Breach Notice*" in this Offering Circular.

### ***Sale of Selected Mortgage Loan Rights following service of a Notice to Pay***

After a Notice to Pay has been served on the Covered Bond Guarantor (but prior to the service of a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer), the Covered Bond Guarantor will be obliged to sell Selected Mortgage Loan Rights forming part of the Assets of the Trust in accordance with the Establishment Deed (as described below), subject to the rights of pre-emption in favour of the Seller to buy the Selected Mortgage Loan Rights pursuant to the Mortgage Sale Agreement. The proceeds from any such sale will be deposited into the GIC Account and applied in accordance with the applicable Priority of Payments.

### ***Method of Sale of Selected Mortgage Loan Rights***

If the Covered Bond Guarantor is required to sell Selected Mortgage Loan Rights to Purchasers following the Demand Loan Provider requesting repayment of all or part of the Demand Loan (subject to satisfaction of the Asset Coverage Test), service of an Asset Coverage Test Breach Notice on the Covered Bond Guarantor, a breach of the Pre-Maturity Test or the service of a Notice to Pay on the Covered Bond Guarantor (but prior to the service of a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer), the Trust Manager must ensure that before offering Selected Mortgage Loan Rights for sale:

- (a) the Selected Mortgage Loan Rights are selected on a basis that is representative of the Mortgage Loan Rights forming part of the Assets of the Trust; and
- (b) the Mortgage Loans relating to the Selected Mortgage Loan Rights have an aggregate Current Principal Balance in an amount (the **Required Current Principal Balance Amount**) which is as close as possible to the amount calculated as follows:
  - (i) following the service of an Asset Coverage Test Breach Notice (but prior to the service of a Notice to Pay), such amount that would ensure that, if the Mortgage Loans relating to the Selected Mortgage Loan Rights were sold at their Current Principal Balance plus the arrears of interest and accrued interest, the Asset Coverage Test would be satisfied on the next Determination Date taking into account the payment obligations of the Covered Bond Guarantor on the Distribution Date following that Determination Date; or
  - (ii) following a breach of the Pre-Maturity Test or service of a Notice to Pay:

Aggregate Current Principal Balance for all

$$N \times \frac{\text{Mortgage Loans forming part of the Assets of the Trust}}{\text{Aggregate Australian Dollar Equivalent of the Required Redemption Amount in respect of each Series of Covered Bonds then outstanding}}$$

where “N” is an amount equal to the Australian Dollar Equivalent of:

- (x) in respect of Selected Mortgage Loan Rights being sold following a breach of the Pre-Maturity Test in respect of a Series of Hard Bullet Covered Bonds, the Required Redemption Amount of each Series of Hard Bullet Covered Bonds in respect of which the Pre-Maturity Test has been breached less amounts standing to the credit of the Pre-Maturity Ledger; or
- (y) in respect of Selected Mortgage Loan Rights being sold following the service of a Notice to Pay on the Covered Bond Guarantor, the Required Redemption Amount of the Earliest Maturing Covered Bonds less amounts standing to the credit of the GIC Account and the principal amount of any Authorised Investments and Substitution Assets that have not been sold in accordance with the Establishment Deed (excluding all amounts to be applied on the next following Distribution Date to repay higher ranking amounts in the Guarantee Priority of Payments and those amounts that are required to repay any Series of Covered Bonds which mature prior to or on the same date as the relevant Series of Covered Bonds) (see “*Limit on Investing in Substitution Assets and Authorised Investments*” below).

For the avoidance of doubt, the Selected Mortgage Loan Rights may comprise all of the Mortgage Loan Rights then forming part of the Assets of the Trust.

The Trust Manager must direct the Covered Bond Guarantor to, and the Covered Bond Guarantor must upon receiving that direction, offer the Selected Mortgage Loan Rights for sale to Purchasers for the best price reasonably available but in any event:

- (a) following the service of an Asset Coverage Test Breach Notice (but prior to the service of a Notice to Pay), for an amount not less than the Current Principal Balance of the Mortgage Loans relating to the Selected Mortgage Loan Rights plus the arrears of interest and any accrued interest; and
- (b) following a breach of the Pre-Maturity Test or service of a Notice to Pay on the Covered Bond Guarantor, for an amount not less than the Adjusted Required Redemption Amount for the relevant Series of Covered Bonds.

Following a breach of the Pre-Maturity Test or the service of a Notice to Pay on the Covered Bond Guarantor if the Selected Mortgage Loan Rights have not been sold (in whole or in part) in an amount equal to the Adjusted Required Redemption Amount by the date which is six months prior to, either:

- (a) the Final Maturity Date in respect of the Earliest Maturing Covered Bonds (after taking into account all payments, provisions and credits to be made in priority thereto) (where the Covered Bonds are not subject to an Extended Due for Payment Date in respect of the Covered Bond Guarantee);
- (b) the Extended Due for Payment Date in respect of the Earliest Maturing Covered Bonds (after taking into account all payments, provisions and credits to be made in priority thereto) (where the Covered Bonds are subject to an Extended Due for Payment Date in respect of the Covered Bond Guarantee); or
- (c) in respect of a sale in connection with a breach of the Pre-Maturity Test, the Final Maturity Date of the relevant Series of Hard Bullet Covered Bonds,

then the Trust Manager must direct the Covered Bond Guarantor to, and the Covered Bond Guarantor must upon receiving that direction, offer the Selected Mortgage Loan Rights for sale for the best price reasonably available notwithstanding that such amount may be less than the Adjusted Required Redemption Amount.

Following the service of a Notice to Pay on the Covered Bond Guarantor but prior to the occurrence of a Covered Bond Guarantor Event of Default, in addition to offering Selected Mortgage Loan Rights for sale to Purchasers in respect of the Earliest Maturing Covered Bonds, the Covered Bond Guarantor, acting on the directions of the Trust Manager (subject to the right of pre-emption in favour of the Seller in the Mortgage Sale Agreement), is permitted to offer for sale a portfolio of Selected Mortgage Loan Rights, in accordance with the provisions summarised above and below, in respect of other Series of Covered Bonds.

The Covered Bond Guarantor, acting on the directions of the Trust Manager, will also be permitted to offer for sale to Purchasers part of any portfolio of Selected Mortgage Loan Rights (a **Partial Portfolio**). Except in circumstances where the portfolio of Selected Mortgage Loan Rights is being sold within six months of, as applicable, the Final Maturity Date or, if the Covered Bonds are subject to an Extended Due for Payment Date in respect of the Covered Bond Guarantee, the Extended Due for Payment Date in respect of the Series of Covered Bonds to be repaid from such proceeds, the sale price of the Partial Portfolio must (as a proportion of the Adjusted Required Redemption Amount) be at least equal to the proportion that the aggregate Current Principal Balance of the Mortgage Loans in the Partial Portfolio bears to the aggregate Current Principal Balance of the Mortgage Loans in the relevant portfolio of Selected Mortgage Loan Rights.

The Trust Manager will through a tender process appoint a portfolio manager of recognised standing on a basis intended to incentivise the portfolio manager to achieve the best price for the sale of the Selected Mortgage Loan Rights (if such terms are commercially available in the market) to advise the Covered Bond Guarantor in relation to the sale of the Selected Mortgage Loan Rights to Purchasers (except where the Seller is buying the Selected Mortgage Loan Rights in accordance with its right of pre-emption in the Mortgage Sale Agreement). The terms of the agreement giving effect to the appointment in accordance with such tender shall be approved by the Security Trustee. The Security Trustee must approve the appointment of the portfolio manager if two Authorised Officers of the Trust Manager have certified to the Security Trustee that (i) the portfolio manager is an investment bank or accountant of recognised standing; and (ii) that such appointment is on a basis intended to incentivise the portfolio manager to achieve the best price for the sale of the Selected Mortgage Loan Rights (on terms which are commercially available in the market), which certificate will be conclusive and binding on all parties.

In respect of any sale of Selected Mortgage Loan Rights following service on the Covered Bond Guarantor of an Asset Coverage Test Breach Notice (if not deemed to have been revoked) or a Notice to Pay, the Trust Manager must instruct the portfolio manager to use all reasonable endeavours to procure that Selected Mortgage Loan Rights are sold as quickly as reasonably practicable (in accordance with the recommendations of the portfolio manager), taking into account the market conditions at that time and the scheduled repayment dates of the Covered Bonds and the terms of the Establishment Deed.

The terms of any sale and purchase agreement with respect to the sale of Selected Mortgage Loan Rights (which shall give effect to the recommendations of the portfolio manager) will be subject to the prior written approval of the Security Trustee (acting on the directions of the Bond Trustee or, if no Covered Bonds are outstanding, the Majority Secured Creditors) (unless the Selected Mortgage Loan Rights are being sold to the Seller following the exercise of its rights of pre-emption in the Mortgage Sale Agreement). The Security Trustee will only be required to release the Selected Mortgage Loan Rights from the Security in accordance with the conditions relating to the release of the Security (as described under “*Security Deed – Release of Security*” below).

Following the service of a Notice to Pay on the Covered Bond Guarantor, if Purchasers accept the offer or offers from the Covered Bond Guarantor so that some or all of the Selected Mortgage Loan Rights will be sold prior to the next following Final Maturity Date or, if the Covered Bonds are subject to an Extended Due for Payment Date in respect of the Covered Bond Guarantee, the next following Extended Due for Payment Date in respect of the Earliest Maturing Covered Bonds, then the Trust Manager must direct the Covered Bond Guarantor to, and the Covered Bond Guarantor must, subject to the prior written approval of the Security Trustee, enter into a sale and purchase agreement with the relevant Purchasers, which will require, amongst other things, a cash payment from the relevant Purchasers. Any such sale will not include any representations or warranties from the Covered Bond Guarantor or the Seller in respect of the Selected Mortgage Loan Rights unless expressly agreed by the Security Trustee or otherwise agreed with the Seller.

#### ***Limit on Investing in Substitution Assets and Authorised Investments***

Provided no Asset Coverage Test Breach Notice is outstanding, there has been no breach of the Pre-Maturity Test and prior to the service of a Notice to Pay on the Covered Bond Guarantor, the Trust Manager may direct the Covered Bond Guarantor to, and if so directed the Covered Bond Guarantor must, make any payments required in order to invest the Available Income Amount, the Available Principal Amount and the proceeds of Term Advances and Demand Loan Advances standing to the credit of the GIC Account in Substitution Assets, provided that:

- (a) the aggregate amount so invested in:
  - (i) Substitution Assets does not exceed 15% of the total Assets of the Trust at any one time (or such other percentage required to ensure compliance with any limits in the Australian Banking Act on substitution assets that may collateralise covered bonds); and
  - (ii) any particular class of Substitution Assets does not exceed any limits in the Australian Banking Act on substitution assets of that class that may collateralise covered bonds; and
- (b) such investments are made in accordance with the terms of the Management Agreement and the Establishment Deed.

Depositing any amounts in any Trust Account will not constitute an investment in Substitution Assets for these purposes.

Following the service of a Notice to Pay on the Covered Bond Guarantor or a breach of the Pre-Maturity Test, all Substitution Assets (other than any Substitution Asset that is also an Authorised Investment) will be sold by the Covered Bond Guarantor, acting on the directions of the Trust Manager, as soon as reasonably practicable, and the proceeds must be credited to the GIC Account after which the Covered Bond Guarantor, acting on the directions of the Trust Manager, will be permitted to make any payments required in order to invest all available moneys in Authorised Investments, provided that such sales or investments are made in accordance with the terms of the Management Agreement and the Establishment Deed.

#### ***Covenants of the Covered Bond Guarantor***

The Covered Bond Guarantor covenants that it will in respect of the Trust:

- (a) act continuously as trustee until the Vesting Date of the Trust or until it has retired or has been removed in accordance with the Establishment Deed;
- (b) exercise all due diligence and vigilance in carrying out its functions and duties and in protecting the rights and interests of the Unitholders and the Secured Creditors;
- (c) do everything and take all such actions which are necessary (including obtaining all such authorisations and approvals as are appropriate) to ensure that it is able to maintain its status as trustee of the Trust and to perform all its obligations under the Establishment Deed and the other Programme Documents;
- (d) subject to and in accordance with the Programme Documents, retain the Assets of the Trust in safe custody and hold them on trust for the Unitholders of the Trust upon the terms of the Establishment Deed and the other Programme Documents;
- (e) not sell, grant a Security Interest over or part with the possession of any of the Assets of the Trust (or permit any of its officers to do so) except as permitted by the Establishment Deed, the Security Deed and the other Programme Documents;
- (f) forward promptly to the Trust Manager and the Bond Trustee all notices, reports, circulars and other documents received by it as holder of the Assets of the Trust;
- (g) act honestly and in good faith in the performance of its duties and in the exercise of its discretions under the Establishment Deed and the Programme Documents;
- (h) exercise such diligence and prudence as a prudent man of business would exercise in performing its express functions and in exercising its discretions under the Establishment Deed having regard to the interests of the Unitholders of the Trust;
- (i) use its best endeavours to carry on and conduct its business in so far as it relates to the Establishment Deed and the Trust in a proper and efficient manner;
- (j) remain Tax Resident in Australia throughout the period for which it is acting as trustee of the Trust;
- (k) not perform any of its duties or exercise any rights in relation to the Trust, or otherwise manage the Trust, outside Australia;
- (l) use its best endeavours to ensure that the Covered Bond Guarantor's title to each Asset of the Trust is maintained; and
- (m) notify the Trust Manager and the Bond Trustee promptly after the Covered Bond Guarantor becomes actually aware of the occurrence of any Covered Bond Guarantor Termination Event and at the same time or as soon as possible thereafter provide full details of such Covered Bond Guarantor Termination Event.

#### ***Indemnification of Covered Bond Guarantor***

Subject to the applicable Priority of Payments, the Covered Bond Guarantor will be indemnified out of the Assets of the Trust against any liability properly incurred by the Covered Bond Guarantor in performing or exercising any of its powers or duties in relation to the Trust except to the extent that any such liability is caused by the Covered Bond Guarantor's fraud, negligence or wilful default.

Subject to the applicable Priority of Payments, the Covered Bond Guarantor will be indemnified and is entitled to be reimbursed out of the Assets of the Trust in respect of all costs, charges and expenses which it may incur in respect of and can attribute to the Trust in accordance with the Establishment Deed and the other Programme Documents.

#### ***Removal and resignation of Covered Bond Guarantor***

The Covered Bond Guarantor must retire as trustee of the Trust if:

- (a) having been required to do so by the Trust Manager by notice in writing, the Covered Bond Guarantor fails or neglects within 20 Business Days (or such longer period as the Trust Manager may agree to) after receipt of such notice to carry out or satisfy any material duty or obligation imposed on the Covered Bond Guarantor by any Programme Document;
- (b) an Insolvency Event occurs with respect to the Covered Bond Guarantor in its personal capacity;
- (c) the Covered Bond Guarantor ceases or threatens to cease to carry on business or substantially the whole of its business;
- (d) the Covered Bond Guarantor merges or consolidates into another entity, unless approved by the Trust Manager, which approval will not be withheld if, in the Trust Manager's reasonable opinion, the commercial reputation and standing of the surviving entity will not be less than that of the Covered Bond Guarantor prior to such merger or consolidation, and unless the surviving entity assumes the obligations of the Covered Bond Guarantor under the Programme Documents;
- (e) there is a change in the ownership of 50% or more of the issued equity share capital of the Covered Bond Guarantor from the position as at the date of the Establishment Deed, or effective control of the Covered Bond Guarantor alters from the position as at the date of the Establishment Deed, unless in either case approved by the Trust Manager, which approval will not be withheld if, in the Trust Manager's reasonable opinion, the change in ownership or control of the Covered Bond Guarantor will not result in a lessening of the commercial reputation and standing of the Covered Bond Guarantor; or
- (f)
  - (i) an Extraordinary Resolution requiring the removal of the Covered Bond Guarantor as trustee of the Trust is passed at a meeting of Covered Bondholders of all Series taken together as a single Series with the nominal amount of Covered Bonds not denominated in Australian Dollars converted into Australian Dollars at the relevant Swap Rate; and
  - (ii) such retirement is approved in writing by each Secured Creditor (such approval not to be unreasonably withheld or delayed).

The Trust Manager may, by written notice, direct the Covered Bond Guarantor to retire if it believes in good faith that an event referred to in paragraphs (a) to (f) above has occurred.

If the Covered Bond Guarantor refuses to retire after being required to do so in the circumstances set out above, the Trust Manager is entitled to remove the Covered Bond Guarantor from office:

- (g) upon the occurrence of an event set out in paragraphs (a), (b) or (c) above, immediately by notice in writing; and
- (h) upon the occurrence of an event set out in paragraphs (d) or (e) above (and where paragraph (a) does not apply) upon 30 days notice in writing.

On the retirement or removal of the Covered Bond Guarantor in accordance with the above, the Trust Manager, subject to any approval required by law, is entitled to and must use reasonable endeavours to appoint in writing within 30 days of the retirement or removal of the Covered Bond Guarantor some other entity, who is notified to the Rating Agencies, to be the Covered Bond Guarantor. If the Trust Manager has not within 30 days of the retirement or removal of the Covered Bond Guarantor appointed such other entity then the Trust Manager must convene a single meeting of the Covered Bondholders of all Series at which a new Covered Bond Guarantor may be appointed by Extraordinary Resolution of the Covered Bondholders of all Series.

The Covered Bond Guarantor may retire as trustee of the Trust (the **Retiring Covered Bond Guarantor**) upon giving three months' notice in writing to the Trust Manager or such lesser time as the Trust Manager and the Covered Bond Guarantor agree. Upon such retirement the Retiring Covered Bond Guarantor, subject to any approval required by law, must appoint as trustee of the Trust in writing any other entity which is approved by the Trust Manager, which approval must not be unreasonably withheld by the Trust Manager and notified to the Rating Agencies. If the Retiring Covered Bond Guarantor does not propose a replacement by the date which is two months prior to the date of its proposed retirement, or such lesser time as the Retiring Covered Bond Guarantor and the Trust Manager agree, the Trust Manager is entitled to appoint a Substitute Covered Bond Guarantor (which must be an entity notified to the Rating Agencies). If the Trust Manager has not within 30



days prior to the date of the Retiring Covered Bond Guarantor's proposed retirement appointed such an entity as Covered Bond Guarantor, and such an entity has not otherwise been appointed within that same 30 day period by the Retiring Covered Bond Guarantor, then the Trust Manager must convene a single meeting of the Covered Bondholders of all Series at which a new Covered Bond Guarantor may be appointed by Extraordinary Resolution of the Covered Bondholders of all Series.

Notwithstanding the preceding paragraph, until the appointment of a new or Substitute Covered Bond Guarantor is completed in accordance with the preceding paragraph, the Retiring Covered Bond Guarantor must continue to act as the Covered Bond Guarantor in accordance with the terms of the Establishment Deed and the other Programme Documents.

The purported appointment of a Substitute Covered Bond Guarantor has no effect until the Substitute Covered Bond Guarantor executes a deed under which it covenants to act as Covered Bond Guarantor in accordance with the Programme Documents.

Upon the retirement or removal of the Covered Bond Guarantor in accordance with the above,

- (a) the Covered Bond Guarantor must vest the Assets of the Trust, or cause them to be vested, in the Substitute Covered Bond Guarantor and must deliver to the Substitute Covered Bond Guarantor (or the Trust Manager if it is acting as Covered Bond Guarantor) all books, documents, records and other property whatsoever relating to the Trust. The costs and expenses of this are to be paid out of the Assets of the Trust, subject to the indemnity given by the Covered Bond Guarantor to the Trust Manager and the Substitute Covered Bond Guarantor in respect of all costs incurred as a result of its removal or retirement as set out above; and
- (b) the Covered Bond Guarantor is released from all obligations under the Programme Documents arising after the date of the retirement or removal in respect of the Trust (but the Covered Bond Guarantor is not released from any obligations or liability that accrued prior to the date of the retirement of the Covered Bond Guarantor). The Trust Manager may settle with the Covered Bond Guarantor the amount of any sums payable by the Covered Bond Guarantor to the Trust Manager or by the Trust Manager to the Covered Bond Guarantor and may give to or accept from the Covered Bond Guarantor a discharge in respect of those sums which is then conclusive and binding as between the Covered Bond Guarantor and the Trust Manager but not as between the Covered Bond Guarantor, on the one hand, and the Unitholders and Secured Creditors, on the other hand.

Failure to appoint a Substitute Covered Bond Guarantor following the retirement or removal of the Covered Bond Guarantor will in certain circumstances constitute a Covered Bond Guarantor Event of Default as described in Condition 9.2 of the Programme Conditions.

### ***Other Provisions***

The allocation and distribution of the Available Income Amount, the Available Principal Amount and all other amounts received by the Covered Bond Guarantor is described under “*Cashflows*” below.

The Establishment Deed is governed by and is to be construed in accordance with the laws applying in the State of New South Wales, Australia.

### **Management Agreement**

The Trust Manager will manage the Assets of the Trust (having regard to its powers and discretions under the Programme Documents) and provide certain Cash Management Services and Calculation Management Services to the Covered Bond Guarantor and the Security Trustee pursuant to the terms of the Management Agreement entered into on or about the Programme Date between the Covered Bond Guarantor, the Trust Manager, the Bank (as Issuer, Seller, Servicer and Account Bank) and the Security Trustee.

The Cash Management Services will include but will not be limited to:

- (a) assisting and directing the Covered Bond Guarantor in opening and operating the Trust Accounts;
- (b) keeping records of the Assets of the Trust held by the Covered Bond Guarantor, including the Mortgage Loan Rights;

- (c) prepare or procure the preparation of and filing of all reports, annual returns, financial statements, statutory forms and other returns which the Covered Bond Guarantor is required by law to prepare and file in connection with the Trust or the Assets of the Trust;
- (d) make all determinations, give all notices and make all registrations and other notifications required in the day-to-day operation of the business of the Trust or required to be given or made by the Covered Bond Guarantor pursuant to the Programme Documents;
- (e) prepare and/or complete any Intercompany Loan Drawdown Requests or Demand Loan Drawdown Requests required for the Covered Bond Guarantor or, in the case of Demand Loan Drawdown Requests for it, to request the advance of any Term Advance or any Demand Loan Advance under, and in accordance with, the Establishment Deed, the Mortgage Sale Agreement, the Intercompany Loan Agreement and the Demand Loan Agreement;
- (f) maintaining the Ledgers on behalf of the Covered Bond Guarantor;
- (g) determining the amount of Principal Collections and Finance Charge Collections received during each Collection Period and the Available Income Amount and Available Principal Amount to be distributed on each Distribution Date in accordance with the Priorities of Payments described under “*Cashflows*” below;
- (h) determining the amounts payable by the Covered Bond Guarantor on each Distribution Date under the applicable Priority of Payments described under “*Cashflows*” below;
- (i) directing the Covered Bond Guarantor in relation to the application of Available Income Amount and the Available Principal Amount in accordance with the Priorities of Payment described under “*Cashflows*” below;
- (j) providing various directions to the Covered Bond Guarantor in respect of investments in Authorised Investments and Substitution Assets and maintaining records of all Authorised Investments and Substitution Assets, as applicable; and
- (k) providing directions to the Covered Bond Guarantor to apply amounts standing to the credit of the OC Account and any In Specie Mortgage Loan Rights in satisfaction of amounts to be repaid to the Demand Loan Provider in accordance with the applicable Priority of Payments.

The Calculation Management Services will include but will not be limited to:

- (a) determining whether the Mortgage Loan Rights forming part of the Assets of the Trust are in compliance with the Asset Coverage Test on each Determination Date prior to an Issuer Event of Default and service of a Notice to Pay on the Covered Bond Guarantor in accordance with the Establishment Deed, and any other date that the Asset Coverage Test is required to be calculated as more fully described under “*Credit Structure – Asset Coverage Test*” below;
- (b) determining whether the Mortgage Loan Rights forming part of the Assets of the Trust are in compliance with the Legislated Collateralisation Test on each Determination Date for so long as any Covered Bonds are outstanding, in accordance with the Establishment Deed, as more fully described under “*Establishment Deed – Legislated Collateralisation Test*” above;
- (c) determining whether the Mortgage Loan Rights forming part of the Assets of the Trust are in compliance with the Amortisation Test on each Determination Date following an Issuer Event of Default and service of a Notice to Pay on the Covered Bond Guarantor but prior to the service of a Covered Bond Guarantee Acceleration Notice in accordance with the Establishment Deed, as more fully described under “*Credit Structure – Amortisation Test*”, below; and
- (d) on each Local Business Day during the Pre-Maturity Test Period for each Series of Hard Bullet Covered Bonds, determining whether the Pre-Maturity Test for each such Series of Hard Bullet Covered Bonds is satisfied, as more fully described under “*Credit Structure – Pre Maturity Liquidity*” below.

The Covered Bond Guarantor will be indemnified by the Trust Manager for any loss, cost, expense or liability suffered or incurred by the Covered Bond Guarantor in respect of the fraud, negligence or wilful default of the Trust Manager.

The Trust Manager is not personally liable to indemnify the Covered Bond Guarantor or to make any other payments to any other person in relation to the Trust except in relation to any fraud, negligence or wilful default by it in its capacity as trust manager of the Trust.

In certain circumstances, the Covered Bond Guarantor is required to immediately terminate the appointment of the Trust Manager and appoint a Substitute Trust Manager whose appointment will not take effect until such Substitute Trust Manager enters into a document under which it assumes the obligations of the Trust Manager. Until the appointment of the Substitute Trust Manager takes effect, the Covered Bond Guarantor must act as trust manager (and is entitled to the relevant fees for the period it so acts). While acting as the Trust Manager, the Covered Bond Guarantor will not be liable for any inability to perform or deficiency in performing its obligations as a result of, amongst other things, a breach by the outgoing Trust Manager of its obligations, the state of affairs, books and records of the outgoing Trust Manager and any documents or files delivered by it (including, the inaccuracy or incompleteness thereof) or the inability of the Covered Bond Guarantor to obtain access to information, premises or equipment reasonably necessary for it to perform its obligations.

The Trust Manager is entitled to a fee for the performance of its services under the Management Agreement, which will be agreed in writing from time to time between the Trust Manager, the Covered Bond Guarantor and the Security Trustee. The Covered Bond Guarantor will on each Distribution Date, subject to the applicable Priority of Payments as further consideration for the Cash Management Services and the Calculation Management Services supplied to it by the Trust Manager reimburse the Trust Manager for all out-of-pocket costs, expenses and charges properly incurred by it in the performance of the Cash Management Services or the Calculation Management Services, as the case may be, including any such costs, expenses or charges not reimbursed to the Trust Manager on any previous Distribution Date.

The Management Agreement is governed by and is to be construed in accordance with the laws applying in the State of New South Wales, Australia.

### **Swap Agreements**

In order to hedge certain interest rate, currency or other risks in respect of amounts received by the Covered Bond Guarantor under the Mortgage Loan Rights, Substitution Assets, Authorised Investments or certain other amounts deposited into the GIC Account and amounts payable by the Covered Bond Guarantor under the Intercompany Loan Agreement to the Intercompany Loan Provider and/or amounts payable by the Covered Bond Guarantor under the Covered Bond Guarantee to Covered Bondholders in respect of the Covered Bonds on issue, the Covered Bond Guarantor will enter into certain swap transactions with swap providers as described below.

Each such swap transaction (including, without limitation, the Interest Rate Swap and each Covered Bond Swap) (each, a **Swap** and together, the **Swaps**) will be evidenced by a confirmation that supplements, forms part of and is subject to, an agreement in the form of the 2002 Master Agreement as published by the International Swaps & Derivatives Association, Inc. (**ISDA**) together with its schedule and credit support annex (to be in the form of the 1995 Credit Support Annex (Transfer – English Law) published by ISDA) (a **Swap Agreement Credit Support Annex**) between a swap provider (a **Swap Provider**), the Covered Bond Guarantor, the Trust Manager and the Security Trustee (together, a **Swap Agreement**).

### ***Interest Rate Swap Agreement***

Some of the Mortgage Loans forming part of the Assets of the Trust from time to time pay a variable amount of interest. Other Mortgage Loans pay a fixed rate of interest for a period of time. The Substitution Assets or Authorised Investments (as the case may be) and the amounts deposited into the GIC Account may pay a variable or fixed amount of interest. However, the Australian Dollar payments to be made by the Covered Bond Guarantor under the Covered Bond Swaps, the Intercompany Loan and the Demand Loan will be based on the Bank Bill Rate for varying periods. To provide a hedge against the variance between:

- (a) the rates of interest payable on the Mortgage Loans forming part of the Assets of the Trust and the Substitution Assets or Authorised Investments and the amounts deposited into the GIC Account; and
- (b) the Bank Bill Rate for the applicable interest or calculation period,

the Covered Bond Guarantor, the Trust Manager, the Security Trustee and the Interest Rate Swap Provider will enter into an Interest Rate Swap under the Interest Rate Swap Agreement.

The Interest Rate Swap Agreement is governed by and is to be construed in accordance with the laws applying in the State of New South Wales, Australia.

### ***Covered Bond Swap Agreements***

Where Covered Bonds are issued in a currency and/or on an interest rate basis different to the Interest Rate Swap, the Covered Bond Guarantor will enter into one or more Covered Bond Swaps, each under a Covered Bond Swap Agreement with a Covered Bond Swap Provider. Each Covered Bond Swap may be either a **Forward Starting Covered Bond Swap** or a **Non-Forward Starting Covered Bond Swap**. Where the Covered Bond Guarantor enters into a Forward Starting Covered Bond Swap, the related Term Advance made under the Intercompany Loan Agreement will be made in Australian Dollars, regardless of the currency of the relevant Series or Tranche, as applicable, of Covered Bonds.

Each Forward Starting Covered Bond Swap will provide a hedge (after service of a Notice to Pay on the Covered Bond Guarantor) against certain interest rate, currency and/or other risks in respect of amounts received by the Covered Bond Guarantor under the Mortgage Loan Rights, Substitution Assets, Authorised Investments or certain other amounts deposited into the GIC Account and the Interest Rate Swap and amounts payable by the Covered Bond Guarantor under the Covered Bond Guarantee in respect of the Covered Bonds (after service of a Notice to Pay).

Each Non-Forward Starting Covered Bond Swap will provide a hedge against certain interest rate, currency and/or other risks in respect of amounts received by the Covered Bond Guarantor under the Mortgage Loan Rights, Substitution Assets, Authorised Investments or certain other amounts deposited into the GIC Account and the Interest Rate Swap and amounts payable by the Covered Bond Guarantor under the Intercompany Loan Agreement (prior to the service of a Notice to Pay on the Covered Bond Guarantor) and under the Covered Bond Guarantee in respect of the Covered Bonds (after the service of a Notice to Pay on the Covered Bond Guarantor).

Where required to hedge such risks, there will be one (or more) Covered Bond Swap Agreement(s) and Covered Bond Swap(s) in relation to each Series or Tranche, as applicable, of Covered Bonds.

Under the Forward Starting Covered Bond Swaps, the Covered Bond Swap Provider will pay to the Covered Bond Guarantor on each Interest Payment Date (or, if a Notice to Pay is served on an Interest Payment Date, on the second Business Day following such Interest Payment Date) after service of a Notice to Pay on the Covered Bond Guarantor, an amount equal to the amounts that are then payable by the Covered Bond Guarantor under the Covered Bond Guarantee in respect of interest payable under the relevant Series or Tranche of Covered Bonds. In return, the Covered Bond Guarantor will pay to the Covered Bond Swap Provider on each Distribution Date after service of a Notice to Pay on the Covered Bond Guarantor an amount in Australian Dollars calculated by reference to the 30 day Bank Bill Rate (or the rate for such other period as may be specified in the relevant Confirmation) plus a spread. Unless the relevant Covered Bond Swap terminates earlier, on the first to occur of (i) the date on which the Early Redemption Amount is payable; and (ii) the Final Maturity Date, in each case in relation to the relevant Series or Tranche of Covered Bonds, the relevant Covered Bond Swap Provider will pay to the Covered Bond Guarantor an amount equal to the Early Redemption Amount or the Final Redemption Amount (as the case may be) of the relevant Series or Tranche of Covered Bonds in exchange for payment by the Covered Bond Guarantor of the Australian Dollar Equivalent of that amount.

Under the Non-Forward Starting Covered Bond Swaps:

- (a) if the related Term Advance is made in Australian Dollars, the Covered Bond Guarantor will pay to the Covered Bond Swap Provider on each Distribution Date an amount in Australian Dollars calculated by reference to the 30 day Bank Bill Rate plus a spread. In return the Covered Bond Swap Provider will pay to the Covered Bond Guarantor on each Interest Payment Date either, an amount in Australian Dollars equal to the relevant amount of interest then payable under the related Term Advance in accordance with the Intercompany Loan Agreement or (after service of a Notice to Pay on the Covered Bond Guarantor) equal to the amounts that are payable by the Covered Bond Guarantor under the Covered Bond Guarantee in respect of interest payable under the relevant Series or Tranche of Covered Bonds; and

- (b) if the related Term Advance is made in a currency other than Australian Dollars, on the relevant Issue Date, the Covered Bond Guarantor will pay to the Covered Bond Swap Provider an amount equal to the amount received by the Covered Bond Guarantor under the related Term Advance (being the aggregate nominal amount of such Series or Tranche, as applicable, of Covered Bonds) and in return the Covered Bond Swap Provider will pay to the Covered Bond Guarantor the Australian Dollar Equivalent of the first mentioned amount. Thereafter, the Covered Bond Guarantor will pay to the Covered Bond Swap Provider on each Distribution Date an amount in Australian Dollars calculated by reference to the 30 day Bank Bill Rate plus a spread. In return, the Covered Bond Swap Provider will pay to the Covered Bond Guarantor on each Interest Payment Date either, an amount in the relevant currency equal to the relevant amount of interest then payable under the related Term Advance in accordance with the Intercompany Loan Agreement or (after service of a Notice to Pay on the Covered Bond Guarantor) equal to the amounts that are payable by the Covered Bond Guarantor under the Covered Bond Guarantee in respect of interest payable under the relevant Series or Tranche of Covered Bonds. Unless the relevant Covered Bond Swap terminates earlier, on the first to occur of (i) the date on which the Early Redemption Amount is payable; and (ii) the Final Maturity Date, in each case in relation to the relevant Series or Tranche of Covered Bonds, the relevant Covered Bond Swap Provider will pay to the Covered Bond Guarantor an amount in the relevant currency equal to the principal then outstanding on the related Term Advance in exchange for payment by the Covered Bond Guarantor of the Australian Dollar Equivalent of that amount.

Each Covered Bond Swap will terminate on the Final Maturity Date of the relevant Series or Tranche of Covered Bonds or, if the Covered Bond Guarantor notifies the Covered Bond Swap Provider, prior to the Final Maturity Date, of the inability of the Covered Bond Guarantor to pay in full or in part Guaranteed Amounts corresponding to the Final Redemption Amount in respect of such Series or Tranche of Covered Bonds, the final Interest Payment Date on which an amount representing any or all of the Final Redemption Amount is paid (but in any event not later than the Extended Due for Payment Date).

#### ***Rating Downgrade Event***

Under the terms of each Swap Agreement, in the event that the rating(s) of the relevant Swap Provider is downgraded by a Rating Agency below the credit rating(s) specified in the relevant Swap Agreement (in accordance with such Rating Agency's criteria) for that Swap Provider, that Swap Provider agrees, in accordance with the relevant Swap Agreement, to take certain remedial measures which may include:

- (a) providing collateral for its obligations under the relevant Swap Agreement;
- (b) arranging for its obligations under the relevant Swap Agreement to be transferred to a replacement entity provided that either:
- (i) such entity is an entity with the credit ratings specified by the relevant Rating Agency; or
  - (ii) in some cases, the relevant Rating Agency has confirmed that such transfer will not adversely affect the credit ratings of the then outstanding Series of Covered Bonds;
- (c) procuring another entity to become co-obligor or guarantor in respect of its obligations under the relevant Swap Agreement provided that either:
- (i) such entity is an entity with the credit ratings specified by the relevant Rating Agency; or
  - (ii) in some cases, the relevant Rating Agency has confirmed that obtaining such a co-obligor or guarantor will not adversely affect the credit ratings of the then outstanding Series of Covered Bonds; or
- (d) taking such other action or putting in place such alternative hedging as it may agree with the relevant Rating Agency.

A failure to take such steps within the time periods specified in the relevant Swap Agreement will allow the Covered Bond Guarantor to terminate the relevant Swaps.

#### ***Other Termination Events***

The Swap(s) under a Swap Agreement may also be terminated early in certain other circumstances, including:

- (a) at the option of the Covered Bond Guarantor or the relevant Swap Provider, as applicable, if there is a failure by the other party to pay any amounts due under such Swap Agreement within the specified grace period;
- (b) upon the occurrence of certain insolvency events in relation to the relevant Swap Provider or the Covered Bond Guarantor, or the merger of one of the relevant Swap Provider or the Covered Bond Guarantor without an assumption of the obligations under such Swap Agreement;
- (c) there is a change of law, a change in application of the relevant law or consolidation, amalgamation, merger, transfer of assets, reorganisation, reincorporation or reconstitution of or by a party which results in the Covered Bond Guarantor or the relevant Swap Provider (or both) being obliged to make a withholding or deduction on account of a tax on a payment to be made by such party to the other party under such Swap Agreement and the relevant Swap Provider thereby being required under the terms of such Swap Agreement to gross up payments made to the Covered Bond Guarantor, or to receive net payments from the Covered Bond Guarantor (who is not required under the terms of such Swap Agreement to gross up payments made to the relevant Swap Provider);
- (d) there is a change in law which results in the illegality of the obligations to be performed by the relevant Swap Provider or the Covered Bond Guarantor under the Swap Agreement or a force majeure event which renders performance impossible or impracticable;
- (e) in relation to a Covered Bond Swap only, if the corresponding Series of Covered Bonds are redeemed or cancelled;
- (f) if a Covered Bond Guarantee Acceleration Notice is served on the Covered Bond Guarantor;
- (g) the making of an amendment (without the consent of the relevant Swap Provider) to the Priorities of Payments which has a material adverse effect on the amounts paid to the relevant Swap Provider under the Priorities of Payments; and
- (h) the making of an amendment (without the consent of the relevant Swap Provider), such that the relevant Swap Provider would, immediately after such amendment, be required to pay more or receive less under such Swap Agreement than would otherwise have been the case immediately prior to such amendment or such that the Swap Provider would suffer an adverse consequence as a result of such amendment.

Upon the termination of a Swap, the Covered Bond Guarantor or the relevant Swap Provider may be liable to make a termination payment to the other party in accordance with the provisions of the relevant Swap Agreement.

### ***Swap Agreement Credit Support Annex***

The Covered Bond Guarantor and each Swap Provider will also enter into a credit support annex in the form of the 1995 ISDA Credit Support Annex (Transfer – English Law) to the ISDA Master Agreement (the **Swap Agreement Credit Support Annex**) in respect of each Swap Agreement. The Swap Agreement Credit Support Annex will provide that, from time to time, if required to do so following its downgrade and subject to the conditions specified in the Swap Agreement Credit Support Annex, the relevant Swap Provider will make transfers of collateral to the Covered Bond Guarantor in support of its obligations under the relevant Swap Agreement (the **Swap Collateral**) and the Covered Bond Guarantor will be obliged to return equivalent collateral in accordance with the terms of such Swap Agreement Credit Support Annex. Each Swap Agreement Credit Support Annex will form a part of the relevant Swap Agreement.

Swap Collateral required to be transferred by the relevant Swap Provider pursuant to the terms of each Swap Agreement Credit Support Annex may be delivered in the form of cash or certain securities specified in such Swap Agreement Credit Support Annex. Cash amounts will be paid into an account designated as a **Swap Collateral Cash Account** opened and held with the Account Bank. References to the Swap Collateral Cash Account and to payments from such account are deemed to be a reference to payments from such account as and when opened by the Covered Bond Guarantor. Securities will be transferred into a custody account opened and held with a custodian. References to such custody account and to transfers from such account are deemed to be a reference to transfers from such account as and when opened by the Covered Bond Guarantor.

If the Swap Collateral Cash Account or securities custody account is opened, cash and securities, as applicable, (and all income in respect thereof) transferred as collateral will only be available to be applied in returning collateral (and income thereon) or in satisfaction of amounts owing by the relevant Swap Provider in accordance with the terms of the relevant Swap Agreement Credit Support Annex.

Any Swap Collateral Excluded Amounts will be paid to the relevant Swap Provider directly and not via the Priorities of Payments.

### ***Limited Recourse***

All obligations of the Covered Bond Guarantor to the relevant Swap Provider under each Swap Agreement are limited in recourse as described in the Establishment Deed.

### ***Governing Law***

Each Swap Agreement (including the Swap Agreement Credit Support Annex under such Swap Agreement) is governed by and is to be construed in accordance with the laws applying in the State of New South Wales, Australia.

### **Account Bank Agreement**

Pursuant to the terms of the Account Bank Agreement entered into on or about the Programme Date between the Covered Bond Guarantor, the Bank as Account Bank, the Trust Manager and the Security Trustee, the Covered Bond Guarantor will maintain with the Account Bank, the GIC Account, the Swap Collateral Cash Account and the OC Account which will be operated in accordance with the Management Agreement, the Establishment Deed, the Security Deed and the relevant Swap Agreements.

The Covered Bond Guarantor (acting on the directions of the Trust Manager) or the Security Trustee:

- (a) may terminate the appointment of the Account Bank if the following matters occur:
  - (i) if a deduction or withholding for or on account of any Tax is imposed, or it appears likely that such a deduction or withholding will be imposed, in respect of the interest payable on any Trust Account, as applicable;
  - (ii) if the Account Bank fails to make payment on the due date of any payment due and payable by it under the Account Bank Agreement and such default is not waived by the Covered Bond Guarantor (acting on the directions of the Trust Manager) (with the prior written consent of the Security Trustee) or the Security Trustee, as applicable, and such default continues unremedied for a period of five Local Business Days; or
  - (iii) if the Account Bank fails to perform any of its other material obligations under the Account Bank Agreement, the Security Deed or any other Programme Document to which it is a party and acting on the directions of:
    - (A) the Bond Trustee (if there are Covered Bonds outstanding and subject to the provisions of the Bond Trust Deed), the Security Trustee determines that such failure is, or if continued will be, materially prejudicial to the Covered Bondholders; or
    - (B) the Majority Secured Creditors (if there are no Covered Bonds outstanding), the Security Trustee determines that such is, or if continued will be, materially prejudicial to the Secured Creditors,and such failure remains unremedied for a period of 10 Local Business Days after the Trust Manager or the Security Trustee has given notice of such failure to the Account Bank.
- (b) must terminate the appointment of the Account Bank if any of the following matters occur:
  - (i) the Account Bank ceases to be a Qualified Institution and the Account Bank does not, within 30 Local Business Days of the occurrence of such event, obtain a guarantee of its obligations under the Account Bank Agreement from a Qualified Institution; or
  - (ii) an Insolvency Event occurs in respect of the Account Bank.

Any termination or resignation of the Bank as the Account Bank (and the appointment of any replacement Account Bank) under the Account Bank Agreement will have no effect on the arrangements in respect of the OC Account and the terms of the Account Bank Agreement will continue to govern the OC Account.

The Account Bank Agreement is governed by and is to be construed in accordance with the laws applying in the State of New South Wales, Australia.

### **Security Deed**

Pursuant to the terms of the Security Deed entered into on or about the Programme Date by the Bank (in various capacities including as Issuer, Seller and Servicer), the Covered Bond Guarantor, the Trust Manager and the Security Trustee, as security for payment of the Secured Obligations, the Covered Bond Guarantor charges all of its right, title and interest in, and all of its rights in relation to Charged Property in favour of the Security Trustee.

The Security is a floating charge in respect of all the Charged Property. If the Security has not otherwise taken effect as a fixed charge, it will become a fixed charge automatically and immediately over all of the Charged Property without the need for any notice to or act by the Security Trustee, following the service of a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer.

### ***Release of Security***

In the event of any sale or transfer of Mortgage Loan Rights or any extinguishment of the Covered Bond Guarantor's interest in any Mortgage Loan Rights (including, in each case, Selected Mortgage Loan Rights) (and any other related rights under the same) by or on behalf of the Covered Bond Guarantor (including by way of in specie distributions by the Covered Bond Guarantor) pursuant to and in accordance with the Programme Documents, such Mortgage Loan Rights (and any other related rights under the same) will no longer form part of the Assets of the Trust and the Security Trustee must, if requested in writing by the Covered Bond Guarantor (acting on the directions of the Trust Manager and at the sole cost and expense of the Covered Bond Guarantor), take all reasonable steps necessary to ensure the release or discharge of those Mortgage Loan Rights (and any other related rights under the same) from the Security Interests created under the Security Deed on or prior to the date of any such sale, transfer or extinguishment, only if the Trust Manager has provided to the Security Trustee a certificate from two Authorised Officers of the Trust Manager confirming that such sale, transfer or extinguishment of Mortgage Loan Rights has been made in accordance with the terms of the Programme Documents and, in the case of the sale of Selected Mortgage Loan Rights only, that the Selected Mortgage Loan Rights being sold have been selected on a basis that is representative of the Mortgage Loan Rights forming part of the Assets of the Trust as a whole.

In the event of any transfer of any Mortgage Loan Rights to the Seller, or any extinguishment of the Covered Bond Guarantor's interest in any Mortgage Loan Rights in favour of the Seller, pursuant to and in accordance with the Programme Documents, the Security Trustee will, at the prior written request and cost of the Covered Bond Guarantor (acting on the directions of the Trust Manager) on the date of the transfer or extinguishment (as the case may be) release the Mortgage Loan Rights from the Security Interest created under the Security Deed.

### ***Enforcement***

At any time after the Security has become enforceable and following service of a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer, the Security Trustee will be entitled to appoint a Receiver and/or enforce the Security constituted by the Security Deed (including selling the Mortgage Loan Rights), and/or, subject to the following paragraph, take such steps as it deems necessary, subject in each case to being indemnified and/or prefunded and/or secured to its satisfaction. All proceeds received by the Security Trustee from the enforcement or realisation of the Security and any In Specie Mortgage Loan Rights will be applied in accordance with the Post-Enforcement Priority of Payments described under "*Cashflows*" below (other than Third Party Amounts due to the Seller and any Swap Collateral Excluded Amounts due to the relevant Swap Providers by the Covered Bond Guarantor under the relevant Swap Agreements which will be paid directly to the relevant Swap Provider in accordance with the relevant Swap Agreements).

If the Security has become enforceable, neither the Security Trustee nor any Receiver will be entitled to dispose of any Charged Property (comprising Mortgage Loan Rights) unless:

- (a) the Security Trustee or Receiver, as applicable, has given the Seller the right, by notice in writing, to make an offer to repurchase all the Mortgage Loan Rights that are then Assets of the Trust (within five



Local Business Days of the written notice) (any offer made by the Seller in accordance with this paragraph will be irrevocable unless agreed between the Seller and the Security Trustee or Receiver, as applicable); and

- (b) if the Security Trustee or Receiver receives an irrevocable offer from any person other than the Seller in respect of any Mortgage Loan Rights, the Security Trustee or Receiver, as applicable, gives the Seller the right, by notice in writing (which must include all information in relation to the offer made by such other person), to make an offer to repurchase (which may be in addition to any offer made by the Seller under paragraph (a)) the Mortgage Loan Rights the subject of the offer made by any such other person that at least matches the value of any such other offer (within two Local Business Days of the written notice),

provided that the Seller provides to the Security Trustee or Receiver, as applicable, an opinion from legal advisors appointed by the Seller (at its expense) addressed to the Security Trustee or Receiver in connection with the relevant offer, that acceptance of the offer by the Security Trustee or Receiver and any repurchase of Mortgage Loan Rights in accordance with it by the Seller would be legal, valid, binding and enforceable against the Seller.

If the Security Trustee or Receiver, as applicable, receives an offer from the Seller as described above, the Security Trustee or Receiver must accept that offer unless the Security Trustee or Receiver reasonably believes that it is not in the best interests of the Covered Bondholders or, if there are none, the Secured Creditors that it does so.

#### ***Removal or resignation of Security Trustee***

The Security Trustee covenants that it will retire as Security Trustee if:

- (a) an Insolvency Event occurs in relation to the Security Trustee in its personal capacity or in respect of its personal assets (and not in its capacity as trustee of any trust or in respect of any assets it holds as trustee);
- (b) it ceases to carry on business;
- (c) a Related Body Corporate of it retires as the Covered Bond Guarantor or is removed as the Covered Bond Guarantor and the Trust Manager requires the Security Trustee by notice in writing to retire;
- (d)
  - (i) an Extraordinary Resolution requiring its retirement is passed at a meeting of Covered Bondholders of all Series taken together as a single Series with the nominal amount of Covered Bonds not denominated in Australian Dollars converted into Australian Dollars at the relevant Swap Rate; and
  - (ii) such retirement is approved in writing by the Bond Trustee (if any Covered Bonds are outstanding) or (if no Covered Bonds are outstanding) by the Majority Secured Creditors;
- (e) when required to do so by the Trust Manager or the Covered Bond Guarantor by notice in writing, it fails or neglects within 14 days after receipt of such notice to carry out or satisfy any material duty imposed on it by this document in respect of the Security Trust; or
- (f) there is a change in ownership of 50% or more of the issued equity share capital of the Security Trustee from the position as at the date of the Security Deed or effective control of the Security Trustee alters from the position as at the date of the Security Deed unless in either case approved by the Trust Manager (whose approval must not be unreasonably withheld).

If an event referred to in paragraphs (a) to (f) above occurs and the Security Trustee does not retire immediately after that event, the Trust Manager is entitled to, and must, remove the Security Trustee from office immediately by notice in writing to the Security Trustee. On the retirement or removal of the Security Trustee, the Issuer must issue a Rating Affirmation Notice in relation to each Rating Agency in respect of such retirement or removal.

The Security Trustee may retire as security trustee under the Security Deed upon giving three months notice in writing to the Covered Bond Guarantor, the Trust Manager and each Rating Agency or such lesser time as the Covered Bond Guarantor, the Trust Manager and the Security Trustee may agree.

On the retirement or removal of the Security Trustee as set out above (a) the Trust Manager must promptly notify the Covered Bond Guarantor and the Secured Creditors of such retirement or removal; and (b) subject to any approval required by law, the Trust Manager is entitled to and must use best endeavours to appoint a person who is a statutory trustee or a wholly owned subsidiary of a statutory trustee as substitute Security Trustee. If no substitute Security Trustee is appointed within 90 days after the retirement or removal of the Security Trustee, the Security Trustee may appoint a substitute Security Trustee or apply to the court for a substitute Security Trustee to be appointed.

Upon retirement or removal of the Security Trustee as trustee of the Security Trust, the Security Trustee is released from all obligations under the Security Deed arising after the date of the retirement or removal except for its obligation to vest the Security Trust in the substitute Security Trustee and to deliver all books and records relating to the Security Trust to the substitute Security Trustee (at the cost of the Security Trust). The Trust Manager and the Covered Bond Guarantor may settle with the Security Trustee the amount of any sums payable by the Security Trustee to the Trust Manager or the Covered Bond Guarantor or by the Trust Manager or the Covered Bond Guarantor to the Security Trustee and may give to or accept from the Security Trustee a discharge in respect of those sums which will be conclusive and binding as between the Trust Manager, the Covered Bond Guarantor and the Security Trustee but not as between the Security Trustee and the Secured Creditors.

Each substitute Security Trustee must upon its appointment execute a deed in such form as the Trust Manager may require whereby such substitute Security Trustee must undertake to the Secured Creditors jointly and severally to be bound by all the covenants on the part of the Security Trustee under the Security Deed from the date of such appointment. The Security Trustee must do all such things and execute all such documents as are necessary or appropriate for the substitute Security Trustee to obtain the benefit of the Security Deed.

The Security Deed is governed by and is to be construed in accordance with the laws applying in the State of New South Wales, Australia.

## CREDIT STRUCTURE

The Covered Bonds will be direct, unsecured, unsubordinated and unconditional obligations of the Issuer. The Covered Bond Guarantor has no obligation to pay the Guaranteed Amounts under the Covered Bond Guarantee until the occurrence of: (i) an Issuer Event of Default and service by the Bond Trustee on the Issuer of an Issuer Acceleration Notice and the service on the Covered Bond Guarantor of a Notice to Pay or, (ii) if earlier, following the occurrence of a Covered Bond Guarantor Event of Default, and the service by the Bond Trustee on the Covered Bond Guarantor and the Issuer of a Covered Bond Guarantee Acceleration Notice. The Issuer will not be relying on any payments by the Covered Bond Guarantor in order to pay interest or repay principal under the Covered Bonds.

There are a number of features of the Programme which enhance the likelihood of timely and, as applicable, ultimate payments to Covered Bondholders, as follows:

- (a) the Covered Bond Guarantee provides credit support in respect of certain obligations of the Issuer under the Covered Bonds and the Assets of the Trust provide security for the obligations of the Covered Bond Guarantor;
- (b) the Pre-Maturity Test is intended to provide liquidity to the Covered Bond Guarantor in relation to amounts of principal due on the Final Maturity Date of the Hard Bullet Covered Bonds;
- (c) the Asset Coverage Test is intended to test, prior to the service of a Notice to Pay on the Covered Bond Guarantor, the asset coverage of the Assets of the Trust held from time to time by the Covered Bond Guarantor in respect of the Covered Bonds on a monthly basis;
- (d) the Amortisation Test is intended to test, following the service of a Notice to Pay on the Covered Bond Guarantor (but prior to the service of a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer), the asset coverage of the Assets of the Trust held from time to time by the Covered Bond Guarantor in respect of the Covered Bonds;
- (e) a Reserve Fund will be established in the GIC Account which will be funded from Available Income Amounts or by crediting the remaining proceeds of a Term Advance or Demand Loan Advance up to the Reserve Fund Required Amount if the Issuer's credit rating falls below the Moody's Specified Rating and/or the Fitch Specified Rating; and
- (f) under the terms of the Account Bank Agreement, the Account Bank has agreed to pay a rate of interest per annum equal to the 30 day Bank Bill Rate which will be the rate determined by the Account Bank on the first day of each Collection Period (or, in the case of the first Collection Period, the first Closing Date) on all amounts held by the Covered Bond Guarantor in the GIC Account.

Certain of these factors are considered more fully in the remainder of this section.

### Covered Bond Guarantee

Pursuant to the terms of the Bond Trust Deed, the Covered Bond Guarantor has guaranteed payments of interest and principal under the Covered Bonds issued by the Issuer. The Covered Bond Guarantor has agreed to pay an amount equal to the Guaranteed Amounts when the same shall become Due for Payment but which would otherwise be unpaid by the Issuer. The obligations of the Covered Bond Guarantor under the Covered Bond Guarantee constitute (following service of a Notice to Pay or a Covered Bond Guarantee Acceleration Notice) direct and unconditional obligations of the Covered Bond Guarantor, secured against the assets from time to time of the Covered Bond Guarantor as provided in the Security Deed and recourse against the Covered Bond Guarantor is limited to such assets. Following the occurrence of an Issuer Event of Default and service of an Issuer Acceleration Notice upon the Issuer (whereupon the Covered Bonds will become immediately due and payable as against the Issuer but not at such time as against the Covered Bond Guarantor), the Bond Trustee will be required to serve a Notice to Pay on the Covered Bond Guarantor.

A Covered Bond Guarantee Acceleration Notice may be served by the Bond Trustee on the Covered Bond Guarantor and the Issuer following the occurrence of a Covered Bond Guarantor Event of Default. If a Covered Bond Guarantee Acceleration Notice is served, the Covered Bonds will become immediately due and payable (if they have not already become due and payable) and the obligations of the Covered Bond Guarantor under the Covered Bond Guarantee will be accelerated and the Security Trustee will be entitled to enforce the Security. Payments made by the Covered Bond Guarantor under the Covered Bond Guarantee will be made subject to,

and in accordance with, the Guarantee Priority of Payments. All moneys received or recovered by the Security Trustee or any Receiver after the service of a Covered Bond Guarantee Acceleration Notice will be held by it in the Trust Accounts on trust to be applied in accordance with the Post-Enforcement Priority of Payments (other than Third Party Amounts due to the Seller and any Swap Collateral Excluded Amounts due to the relevant Swap Providers by the Covered Bond Guarantor under the relevant Swap Agreements which will be paid directly to the relevant Swap Provider in accordance with the relevant Swap Agreements).

See further the section “*Summary of the Principal Documents – Bond Trust Deed*” in this Offering Circular as regards the terms of the Covered Bond Guarantee.

See further the section “*Cashflows – Guarantee Priority of Payments*” as regards the payment of amounts payable by the Covered Bond Guarantor to Covered Bondholders and other Secured Creditors following service of a Notice to Pay.

### **Pre-Maturity Test**

Each Series of Hard Bullet Covered Bonds is subject to a Pre-Maturity Test on each Local Business Day during the Pre-Maturity Test Period prior to the occurrence of an Issuer Event of Default and/or a Covered Bond Guarantor Event of Default. The Pre-Maturity Test will be breached in relation to a Series of Hard Bullet Covered Bonds if the Issuer's short-term credit rating from Moody's falls to P-2 (or lower) or from Fitch is less than F1+ and, in each case, the Final Maturity Date of the Series of Hard Bullet Covered Bonds falls within 12 months from the relevant Pre-Maturity Test Date. If the Pre-Maturity Test is breached within such specified period and certain actions are not taken, an Issuer Event of Default will occur.

### **Asset Coverage Test**

The Asset Coverage Test is intended to test the asset coverage of the Assets of the Trust from time to time held by the Covered Bond Guarantor in respect of the Covered Bonds on a monthly basis. This is to ensure that the Assets of the Trust held from time to time by the Covered Bond Guarantor do not fall below a certain threshold and are sufficient for the Covered Bond Guarantor to meet its obligations under the Covered Bond Guarantee and senior expenses which rank in priority or *pari passu* with amounts due on the Covered Bonds.

The Establishment Deed provides that, prior to the service of a Notice to Pay on the Covered Bond Guarantor, and/or a Covered Bond Guarantee Acceleration Notice on the Issuer and the Covered Bond Guarantor the Assets of the Trust held from time to time by the Covered Bond Guarantor are subject to the Asset Coverage Test. Accordingly, for so long as Covered Bonds remain outstanding, the Trust Manager must ensure that on each Determination Date prior to the service of a Notice to Pay on the Covered Bond Guarantor, and/or a Covered Bond Guarantee Acceleration Notice on the Issuer and the Covered Bond Guarantor the Adjusted Aggregate Mortgage Loan Amount is an amount at least equal to the Australian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds as calculated on the relevant Determination Date. The Asset Coverage Test will be tested by the Trust Manager on each such Determination Date.

The Asset Coverage Test will also be tested by the Trust Manager at any time required for the purposes of facilitating repayment of the Demand Loan to the extent such repayment is subject to the Asset Coverage Test being satisfied (notwithstanding the service of a Notice to Pay on the Covered Bond Guarantor).

Pursuant to the terms of the Mortgage Sale Agreement, the Seller has agreed to use all reasonable endeavours to offer to sell sufficient Mortgage Loan Rights to the Covered Bond Guarantor in order to ensure that the Asset Coverage Test is satisfied (provided that the Seller will not be obliged to sell to the Covered Bond Guarantor Mortgage Loan Rights if in the reasonable opinion of the Seller the sale of such Mortgage Loan Rights would materially adversely affect the business or financial condition of the Seller). The consideration payable to the Seller for the sale of such Mortgage Loan Rights to the Covered Bond Guarantor may be funded by (i) cash available to the Covered Bond Guarantor to pay for such Mortgage Loan Rights in accordance with the Pre-Acceleration Principal Priority of Payments; and/or (ii) a drawing under the Demand Loan Agreement. The Seller's ability to offer Mortgage Loan Rights may be restricted if APRA exercises its power to direct the Seller not to transfer any asset to the Covered Bond Guarantor as described in the section “*Description of the Covered Bonds Provisions of the Australian Banking Act – APRA's powers under the Australian Banking Act – Power to prevent additional sales to meet Asset Coverage Test on any day*” above.

Alternatively, the Covered Bond Guarantor may purchase Substitution Assets or request drawings under the Demand Loan Agreement (as directed by the Trust Manager) in order to ensure that the Covered Bond Guarantor is in compliance with the Asset Coverage Test.

If the Adjusted Aggregate Mortgage Loan Amount is less than the Australian Dollar Equivalent of the aggregate Principal Amount Outstanding of all Covered Bonds on a Determination Date and also on the next following Determination Date, the Asset Coverage Test will not be satisfied on each such Determination Date and the Bond Trustee will serve an Asset Coverage Test Breach Notice on the Covered Bond Guarantor (subject to the Bond Trustee receiving notification from the Trust Manager or, if earlier, having actual knowledge or express notice that the Asset Coverage Test remains unsatisfied). The Bond Trustee will be deemed to revoke an Asset Coverage Test Breach Notice if, on the next Determination Date to occur following the service of an Asset Coverage Test Breach Notice, the Asset Coverage Test is satisfied and neither a Notice to Pay nor a Covered Bond Guarantee Acceleration Notice has been served. If the Asset Coverage Test Breach Notice is not deemed to have been revoked on or before the next Determination Date after service of such Asset Coverage Test Breach Notice an Issuer Event of Default will occur and the Bond Trustee will be entitled (and in certain circumstances, may be required) to serve an Issuer Acceleration Notice. Following service of an Issuer Acceleration Notice, the Bond Trustee will be required to serve a Notice to Pay on the Covered Bond Guarantor.

See further the section “*Summary of the Principal Documents – Establishment Deed – Asset Coverage Test*”, above.

### **Amortisation Test**

The Amortisation Test is intended to ensure that, following service of a Notice to Pay on the Covered Bond Guarantor (but prior to the service of a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer), the Assets of the Trust held from time to time by the Covered Bond Guarantor do not fall below a certain threshold to ensure that the Assets of the Trust are sufficient to meet the Covered Bond Guarantor’s obligations under the Covered Bond Guarantee and senior expenses which rank in priority to or *pari passu* with amounts due on the Covered Bonds.

Pursuant to the Establishment Deed, the Trust Manager must ensure that on each Determination Date following service of a Notice to Pay on the Covered Bond Guarantor (but prior to the service of a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer), the Amortisation Test Aggregate Mortgage Loan Amount is in an amount at least equal to the Australian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds on such Determination Date. A breach of the Amortisation Test will constitute a Covered Bond Guarantor Event of Default and the Bond Trustee will be entitled (and, in certain circumstances, may be required) to serve a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer declaring the Covered Bonds immediately due and repayable and the Security Trustee will be entitled and, in certain circumstances, may be required, to enforce the Security.

See further the section “*Summary of the Principal Documents – Establishment Deed – Amortisation Test*”, above.

### **Reserve Fund**

The Covered Bond Guarantor is required to establish a reserve fund within the GIC Account which will be credited with the Available Income Amount or the relevant proceeds of a Term Advance or Demand Loan Advance up to an amount equal to the Reserve Fund Required Amount in accordance with the applicable Priority of Payments.

The Covered Bond Guarantor may be required, on a Distribution Date, to deposit into the GIC Account (with a corresponding credit to the Reserve Ledger) any Available Income Amount or the relevant proceeds of a Term Advance up to an amount equal to the Reserve Fund Required Amount. The Reserve Fund Required Amount on any day will depend on the credit ratings of the Issuer. If the Issuer's short-term unsecured, unsubordinated and unguaranteed debt obligations are not rated below the Fitch Specified Rating and the Moody's Specified Rating, the Reserve Fund Required Amount is nil (or such other amount as the Issuer will direct the Covered Bond Guarantor). If the Issuer is rated the Fitch Specified Rating and/or the Moody's Specified Rating the Reserve Fund Required Amount will depend on which rating trigger is not met. See further the section “*Cashflows - Pre-Acceleration Income Priority of Payments*” in this Offering Circular and the definitions of “*Reserve Fund Required Amount*” in the section “*Glossary*” in this Offering Circular.

## CASHFLOWS

As described above under Credit Structure, until a Notice to Pay is served on the Covered Bond Guarantor or a Covered Bond Guarantee Acceleration Notice is served on the Covered Bond Guarantor and the Issuer, the Covered Bonds will be obligations of the Issuer only. The Issuer is liable to make payments when due on the Covered Bonds, whether or not the Issuer has received any corresponding payment from the Covered Bond Guarantor.

This section summarises the Priorities of Payments of the Covered Bond Guarantor as to the allocation and distribution of amounts standing to the credit of the GIC Account and their order of priority:

- (a) prior to the service of a Notice to Pay or a Covered Bond Guarantee Acceleration Notice;
- (b) following service of a Notice to Pay (but prior to the service of a Covered Bond Guarantee Acceleration Notice); and
- (c) following the service of a Covered Bond Guarantee Acceleration Notice,

all in accordance with the Establishment Deed and Security Deed, as applicable.

### ***Allocation and distribution of Available Income Amount prior to the service of a Notice to Pay or a Covered Bond Guarantee Acceleration Notice***

Prior to the service of a Notice to Pay or a Covered Bond Guarantee Acceleration Notice, the Available Income Amount will be allocated and distributed as described below.

On the Determination Date immediately preceding each Distribution Date, the Trust Manager must calculate:

- (a) the Available Income Amount available for distribution on the following Distribution Date;
- (b) the Reserve Fund Required Amount (if applicable); and
- (c) if the Pre-Maturity Test has been breached in respect of a Series of Hard Bullet Covered Bonds, on each Determination Date falling within the Pre-Maturity Test Period and ending on the Final Maturity Date of the relevant Series of Hard Bullet Covered Bonds, whether or not the amount standing to the credit of the Pre-Maturity Ledger at such date is less than the Australian Dollar Equivalent of the Required Redemption Amount for each Series of Hard Bullet Covered Bonds in respect of which the Pre-Maturity Test has been breached at such date after taking into account any Pre-Maturity Demand Loan Advance, Sale Proceeds received following a sale of Selected Mortgage Loan Rights (see the section “*Summary of the Principal Documents – Establishment Deed – Sale of Selected Mortgage Loan Rights if the Pre-Maturity Test is breached*” in this Offering Circular) and the application of any Available Principal Amount in accordance with paragraph (b) under the Pre-Acceleration Principal Priority of Payments.

### ***Pre-Acceleration Income Priority of Payments***

On each Distribution Date (except for amounts due to third parties by the Covered Bond Guarantor described below under paragraph (c), which will be paid when due and, for the avoidance of doubt, any Swap Collateral Excluded Amounts due to the relevant Swap Providers by the Covered Bond Guarantor under the relevant Swap Agreements, which will be paid directly to the relevant Swap Providers in accordance with the relevant Swap Agreements), the Trust Manager must direct the Covered Bond Guarantor to, and the Covered Bond Guarantor must upon receiving that direction, apply the Available Income Amount from the GIC Account to make the following payments and provisions in the following order of priority (the **Pre-Acceleration Income Priority of Payments**) (in each case only if and to the extent that payments or provisions of a higher priority have been made in full):

- (a) *first*, A\$1 to the Income Unitholder;
- (b) *second*, in or towards satisfaction of any Accrued Interest Adjustment due and payable to the Seller in connection with the transfer of any Mortgage Loan Rights to the Trust during the Collection Period immediately preceding that Distribution Date;

- (c) *third*, in or towards satisfaction, *pari passu* and rateably, of:
- (i) any amounts due and payable by the Covered Bond Guarantor to itself as trustee of the Trust, the Bond Trustee and the Security Trustee;
  - (ii) any remuneration due and payable to each Agent under the provisions of the relevant Agency Agreement;
  - (iii) any amounts due and payable to other third parties and incurred without breach by the Covered Bond Guarantor of the Programme Documents to which it is a party (and for which payment has not been provided for elsewhere in the relevant Priority of Payments); and
  - (iv) any liability of the Covered Bond Guarantor for Taxes,
- and to provide for any such amounts expected to become due and payable by the Covered Bond Guarantor in the Trust Payment Period in which such Distribution Date occurs;
- (d) *fourth*, in or towards satisfaction *pari passu* and rateably, of:
- (i) any remuneration then due and payable to the Servicer and Liabilities then due or to become due and payable to the Servicer under the Servicing Deed in the Trust Payment Period in which such Distribution Date occurs, together with applicable GST (or other similar Taxes) in respect of such amounts;
  - (ii) any remuneration then due and payable to the Trust Manager and any Liabilities then due or to become due and payable to the Trust Manager under the Management Agreement in the Trust Payment Period in which such Distribution Date occurs, together with applicable GST (or other similar Taxes) in respect of such amounts;
  - (iii) amounts (if any) due and payable to the Account Bank (including costs) pursuant to the terms of the Account Bank Agreement, together with any applicable GST (or other similar Taxes) in respect of such amounts; and
  - (iv) amounts due and payable to the Cover Pool Monitor pursuant to the terms of the Cover Pool Monitor Agreement (other than the amounts referred to in paragraph (k) below), together with any applicable GST (or other similar Taxes) in respect of such amounts;
- (e) *fifth*, if the Issuer is not the Interest Rate Swap Provider, in or towards payment on the Distribution Date of any amount due and payable, or to provide for payment on such date in the future of such proportion of the relevant payment falling due in the future as the Trust Manager may reasonably determine of any amount to become due and payable, to the Interest Rate Swap Provider in respect of the Interest Rate Swap (including any termination payment due and payable by the Covered Bond Guarantor under the Interest Rate Swap but excluding any relevant Excluded Swap Termination Amount) (except to the extent that such amounts have been paid out of any premium received from any replacement Interest Rate Swap Provider) pursuant to the Interest Rate Swap Agreement;
- (f) *sixth*, in or towards payment on the Distribution Date or to provide for payment on a date prior to the next occurring Distribution Date of the proportion of the relevant payments falling due on that date as the Trust Manager may reasonably determine, *pari passu* and rateably, of:
- (i) if the Issuer is the Interest Rate Swap Provider, any amount to become due and payable to the Interest Rate Swap Provider in respect of the Interest Rate Swap (including any termination payment due and payable by the Covered Bond Guarantor under the Interest Rate Swap but excluding any relevant Excluded Swap Termination Amount) (except to the extent that such amounts have been paid out of any premium received from any replacement Interest Rate Swap Provider) pursuant to the Interest Rate Swap Agreement;
  - (ii) any amounts due or to become due and payable to the relevant Covered Bond Swap Provider (other than in respect of principal) *pari passu* and rateably in respect of each relevant Covered Bond Swap (including any termination payment due and payable by the Covered Bond Guarantor under the relevant Covered Bond Swap Agreement, but excluding any relevant Excluded Swap Termination Amount) (except to the extent that such amounts have been paid

out of any premiums received from any relevant replacement Covered Bond Swap Provider) in accordance with the relevant Covered Bond Swap Agreement; and

- (iii) any amounts due or to become due and payable (excluding principal amounts) to the Intercompany Loan Provider, *pari passu* and rateably in respect of each Term Advance pursuant to the terms of the Intercompany Loan Agreement, but in the case of any such payment or provision, after taking into account if applicable, any amounts (other than principal) receivable from the relevant Covered Bond Swap Provider under the relevant Covered Bond Swap Agreement on the Distribution Date or such future date as the Trust Manager may reasonably determine;
- (g) *seventh*, if the Pre-Maturity Test has been breached by the Issuer in respect of any Series of Hard Bullet Covered Bonds, towards a credit to the Pre-Maturity Ledger and deposit into the GIC Account by the Covered Bond Guarantor (acting on the directions of the Trust Manager) of an amount up to, but not exceeding the amount by which x exceeds y, where:
  - x is the Australian Dollar Equivalent of the Required Redemption Amount calculated on the immediately preceding Determination Date for the relevant Series of Hard Bullet Covered Bonds; and
  - y is the aggregate of:
    - (A) any amounts standing to the credit of the Pre-Maturity Ledger as at the immediately preceding Determination Date after having deducted the Australian Dollar Equivalent of the Required Redemption Amount of all other Series of Hard Bullet Covered Bonds, as calculated on that Determination Date, which mature prior to or on the same date as the relevant Series of Hard Bullet Covered Bonds in respect of which the Pre-Maturity Test has been breached; and
    - (B) any amount to be credited to the Pre-Maturity Ledger on that Distribution Date in accordance with paragraph (b) under the Pre-Acceleration Principal Priority of Payments;
- (h) *eighth*, as a deposit into the GIC Account (with a corresponding credit to the Reserve Ledger) of an amount up to but not exceeding the amount by which the Reserve Fund Required Amount exceeds the existing balance on the Reserve Ledger as calculated on the immediately preceding Determination Date;
- (i) *ninth*, if a Servicer Default has occurred and is continuing, the remaining Available Income Amount is to be deposited into the GIC Account (with a corresponding credit to the Income Ledger) until such Servicer Default is either remedied by the Servicer or waived by the Security Trustee (acting on the directions of the Bond Trustee or, if no Covered Bonds are outstanding, the Majority Secured Creditors) or a replacement servicer is appointed to service the Mortgage Loan Rights then forming part of the Assets of the Trust (or the relevant part thereof);
- (j) *tenth*, in or towards payment, *pari passu* and rateably of any Excluded Swap Termination Amounts due and payable by the Covered Bond Guarantor under the Swap Agreements, except to the extent such amounts have been paid out of any premiums received from any relevant replacement Swap Providers;
- (k) *eleventh*, in or towards payment of any indemnity amount due to the Cover Pool Monitor pursuant to the Cover Pool Monitor Agreement;
- (l) *twelfth*, any interest amount due, or to become due and payable in respect of the Demand Loan, to the Demand Loan Provider pursuant to the terms of the Demand Loan Agreement; and
- (m) *thirteenth*, the balance in payment to the Income Unitholder in whole or partial satisfaction of any entitlement to the Net Trust Income of the Trust.



***Allocation and distribution of Available Income Amount following service of an Asset Coverage Test Breach Notice***

At any time after service on the Covered Bond Guarantor of an Asset Coverage Test Breach Notice (which has not been deemed to have been revoked), but prior to the occurrence of:

- (a) an Issuer Event of Default and service of an Issuer Acceleration Notice; or
- (b) the occurrence of a Covered Bond Guarantor Event of Default and service of a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer,

the Available Income Amount will continue to be applied in accordance with the Pre-Acceleration Income Priority of Payments except that, whilst any Covered Bonds remain outstanding, no moneys will be applied under paragraph (f)(iii), (l) or (m) of the Pre-Acceleration Income Priority of Payments, and the remaining Available Income Amount (if any) will be deposited into the GIC Account (with a corresponding credit to the Income Ledger) and will form part of the Available Income Amount to be applied on the next succeeding Distribution Date.

***Allocation and Distribution of Available Principal Amount prior to the service of a Notice to Pay or a Covered Bond Guarantee Acceleration Notice***

Prior to the service of a Notice to Pay or a Covered Bond Guarantee Acceleration Notice, the Available Principal Amount standing to the credit of the GIC Account will be allocated and distributed as described below.

On each Determination Date, the Trust Manager must calculate the Available Principal Amount available for distribution on the immediately following Distribution Date.

***Pre-Acceleration Principal Priority of Payments***

On each Distribution Date, the Trust Manager must direct the Covered Bond Guarantor to, and the Covered Bond Guarantor must upon receiving that direction, apply the Available Principal Amount from the GIC Account (for the avoidance of doubt, excluding any Swap Collateral Excluded Amounts due to the relevant Swap Providers by the Covered Bond Guarantor under the relevant Swap Agreements, which will be paid directly to the relevant Swap Providers in accordance with the relevant Swap Agreements), any In Specie Mortgage Loan Rights (but only in the case of paragraphs (e) and (h) below) and any amount standing to the credit of the OC Account (but only in the case of paragraph (e) below) in making the following payments or provisions or credits in the following order of priority (the **Pre-Acceleration Principal Priority of Payments**) (in each case only if and to the extent that payments or provisions of a higher priority have been paid in full to the extent the same are payable on the relevant Distribution Date):

- (a) *first*, to reimburse the Seller for funding any Trust Further Advances made by the Seller to the extent not reimbursed in accordance with the Servicing Deed or on any previous Distribution Date;
- (b) *second*, if the Pre-Maturity Test has been breached by the Issuer in respect of any Series of Hard Bullet Covered Bonds, towards a credit to the Pre-Maturity Ledger and deposit into the GIC Account by the Covered Bond Guarantor (acting on the directions of the Trust Manager) of an amount up to but not exceeding the amount by which  $x$  exceeds  $y$ , where:
  - $x$  is the Australian Dollar Equivalent of the Required Redemption Amount calculated on the immediately preceding Determination Date for the relevant Series of Hard Bullet Covered Bonds; and
  - $y$  is any amounts standing to the credit of the Pre-Maturity Ledger as at the immediately preceding Determination Date after having deducted the Australian Dollar Equivalent of the Required Redemption Amount of all other Series of Hard Bullet Covered Bonds, as calculated on that Determination Date, which mature prior to or on the same date as the relevant Series of Hard Bullet Covered Bonds in respect of which the Pre-Maturity Test has been breached;
- (c) *third*, to acquire Mortgage Loan Rights from the Seller in accordance with the terms of the Mortgage Sale Agreement and/or to acquire Substitution Assets up to a prescribed limit in an amount sufficient to

ensure that taking into account the other resources available to the Covered Bond Guarantor, the Asset Coverage Test is satisfied;

- (d) *fourth*, to deposit the remaining Available Principal Amount into the GIC Account (with a corresponding credit to the Principal Ledger) in an amount sufficient to ensure that, after taking into account the other resources available to the Covered Bond Guarantor, the Asset Coverage Test is satisfied;
- (e) *fifth*, if the Demand Loan Provider has requested repayment of all or part of the principal outstanding on the Demand Loan in accordance the Demand Loan Agreement, in or towards repayment of the amount of that request (in whole or in part), subject to the Asset Coverage Test being satisfied on the date of such repayment after giving effect to the such repayment;
- (f) *sixth*, in or towards repayment on the Distribution Date (or to provide for repayment on a future Distribution Date of the proportion of the relevant payment falling due in the future as the Trust Manager may reasonably determine) of each relevant Term Advance by making the following payments:
  - (i) the amounts (in respect of principal) due or to become due and payable to each relevant Covered Bond Swap Provider *pari passu* and rateably in respect of each relevant Covered Bond Swap (including any termination payment due and payable by the Covered Bond Guarantor under the relevant Covered Bond Swap Agreement to the extent not paid out of the Pre-Acceleration Income Priority of Payments, but excluding any relevant Excluded Swap Termination Amount) (except to the extent that such amounts have been paid out of any premium received from any relevant replacement Covered Bond Swap Provider) in accordance with the terms of the relevant Covered Bond Swap Agreement; and
  - (ii) where appropriate, after taking into account any amounts in respect of principal receivable from a relevant Covered Bond Swap Provider on the Distribution Date or such future Distribution Date as the Trust Manager may reasonably determine, the amounts (in respect of principal) due and payable or to become due and payable to the Intercompany Loan Provider *pari passu* and rateably in respect of each relevant Term Advance;
- (g) *seventh*, to pay the Consideration for Mortgage Loan Rights assigned by the Seller to the Covered Bond Guarantor in accordance with the Mortgage Sale Agreement;
- (h) *eighth*, to repay such amount of the principal outstanding on the Demand Loan that is due and payable to the Demand Loan Provider pursuant to the terms of the Demand Loan Agreement, to the extent that such payment has not already been made in accordance with paragraph (e) above (including as a result of an In Specie Failure) and subject to the Asset Coverage Test being satisfied on the date of such repayment after taking into account such repayment);
- (i) *ninth*, to be paid to the Income Unitholder in whole or partial satisfaction of any entitlement to Net Trust Income of the Trust remaining unpaid; and
- (j) *tenth*, the remainder to be paid to the Capital Unitholder.

No part of the Available Principal Amount will be applied under paragraph (e) above by the Covered Bond Guarantor. The Trust Manager must ensure that paragraph (e) above is satisfied by applying any amount standing to the credit of the OC Account and, if applicable, by an in specie distribution to the Demand Loan Provider of the In Specie Mortgage Loan Rights pursuant to the section “*Summary of the Principal Documents – Demand Loan Agreement*” in this Offering Circular. The amount described in paragraph (h) above may also be satisfied, in the Trust Manager’s discretion, by an in specie distribution to the Demand Loan Provider of the In Specie Mortgage Loan Rights rather than by application of any Available Principal Amount.

***Allocation and distribution of Available Principal Amount following service of an Asset Coverage Test Breach Notice***

At any time after the service on the Covered Bond Guarantor of an Asset Coverage Test Breach Notice (which has not been deemed to have been revoked), but prior to the occurrence of:

- (a) an Issuer Event of Default and service of an Issuer Acceleration Notice; or

- (b) the occurrence of a Covered Bond Guarantor Event of Default and service of a Covered Bond Guarantee Acceleration Notice,

the Available Principal Amount will continue to be applied in accordance with the Pre-Acceleration Principal Priority of Payments save that, whilst any Covered Bonds remain outstanding, no moneys will be applied under paragraphs (c), (e), (f)(ii), (g), (h), (i) or (j) of the Pre-Acceleration Principal Priority of Payments, and the remaining Available Principal Amount (if any) will be deposited into the GIC Account (with a corresponding credit to the Principal Ledger) and will form part of the Available Principal Amount to be applied on the following Distribution Date.

***Allocation and distribution of Available Income Amount and Available Principal Amount following service of a Notice to Pay***

At any time after the service of a Notice to Pay on the Covered Bond Guarantor, but prior to the service of a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer, the Available Income Amount and Available Principal Amount will be applied as described below.

The Trust Manager, will create and maintain the Pre-Maturity Ledger for each Series of Hard Bullet Covered Bonds and record amounts allocated to such Series of Hard Bullet Covered Bonds, and such amounts, once allocated, will only be available to pay amounts due under the Covered Bond Guarantee and amounts due under the relevant Covered Bond Swap in respect of the relevant Series of Hard Bullet Covered Bonds on the scheduled repayment dates thereof.

If a Notice to Pay has been served on the Covered Bond Guarantor, on the Final Maturity Date of a Series of Hard Bullet Covered Bonds, the Trust Manager must direct the Covered Bond Guarantor to, and the Covered Bond Guarantor must upon receiving that direction, apply all moneys (if any) standing to the credit of the Pre-Maturity Ledger to repay the relevant Series (after having been exchanged into the applicable currency if required under the related Covered Bond Swap).

***Guarantee Priority of Payments***

On each Distribution Date (except for amounts due to third parties described under paragraph (e)(ii) below which in each case will be paid when due and, for the avoidance of doubt, excluding any Swap Collateral Excluded Amounts due to the relevant Swap Providers by the Covered Bond Guarantor under the relevant Swap Agreements, which shall be paid directly to the relevant Swap Providers in accordance with the relevant Swap Agreements) the Trust Manager must direct the Covered Bond Guarantor to, and the Covered Bond Guarantor must upon receiving that direction, apply the Available Income Amount, the Available Principal Amount, any In Specie Mortgage Loan Rights (but only in the case of paragraphs (g) or (p) below) and the amount standing to the credit of the OC Account (but only in the case of paragraph (g) below) to make the following payments and provisions in the following order of priority (**Guarantee Priority of Payments**) (in each case only if and to the extent that payments or provisions of a higher priority have been made in full):

- (a) *first*, A\$1 to the Income Unitholder;
- (b) *second*, in or towards satisfaction of any Accrued Interest Adjustment due and payable to the Seller in connection with the transfer of any Mortgage Loan Rights to the Trust during the Collection Period immediately preceding that Distribution Date;
- (c) *third*, to reimburse the Seller for funding any Trust Further Advances made by the Seller to the extent not reimbursed in accordance with the Servicing Deed or on any previous Distribution Date;
- (d) *fourth*, in or towards satisfaction *pari passu* and rateably of:
  - (i) all amounts due and payable or to become due and payable to the Bond Trustee (excluding all amounts otherwise payable to the Covered Bondholders, Receiptholders and Couponholders under the Guarantee Priority of Payments) in the Trust Payment Period in which such Distribution Date occurs under the provisions of the Bond Trust Deed together with interest and any applicable GST (or other similar Taxes) in respect of such amounts;
  - (ii) all amounts due and payable or to become due and payable to the Security Trustee (excluding all amounts otherwise payable to the Covered Bondholders, Receiptholders and Couponholders under the Guarantee Priority of Payments) in the Trust Payment Period in

which such Distribution Date occurs under the provisions of the Security Deed together with interest and any applicable GST (or other similar Taxes) in respect of such amounts;

- (iii) all amounts due and payable or to become due and payable to the Covered Bond Guarantor as trustee of the Trust in the Trust Payment Period in which such Distribution Date occurs under the Establishment Deed together with interest and any applicable GST (or other similar Taxes) in respect of such amounts;
- (e) *fifth*, in or towards satisfaction *pari passu* and rateably of:
- (i) any remuneration then due and payable to the Agents under the provisions of the Agency Agreements together with applicable GST (or other similar Taxes) in respect of such amounts;
  - (ii) any amounts then due and payable by the Covered Bond Guarantor to third parties and incurred without breach by the Covered Bond Guarantor of the Programme Documents to which it is a party (and for which payment has not been provided for elsewhere in this Guarantee Priority of Payments) and to provide for any such amounts expected to become due and payable by the Covered Bond Guarantor in the Trust Payment Period in which such Distribution Date occurs; and
  - (iii) any liability of the Covered Bond Guarantor for Taxes;
- (f) *sixth*, in or towards satisfaction *pari passu* and rateably of:
- (i) any remuneration then due and payable to the Servicer and any Liabilities then due or to become due and payable to the Servicer in the Trust Payment Period in which such Distribution Date occurs under the Servicing Deed together with any applicable GST (or other similar Taxes) in respect of such amounts;
  - (ii) any remuneration then due and payable to the Trust Manager and any Liabilities then due or to become due and payable to the Trust Manager in the Trust Payment Period in which such Distribution Date occurs under the Management Agreement, together with any applicable GST (or other similar Taxes) in respect of such amounts;
  - (iii) amounts (if any) due and payable to the Account Bank (including costs) pursuant to the terms of the Account Bank Agreement, together with any applicable GST (or other similar Taxes) in respect of such amounts; and
  - (iv) amounts due and payable to the Cover Pool Monitor (other than the amounts referred to in paragraph (o) below) pursuant to the terms of the Cover Pool Monitor Agreement, together with any applicable GST (or other similar Taxes) in respect of such amounts;
- (g) *seventh*, if the Demand Loan Provider has requested repayment of all or part of the Demand Loan in accordance with the Demand Loan Agreement, in and towards repayment of that amount of that request (in whole or in part), subject to the Asset Coverage Test being satisfied on the date of such repayment after giving effect to such repayment;
- (h) *eighth*, if the Issuer is not the Interest Rate Swap Provider, in or towards payment on the Distribution Date of any amount due and payable, or to provide for payment on such date in the future of such proportion of the relevant payment falling due in the future as the Trust Manager may reasonably determine of any amount to become due and payable, to the Interest Rate Swap Provider in respect of the Interest Rate Swap Agreement (including any termination payment due and payable by the Covered Bond Guarantor under the Interest Rate Swap Agreement but excluding any relevant Excluded Swap Termination Amount) (except to the extent that such amount has been paid out of any premiums received from any replacement Interest Rate Swap Provider) in accordance with the Interest Rate Swap Agreement;
- (i) *ninth*, in or towards payment on the Distribution Date or to provide for payment on a future *Distribution* Date of such proportion of the relevant payments falling due in the future as the Trust Manager may reasonably determine, *pari passu* and rateably of:

- (i) if the Issuer is the Interest Rate Swap Provider, any amount due and payable, or to provide for payment on such date in the future of such proportion of the relevant payment falling due in the future as the Trust Manager may reasonably determine of any amount to become due and payable, to the Interest Rate Swap Provider in respect of the Interest Rate Swap Agreement (including any termination payment due and payable by the Covered Bond Guarantor under the Interest Rate Swap Agreement but excluding any relevant Excluded Swap Termination Amount) (except to the extent that such amounts have been paid out of any premiums received from any replacement Interest Rate Swap Provider) in accordance with the Interest Rate Swap Agreement;
- (ii) any amounts due or to become due and payable to each relevant Covered Bond Swap Provider (other than in respect of principal) *pari passu* and rateably in respect of each relevant Covered Bond Swap (including any termination payment due and payable by the Covered Bond Guarantor under the relevant Covered Bond Swap Agreement, but excluding any relevant Excluded Swap Termination Amount) (except to the extent that such amounts have been paid out of any premiums received from any relevant replacement Covered Bond Swap Provider) in accordance with the relevant Covered Bond Swap Agreement; and
- (iii) Scheduled Interest that is Due for Payment (or that will become Due for Payment in the Trust Payment Period in which such Distribution Date occurs) under the Covered Bond Guarantee in respect of each Series of Covered Bonds to the Bond Trustee or (if so directed by the Bond Trustee) the U.S. Paying Agent (other than in respect of the A\$ Registered Covered Bonds) or the A\$ Registrar (in the case of A\$ Registered Covered Bonds) on behalf of the Covered Bondholders, Receiptholders and Couponholders *pari passu* and rateably in respect of each Series of Covered Bonds,

but, in the case of any such payment or provision (other than a payment or provision under paragraph (i)(i) above), after taking into account, if applicable, any amounts (other than principal) receivable from each relevant Covered Bond Swap Provider under each relevant Covered Bond Swap Agreement on the Distribution Date or a future Distribution Date as the Trust Manager may reasonably determine, provided that if the amount available for distribution under this paragraph (i) (excluding any amounts received or to be received from each relevant Covered Bond Swap Provider) to the relevant Covered Bondholders would be insufficient to pay the Australian Dollar Equivalent of the Scheduled Interest that is or will be Due for Payment in respect of each Series of Covered Bonds under sub-paragraph (iii) above, the shortfall will be divided amongst all such Series of Covered Bonds on a *pari passu* and rateable basis and the amount payable by the Covered Bond Guarantor to the relevant Covered Bond Swap Provider under the relevant Covered Bond Swap Agreement in respect of each relevant Series of Covered Bonds or provision to be made under the relevant Covered Bond Swap Agreement in respect of each relevant Series of Covered Bonds under sub-paragraph (ii) above will be correspondingly reduced to take into account the shortfall applicable to the Covered Bonds in respect of which such payment is to be made;

- (j) *tenth*, in or towards payment on the Distribution Date or to provide for payment in the immediately following Trust Payment Period, *pari passu* and rateably of:
  - (i) any amounts (in respect of principal) due or to become due and payable to each relevant Covered Bond Swap Provider *pari passu* and rateably in respect of each relevant Covered Bond Swap (including any termination payment due and payable by the Covered Bond Guarantor under the relevant Covered Bond Swap Agreement to the extent not already paid under paragraph (i)(ii) above, but excluding any relevant Excluded Swap Termination Amount) (except to the extent that such amounts have been paid out of any premiums received from any relevant replacement Covered Bond Swap Provider) in accordance with the relevant Covered Bond Swap Agreement; and
  - (ii) (where appropriate, after taking into account any amounts in respect of principal receivable from the relevant Covered Bond Swap Provider and available to make payments in respect thereof) Scheduled Principal that is Due for Payment (or that will become Due for Payment in the immediately following Trust Payment Period) under the Covered Bond Guarantee in respect of each Series of Covered Bonds to the Bond Trustee or (if so directed by the Bond Trustee) the U.S. Paying Agent on behalf of the Covered Bondholders *pari passu* and rateably in respect of each Series of Covered Bonds,

provided that if the amount available for distribution under this paragraph (j) (excluding any amounts received or to be received from the relevant Covered Bond Swap Providers) would be insufficient to pay the Australian Dollar Equivalent of the Scheduled Principal that is or will be Due for Payment in respect of each Series of Covered Bonds under sub-paragraph (ii) above, the shortfall will be divided amongst all such Series of Covered Bonds on a *pari passu* and rateable basis and the amount payable by the Covered Bond Guarantor to the relevant Covered Bond Swap Provider under the relevant Covered Bond Swap Agreement in respect of each relevant Series of Covered Bonds or provision to be made in respect thereof under sub-paragraph (i) above will be correspondingly reduced to take into account the shortfall applicable to the Covered Bonds in respect of which such payment is to be made;

(k) *eleventh*, in or towards payment on the Distribution Date (if such date is an Interest Payment Date) or to provide for payment on any Interest Payment Date prior to the immediately following Distribution Date of the Final Redemption Amount (or portion remaining unpaid) of any Series of Covered Bonds to which an Extended Due for Payment Date applies and whose Final Redemption Amount was not paid in full by the Extension Determination Date, *pari passu* and rateably of:

- (i) any amounts due or to become due and payable to the relevant Covered Bond Swap Provider (whether or not in respect of principal) *pari passu* and rateably in respect of each relevant Covered Bond Swap (including any termination payment due and payable by the Covered Bond Guarantor under the relevant Covered Bond Swap Agreement to the extent not already paid under paragraphs (i)(ii) or (j)(i) above, but excluding any relevant Excluded Swap Termination Amount) (except to the extent that such amounts have been paid out of any premiums received from any relevant replacement Covered Bond Swap Provider) in accordance with the relevant Covered Bond Swap Agreement; and
- (ii) such Final Redemption Amount *pari passu* and rateably under the Covered Bond Guarantee in respect of each relevant Series of Covered Bonds to the Bond Trustee or (if so directed by the Bond Trustee) the U.S. Paying Agent on behalf of the Covered Bondholders,

but, in the case of any such payment or provision, after taking into account, if applicable, any amounts (whether or not in respect of principal) receivable from each relevant Covered Bond Swap Provider under each relevant Covered Bond Swap Agreement, provided that if the amount available for distribution under this paragraph (k) (excluding any amounts received or to be received from the relevant Covered Bond Swap Provider) would be insufficient to pay the Australian Dollar Equivalent of such Final Redemption Amount in respect of the relevant Series of Covered Bonds under sub-paragraph (ii) above, the shortfall will be divided amongst all such Series of Covered Bonds on a *pari passu* and rateable basis and any amount payable by the Covered Bond Guarantor to the relevant Covered Bond Swap Provider under the relevant Covered Bond Swap Agreement in respect of each Series of Covered Bonds under sub-paragraph (i) above will be correspondingly reduced to take into account the shortfall applicable to the Covered Bonds in respect of which such payment is to be made;

- (l) *twelfth*, to deposit the remaining moneys in the GIC Account for application on the immediately following Distribution Date in accordance with the priority of payments described in paragraphs (a) to (k) (inclusive) above, until the Covered Bonds have been fully repaid or provided for (such that the Required Redemption Amount has been accumulated in respect of each outstanding Series of Covered Bonds);
- (m) *thirteenth*, in or towards payment *pari passu* and rateably of any Excluded Swap Termination Amounts due and payable by the Covered Bond Guarantor under the Swap Agreements, except to the extent that such amounts have been paid out of any premiums received from any relevant replacement Swap Providers;
- (n) *fourteenth*, in or towards payment of all amounts due and payable (whether in respect of principal or interest) under the Intercompany Loan Agreement;
- (o) *fifteenth*, in or towards payment of certain costs, expenses and indemnity amounts due by the Covered Bond Guarantor to the Cover Pool Monitor pursuant to the Cover Pool Monitor Agreement;
- (p) *sixteenth*, in or towards payment of any amounts due and payable under the Demand Loan pursuant to the terms of the Demand Loan Agreement to the extent that such payment has not already been made in accordance with paragraph (g) above (including as a result of an In Specie Failure);

- (q) *seventeenth*, to be paid to the Income Unitholder in whole or partial satisfaction of any entitlement to the Net Trust Income of the Trust remaining unpaid; and
- (r) *eighteenth*, the remainder to be paid to the Capital Unitholder.

No part of the Available Principal Amount or the Available Income Amount will be applied under paragraph (g) above by the Covered Bond Guarantor. The Trust Manager must ensure that paragraph (g) above is satisfied by applying any amount standing to the credit of the OC Account and, if applicable, by an in specie distribution to the Demand Loan Provider of the In Specie Mortgage Loan Rights pursuant to the section “*Summary of the Principal Documents – Demand Loan Agreement*” in this Offering Circular. The amount described in paragraph (p) above may also be satisfied, in the Trust Manager's discretion, by an in specie distribution to the Demand Loan Provider of the In Specie Mortgage Loan Rights rather than by application of any Available Principal Amount or Available Income Amount.

### ***Amounts received on or after the Distribution Date***

#### ***Amounts received under the Covered Bond Swap Agreements***

- (a) Subject to paragraph (c) below, any amounts (other than in respect of principal and any Swap Collateral Excluded Amounts) received by or on behalf of the Covered Bond Guarantor under a Covered Bond Swap Agreement on or after a Distribution Date but prior to the immediately succeeding Distribution Date will be applied by the Covered Bond Guarantor (acting on the directions of the Trust Manager) together with any provision for such payments made on any preceding Distribution Date, to make payments (other than in respect of principal) due and payable *pari passu* and rateably in respect of each relevant Term Advance or otherwise to make provision for such payments on such date in the future of such proportion of the relevant payment falling due in the future as the Trust Manager may reasonably determine.
- (b) Subject to paragraph (c) below, any amounts (other than Swap Collateral Excluded Amounts) in respect of principal received by or on behalf of the Covered Bond Guarantor under a Covered Bond Swap Agreement on or after a Distribution Date but prior to the immediately succeeding Distribution Date will be applied, by the Covered Bond Guarantor (acting on the directions of the Trust Manager) together with any provision for such payments made on any preceding Distribution Date (provided that all principal amounts outstanding under the related Series of Covered Bonds which have fallen due for repayment on such date have been repaid in full by the Issuer), to make payments in respect of principal due and payable in respect of the corresponding Term Advances or otherwise to make provision for such payments on such date in the future of such proportion of the relevant payment falling due in the future as the Trust Manager may reasonably determine.
- (c) At any time after the service of a Notice to Pay on the Covered Bond Guarantor, but prior to service of a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer, any amounts (other than Swap Collateral Excluded Amounts) received by or on behalf of the Covered Bond Guarantor under a Covered Bond Swap Agreement (whether or not in respect of principal) on or after a Distribution Date but prior to the immediately succeeding Distribution Date will be applied, by the Covered Bond Guarantor (acting on the directions of the Trust Manager) together with any provision for such payments made on any preceding Distribution Date, to make payments of Scheduled Interest or Scheduled Principal under the Covered Bond Guarantee *pari passu* and rateably in respect of each relevant Series of Covered Bonds.
- (d) Any amounts (other than in respect of principal and any Swap Collateral Excluded Amounts) received by or on behalf of the Covered Bond Guarantor under a Covered Bond Swap Agreement on or after a Distribution Date but prior to the immediately succeeding Distribution Date that are not applied towards a payment or provision in accordance with paragraph (f) of the Pre-Acceleration Income Priority of Payments, paragraph (i) of the Guarantee Priority of Payments or paragraph (a) or (c) above will be deposited by the Covered Bond Guarantor (acting on the directions of the Trust Manager) into the GIC Account and will form part of the Available Income Amount to be applied on that Distribution Date (if received on that day) or on the immediately succeeding Distribution Date (if received after that Distribution Date).
- (e) Any amounts (other than Swap Collateral Excluded Amounts) of principal received under a Covered Bond Swap Agreement on a Distribution Date or any date prior to the immediately succeeding

Distribution Date which are not applied towards a payment or provision in accordance with paragraph (f) of the Pre-Acceleration Principal Priority of Payments, paragraph (j) of the Guarantee Priority of Payments or paragraph (b) or (c) above, will be deposited by the Covered Bond Guarantor (acting on the directions of the Trust Manager) into the GIC Account and will form part of the Available Principal Amount to be applied on that Distribution Date (if received on that day) or on the immediately succeeding Distribution Date (if received after that Distribution Date).

*Amounts received in respect of extinguishment of the Seller's interest in Mortgage Loan Rights*

Any amounts of principal received from the Seller in respect of an extinguishment of the Seller's interest in, or transfer by the Seller of, Mortgage Loan Rights to enable the Covered Bond Guarantor (acting on the directions of the Trust Manager) to apply such amounts to repay any relevant Term Advance on the date on which the Covered Bonds corresponding to such Term Advance mature will not be applied in accordance with the Pre-Acceleration Principal Priority of Payments and will (after being swapped, if necessary, under the relevant Covered Bond Swap) be applied or be deemed to be applied by the Covered Bond Guarantor (acting on the directions of the Trust Manager) in repayment of the relevant Term Advances on the date on which the Covered Bonds corresponding to such Term Advances mature, subject to the Asset Coverage Test being satisfied on the date of such repayment after giving effect to such repayment and after taking into account amounts that will be paid or provided for on the immediately following Distribution Date.

*Termination payments in respect of Swaps and premiums received in respect of replacement Swaps*

If the Covered Bond Guarantor receives any termination payment from a Swap Provider in respect of a Swap, the Trust Manager will direct the Covered Bond Guarantor to, and the Covered Bond Guarantor must, use such termination payment (prior to the occurrence of a Covered Bond Guarantor Event of Default and service of a Covered Bond Guarantee Acceleration Notice) towards the payment to a replacement Swap Provider to enter into a replacement Swap with the Covered Bond Guarantor (and, for the avoidance of doubt, the amount of such termination payment received from the Swap Provider will not form part of the Available Income Amount or Available Principal Amount to the extent it is used to make such payment to such replacement Swap Provider), unless a replacement Swap has already been entered into on behalf of the Covered Bond Guarantor or if no replacement Swap is entered into in which case the termination payment will be applied in accordance with the applicable Priority of Payments. In the case that the full amount of the termination payment is not required to pay the replacement Swap Provider, the remaining part of the termination payment will be applied in accordance with the applicable Priority of Payments.

If the Covered Bond Guarantor receives any premium from a replacement Swap Provider in respect of a replacement Swap, the Trust Manager will direct the Covered Bond Guarantor to, and the Covered Bond Guarantor must, use such premium towards making any termination payment due and payable by the Covered Bond Guarantor with respect to the previous Swap (and, for the avoidance of doubt, the amount of such premium used to pay the applicable termination payment will not form part of the Available Income Amount or Available Principal Amount to the extent it is used to make such payment to such previous Swap Provider), unless such termination payment has already been made by or on behalf of the Covered Bond Guarantor in which case the premium will be applied in accordance with the applicable Priority of Payments. In the case that the full amount of the premium payment is not required to pay the previous Swap Provider, the remaining part of the premium payment will be applied in accordance with the applicable Priority of Payments.

*Application of moneys received by the Security Trustee following the service of a Covered Bond Guarantee Acceleration Notice*

From and including the time when the Bond Trustee serves a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer, no amount may be withdrawn from the Trust Accounts without the prior written consent of the Security Trustee.

*Post-Enforcement Priority of Payments*

All monies received or recovered by the Security Trustee or any Receiver (excluding all amounts due or to become due in respect of any Third Party Amounts and, for the avoidance of doubt, excluding any Swap Collateral Excluded Amounts due to the relevant Swap Providers by the Covered Bond Guarantor, under the relevant Swap Agreements, which will be paid directly to the relevant Swap Provider in accordance with the relevant Swap Agreement), any In Specie Mortgage Loan Rights (but only in the case of paragraphs (f) and (k) below) and any amount standing to the credit of the OC Account (but only in the case of paragraph (f) below),



after service of a Covered Bond Guarantee Acceleration Notice, for the benefit of the Secured Creditors in respect of the Secured Obligations, must be held by it in the Trust Accounts on trust to be applied (unless required otherwise by law), in the following order of priority (and, in each case, only if and to the extent that payments or provisions of a higher order of priority have been made in full) (the **Post-Enforcement Priority of Payments**):

- (a) *first*, in or towards satisfaction of any Accrued Interest Adjustment outstanding to the Seller in connection with the transfer of any Mortgage Loan Rights to the Trust;
- (b) *second*, in or towards payment to the Seller of any unreimbursed Trust Further Advances made by the Seller;
- (c) *third*, in or towards satisfaction *pari passu* and rateably of:
  - (i) all amounts due and payable or to become due and payable to the Bond Trustee under the provisions of the Bond Trust Deed (but not including amounts otherwise payable to Covered Bondholders under this Post-Enforcement Priority of Payments) together with interest and any applicable GST (or similar Taxes) in respect of such amounts;
  - (ii) all amounts due and payable or to become due and payable to the Security Trustee and any Receiver (but not including amounts otherwise payable to Covered Bondholders under this Post-Enforcement Priority of Payments) together with interest and any applicable GST (or similar Taxes) in respect of such amounts; and
  - (iii) all amounts due and payable or to become due and payable to the Covered Bond Guarantor under the provisions of the Establishment Deed together with interest and any applicable GST (or similar Taxes) in respect of such amounts;
- (d) *fourth*, in or towards satisfaction *pari passu* and rateably of any remuneration then due and payable to the Agents under or pursuant to each Agency Agreement together with any applicable GST (or similar Taxes) in respect of such amounts as provided in the relevant Agency Agreement;
- (e) *fifth*, in or towards satisfaction *pari passu* and rateably of:
  - (i) any remuneration then due and payable to the Servicer and any Liabilities then due or to become due and payable to the Servicer under the provisions of the Servicing Deed, together with any applicable GST (or other similar Taxes) in respect of such amounts;
  - (ii) amounts due to the Account Bank (including any Liabilities) pursuant to the terms of the Account Bank Agreement, together with any applicable GST (or other similar Taxes) in respect of such amounts; and
  - (iii) any remuneration then due and payable to the Trust Manager and any Liabilities then due or to become due and payable to the Trust Manager under the Management Agreement, together with any applicable GST (or other similar Taxes) in respect of such amounts;
- (f) *sixth*, in or towards payment of any amounts due and payable under the Demand Loan pursuant to the terms of the Demand Loan Agreement (in whole or in part) subject to the Asset Coverage Test being satisfied on the date of such repayment after giving effect to such repayment;
- (g) *seventh*, in or towards satisfaction of any amounts due and payable to the Interest Rate Swap Provider, if the Issuer is not the Interest Rate Swap Provider, (including any termination payment, but excluding any relevant Excluded Swap Termination Amount) pursuant to the terms of the Interest Rate Swap Agreement;
- (h) *eighth*, in or towards satisfaction *pari passu* and rateably of:
  - (i) if the Issuer is the Interest Rate Swap Provider, any amounts due and payable to the Interest Rate Swap Provider (including any termination payment, but excluding any relevant Excluded Swap Termination Amount) pursuant to the terms of the Interest Rate Swap Agreement;

- (ii) any amounts due and payable to each relevant Covered Bond Swap Provider *pari passu* and rateably in respect of each relevant Covered Bond Swap (including any termination payment due and payable by the Covered Bond Guarantor under the relevant Covered Bond Swap Agreement, but excluding any relevant Excluded Swap Termination Amount) (except to the extent that such amounts have been paid out of any premiums received from any relevant replacement Covered Bond Swap Provider) in accordance with the relevant Covered Bond Swap Agreement; and
- (iii) any amounts due and payable under the Covered Bond Guarantee, to the Bond Trustee or (if so directed by the Bond Trustee) the relevant Agent on behalf of the Covered Bondholders *pari passu* and rateably in respect of interest and principal due and payable on each Series of Covered Bonds,

provided that if the amount available for distribution under this paragraph (h) (excluding any amounts received from the relevant Covered Bond Swap Provider) to the Covered Bondholders would be insufficient to pay the Australian Dollar Equivalent of the amounts due and payable under the Covered Bond Guarantee in respect of each Series of Covered Bonds under sub-paragraph (iii) above, the shortfall will be divided *pari passu* and rateably amongst all such Series of Covered Bonds on a *pari passu* and rateable basis and any amount payable by the Covered Bond Guarantor to the relevant Covered Bond Swap Provider under the relevant Covered Bond Swap in respect of each relevant Series of Covered Bonds or provision to be made under the relevant Covered Bond Swap in respect of each relevant Series of Covered Bonds under sub-paragraph (ii) above will be correspondingly reduced to take account of the shortfall applicable to the Covered Bonds in respect of which such payment or provision is to be made;

- (i) *ninth*, in or towards satisfaction *pari passu* and rateably of any Excluded Swap Termination Amounts due and payable by the Covered Bond Guarantor under the relevant Swap Agreements except to the extent that such amounts have been paid out of any premiums received from any relevant replacement Swap Providers;
- (j) *tenth*, in or towards payment of all amounts outstanding under the Intercompany Loan Agreement;
- (k) *eleventh*, in or towards payment of any amounts outstanding under the Demand Loan Agreement to the extent that such payment has not already been made in accordance with paragraph (f) above (including as a result of an In Specie Failure);
- (l) *twelfth*, to be paid to the Income Unitholder in whole or partial satisfaction of any entitlement to Net Trust Income of the Trust remaining unpaid; and
- (m) *thirteenth*, the remainder to be paid to the Capital Unitholder.

No monies received or recovered by the Security Trustee or any Receiver are to be applied under paragraph (f) above. The amount payable in accordance with paragraph (f) above may only be satisfied by the Security Trustee or the Receiver applying any amount standing to the credit of the OC Account and, if applicable, by an in specie distribution to the Demand Loan Provider of the In Specie Mortgage Loan Rights pursuant to the section “*Summary of the Principal Documents – Demand Loan Agreement*” in this Offering Circular. The amount described in paragraph (k) above may also be satisfied by an in specie distribution by the Security Trustee or any Receiver to the Demand Loan Provider of the In Specie Mortgage Loan Rights rather by the application of any monies received or recovered by the Security Trustee or any Receiver.

## THE MORTGAGE LOAN RIGHTS

The Mortgage Loan Rights forming part of the Assets of the Trust acquired by the Covered Bond Guarantor consist of Mortgage Loan Rights sold by the Seller to the Covered Bond Guarantor from time to time, in accordance with the terms of the Mortgage Sale Agreement, as more fully described under the section “*Summary of the Principal Documents – Mortgage Sale Agreement*” in this Offering Circular.

Any schedule of Mortgage Loan Rights attached to any Sale Notice may be provided in a document stored upon electronic media (including, but not limited to, electronic mail and CD-ROM).

See also the following risk factors under the section “*Risk Factors – Risk Factors relating to the Covered Bond Guarantor, including the ability of the Covered Bond Guarantor to fulfil its obligations in relation to the Covered Bond Guarantee – Limited description of the Assets of the Trust*” in this Offering Circular.

Since the commencement of the Programme, there have been no repurchases or replacements of Mortgage Loan Rights as a result of breaches of representations or warranties.

## ORIGINATION, MORTGAGE LOAN FEATURES AND ENFORCEMENT

The Mortgage Loans assigned to the Covered Bond Guarantor pursuant to the Mortgage Sale Agreement will consist of Mortgage Loans originated by the Seller. The origination process and types of Mortgage Loans are summarized below. However, the origination guidelines and types of Mortgage Loans may change in the future. See also the sections “*Risk Factors – Risk Factors relating to the Covered Bond Guarantor, including the ability of the Covered Bond Guarantor to fulfil its obligations in relation to the Covered Bond Guarantee – The Servicing Guidelines*” and “*Risk Factors – Risk Factors relating to the Covered Bond Guarantor, including the ability of the Covered Bond Guarantor to fulfil its obligations in relation to the Covered Bond Guarantee – Limited description of the Mortgage Loan Rights*” in this Offering Circular.

### ***Origination Process***

The Mortgage Loans to be assigned to the Covered Bond Guarantor by the Seller comprise a portfolio of variable and fixed rate loans which were originated by the Seller through loan applications from new and existing customers. All of the Seller’s mortgage loan applications are sourced from the Seller’s branch network, its mobile sales force, its telephone sales operation, approved and accredited mortgage brokers and through the internet from the Seller’s website.

### ***Approval and Underwriting Process***

When a mortgage loan application is received, it is processed in accordance with the Seller’s approval policies. These policies are monitored and are subject to continuous review by the Seller, which, like other lenders in the Australian residential housing loan market, does not divide its borrowers into groups of differing credit quality for the purposes of setting standard interest rates for their residential mortgage loans. In certain situations discounted interest rates are provided to retain existing borrowers or to attract certain high income individuals. All Borrowers must satisfy the appropriate approval criteria of the Seller described in this section.

Each lending officer of the Seller must be assessed prior to a credit approval authority delegation being approved. The lending officer’s performance and approval authority is constantly monitored and reviewed by the Seller. This ensures that loans are approved by a lending officer with the proper authority level and that the quality of the underwriting process by each individual lending officer is maintained.

Mortgage loans processed by the Seller will either be approved or referred by the credit scorecard system to a lending officer holding a credit approval authority. A loan will be approved or rejected by a lending officer holding the appropriate level of delegation and loans which have higher risk characteristics or do not meet the Seller’s approval criteria are assessed by a loan officer with a higher level of experience.

The approval process includes verifying the borrower’s application details, assessing their ability to repay the mortgage loan and determining the valuation of the mortgaged property.

### ***Verification of application details***

The verification process involves borrowers providing proof of identity, evidence of income and evidence of savings. For a non-self employed applicant, it includes confirming employment and income levels by way of recent payslips, tax assessments or letter from the employer. For a self-employed or business applicant it includes checking annual accounts and tax assessments. Where applicants are refinancing debts from another financial institution, a check of recent statements of the existing loan is made to determine the regularity of debt payments. The credit history of any existing borrowings from the Seller across both internal product systems capturing repayment history and credit bureau records are also checked.

### ***Assessing ability to repay***

Based upon the application, once verified, an assessment is made of the applicant’s ability to repay the mortgage loan. This is primarily based on the net monthly cash position along with any risk factors identified in verifying the applicant’s income, savings or credit history. The credit decision is made using one of the following processes.

#### **(a) Credit scorecard**

A credit scorecard system automatically and consistently applies the Seller’s credit assessment rules without relying on the credit experience of the inputting officer. The credit scorecard returns a decision

to approve or refer an application. An application is referred by the system if certain risk factors, such as loan size or a high commitment level, are present which require the application to be assessed by an experienced loan officer. The credit score determined by this system is based on historical performance data of the Seller's mortgage loan portfolio.

(b) Credit approval authorities

Mortgage loan applications which are not credit scored and those which are referred by the credit scorecard are assessed by a loan officer. Each loan officer is allocated a credit approval authority based on their level of experience and past performance. Loans which have certain risk characteristics, such as high loan size or a poor account performance history, are assessed by more experienced loan officers. The Seller monitors the quality of lending decisions and conducts regular audits of approvals.

In addition to the processes described above, mortgage loan applications sourced through the Seller's approved mortgage brokers are also subject to a credit history search of the Borrower which is provided by Veda Advantage Ltd, formerly known as Baycorp Advantage Ltd. Additionally, applications sourced from the Seller's proprietary channels that are of high credit risk are subject to a credit bureau search, which is also provided by Veda Advantage Ltd.

Borrowers in respect of mortgage loans may be natural persons, corporations or trusts. Mortgage loans to corporations and trusts may be secured, if deemed necessary, by guarantees from directors. Guarantees may also be obtained in other circumstances.

*Valuation of mortgaged property*

For applications which successfully pass the credit decision process, the maximum allowable loan-to-value ratio, being the ratio of the Mortgage Loan amount to the value of the mortgaged property, is calculated and an offer for finance is made conditional upon a satisfactory valuation of the mortgaged property and any other outstanding conditions being satisfied. The amount of the mortgage loan that will be approved for a successful applicant is based on an assessment of the applicant's ability to service the proposed mortgage loan and the loan-to-value ratio. For the purposes of calculating the loan-to-value ratio, the value of a mortgaged property has been determined at origination by a qualified professional value or, subject to certain risk criteria, an externally provided database value or an acceptable source document such as a contract for the purchase of the mortgaged property. The risk criteria includes limits on the loan amount and the value and geographical location of the security property.

The maximum loan-to-value ratio that is permitted for any loan is determined according to the Seller's credit policy and is dependent on the size of the proposed loan, the nature and location of the proposed mortgaged property and other relevant factors. Where more than one mortgaged property is offered as security for a mortgage loan, the sum of the valuations for each mortgaged property is assessed against the mortgage loan amount sought.

The Seller's formal loan offer with the loan security documentation is sent by one of the Seller's loan processing centers to borrowers for acceptance/execution. Once the Seller's formal loan offer has been accepted by the applicant, one of the Seller's loan processing centers prepares the loan security documentation and dispatches it to the Borrower for execution. After execution, the documentation, together with signed acknowledgement that all non-documentary conditions of approval have been met, is returned by the business unit to the loan processing centre authorizing settlement and funding of the mortgage loan to proceed. In certain circumstances, settlement and funding are completed at the business unit level.

One of the conditions of settlement is that the borrower establish and maintain full replacement general home owner's insurance on the mortgaged property. Some of the mortgage loans have home owner's insurance provided by Commonwealth Insurance Limited, a subsidiary of the Seller. However, there is no ongoing monitoring of the level of home owner's insurance maintained by borrowers.

***The Seller's Product Types***

Set out below is a summary of the Seller's mortgage loan product types.

The Seller offers a wide variety of mortgage loan product types with various features and options that are further described in this section. Market competition and economics may require that the Seller offer new product types or add features to a mortgage loan which are not described in this section.

### *The Seller's standard variable rate loan and fixed rate loan*

These types of loan are the Seller's traditional standard mortgage products which consist of standard variable rate and fixed rate options. The standard variable rate product is not linked to any other variable rates in the market. However, it may fluctuate with market conditions. Borrowers may switch to a fixed interest rate at any time as described below in "Switching Interest Rates." Some of the mortgage loans will be subject to fixed rates for differing periods.

In addition, some of these loans have an interest rate which is discounted by a fixed percentage to the standard variable rate or fixed rate. These discounts are offered to members of certain professional groups, other high income individuals and Borrowers who meet certain loan size requirements.

### *The Seller's economiser home loan and rate saver home loan*

These types of loans have a variable interest rate which is not linked to the standard variable rate product and which may fluctuate independently of this and other standard variable rates in the market. These types of loans were introduced by the Seller to allow borrowers who did not require a full range of product features to reduce their interest rate. The interest rate for the economiser home loan and rate saver home loan historically has been less than that for the standard variable rate product. Of the features described below, at present only those headed "Redraws and Further Advances," "Interest Only Periods", "Repayment Holiday" and "Early Repayment" are available.

However, any such borrowers availing themselves of the "Interest Only Periods" product feature will currently cease to be eligible for the product feature "Redraws and Further Advances". To take advantage of other features borrowers must, with the agreement of the Seller or Servicer, as applicable, and upon payment of a fee, switch their mortgage loan to a standard variable rate loan or fixed rate loan product. However, these or other features may in the future be offered to borrowers.

### *Special Features of the Mortgage Loans*

Each Mortgage Loan may have some or all of the features described in this section. In addition, during the term of any Mortgage Loan, the Servicer may agree to change any of the terms of that Mortgage Loan from time to time at the request of the Borrower.

#### *Switching Interest Rates*

Borrowers may elect for a fixed rate, as determined by the Seller to apply to their mortgage loan for a period of up to 15 years. These mortgage loans convert to the standard variable interest rate at the end of the agreed fixed rate period unless the borrower elects to fix the interest rate for a further period.

#### *Substitution of Security*

A Borrower may apply to the Servicer to achieve the following:

- (a) substitute a different mortgaged property in place of the existing mortgaged property securing a Mortgage Loan; or
- (b) release a mortgaged property from a mortgage.

If the Servicer's credit criteria are satisfied and another property is substituted for the existing security for the Mortgage Loan, the mortgage which secures the existing Mortgage Loan may be discharged without the Borrower being required to repay the Mortgage Loan. The Servicer must obtain the consent of any relevant mortgage insurer to the substitution of security or a release of a mortgage where this is required by the terms of a mortgage insurance policy. See the section "*Summary of the Principal Documents – Servicing Deed*" in this Offering Circular.

#### *Redraws and Further Advances*

See the section "*Summary of the Principal Documents – Mortgage Sale Agreement – Further Advances*" in this Offering Circular.

### *Repayment Holiday*

A borrower is allowed a repayment holiday where the borrower has prepaid principal, creating a difference between the outstanding principal balance of the loan and the scheduled amortized principal balance of the mortgage loan. The borrower is not required to make any payments, including payments of interest, until the outstanding principal balance of the mortgage loan plus unpaid interest equals the scheduled amortized principal balance. The failure by the borrower to make payments during a repayment holiday will not cause the related mortgage loan to be considered delinquent.

### *Early Repayment*

A borrower may incur a fee if an early repayment occurs on either a fixed rate or, in respect to loans originated prior to July 1, 2011, variable rate mortgage loan. A borrower may also incur break fees if an early repayment or partial prepayment of principal occurs on a fixed rate mortgage loan. However, at present fixed rate loans allow for partial prepayment by the borrower of up to A\$10,000 in any 12 month period without any break fees being applicable.

### *Combination or “Split” Mortgage Loans*

A borrower may elect to split a mortgage loan into separate funding portions which may, among other things, be subject to different types of interest rates. Each part of the mortgage loan is effectively a separate loan contract, even though all the separate loans are secured by the same mortgage.

### *Interest Offset*

The Seller offers borrowers an interest offset product known as a mortgage interest saver account under which the interest accrued on the borrower’s deposit account is offset against interest on the borrower’s mortgage loan. The Seller does not actually pay interest to the borrower on the loan offset account, but simply reduces the amount of interest which is payable by the borrower under its mortgage loan. The borrower continues to make their scheduled mortgage payment with the result that the portion allocated to principal is increased by the amount of interest offset.

If, following a Perfection of Title Event, the Covered Bond Guarantor obtains legal title to a Mortgage Loan, the Seller will no longer be able to offer an interest offset arrangement for that Mortgage Loan.

### *Interest Only Periods*

A borrower may also request to make payments of interest only on his or her mortgage loan. If the Servicer agrees to such a request in respect of a Mortgage Loan it does so conditional upon higher principal repayments or a bulk reduction of principal applying upon expiry of the interest only period so that the mortgage loan is repaid within its original term.

### *Special Introductory Rates*

The Seller may offer borrowers introductory rates for periods of up to three years during which period the rate is either variable or fixed. On the expiry of the introductory offer, these mortgage loans automatically convert to the standard or base variable interest rate.

### *Additional Features*

The Seller and Servicer, as applicable, may from time to time offer additional features in relation to a Mortgage Loan which are not described in the preceding section or may cease to offer features that have been previously offered and may add, remove or vary any fees or other conditions applicable to such features.

### *Collection and Enforcement Procedures*

Pursuant to the terms of the mortgage loans, borrowers must make the minimum repayment due under the terms and conditions of the mortgage loans, on or before each monthly instalment due date. A borrower may elect to make his or her repayments weekly or fortnightly so long as the equivalent of the minimum monthly repayment is received on or before the monthly instalment due date. Borrowers often select repayment dates to coincide with receipt of their salary or other income. In addition to payment to a retail branch by cash or cheque,

mortgage loan repayments may be made by direct debit to a nominated bank account or direct credit from the borrower's salary by their employer.

A mortgage loan is subject to action in relation to arrears of payment whenever the monthly repayment is not paid by the monthly instalment due date. However, under the terms of the mortgage loans, borrowers may prepay amounts which are additional to their required monthly repayments to build up a "credit buffer", being the difference between the total amount paid by them and the total of the monthly repayments required to be made by them. If a borrower subsequently fails to make some or all of a required monthly repayment, the servicing system will apply the amount not paid against the credit buffer until the total amount of missed payments exceeds the credit buffer. The mortgage loan will be considered to be arrears only in relation to that excess.

The Servicer's automated collections system identifies all mortgage loan accounts which are in arrear and produces lists of those mortgage loans. The collection system allocates overdue loans to the Servicer's designated collection officers who take action in relation to the arrears.

Actions taken by the Servicer in relation to delinquent accounts will vary depending on a number of elements, including the following and, if applicable, with the input of a mortgage insurer:

- (i) arrears history;
- (ii) equity in the property; and
- (iii) arrangements made with the borrower to meet overdue payments.

If satisfactory arrangements cannot be made to rectify a delinquent mortgage loan, legal notices are issued and recovery action is initiated by the Servicer. This includes, if the Servicer obtains possession of the mortgaged property, ensuring that the mortgaged property supporting the mortgage loan still has adequate general home owner's insurance and that the upkeep of the mortgaged property is maintained. Recovery action is arranged by experienced collections staff in conjunction with internal or external legal advisers. A number of sources of recovery are pursued including the following:

- (i) voluntary sale by the mortgagor;
- (ii) guarantees;
- (iii) government assistance schemes;
- (iv) mortgagee sale;
- (v) claims on mortgage insurance; and
- (vi) action against the mortgagor/borrower personally.

The Servicer reports all actions that it takes on overdue mortgage loans to the relevant mortgage insurer where required in accordance with the terms of the mortgage insurance policies.

### ***Collection and Enforcement Process***

When a mortgage loan becomes delinquent a reminder letter is issued to the borrower to seek full and immediate clearance of all arrears. When this letter is sent depends on the risk profile of the account, but this will generally be in the first seven days. In the absence of successful contact, a phone call is made to the borrower. If the mortgage loans have a direct debit payment arrangement and there are sufficient funds available, a sweep of the nominated account is made to rectify the arrears.

If an arrangement has not been entered into to rectify the arrears, a default notice is sent advising the borrower that if the matter is not rectified within a period of 30 days, the Servicer is entitled to commence enforcement proceedings without further notice. The days delinquent that the notice is sent is dependent on the risk profile of the account. Generally, a default notice will be sent by day 60. Normally a further notice will be issued to a borrower on an account which is 90 days delinquent advising the borrower that failure to comply within 30 days will result in the Servicer exercising its power of sale. At 120 days delinquent, a letter of demand and notice to vacate is issued to the borrower, followed by a statement of claim at 150 days delinquent.



Service of a statement of claim is the initiating process in the relevant Australian court.

Once a borrower is served with a statement of claim, the borrower is given up to 40 days to file a notice of appearance and defence and, failing this, the Servicer will apply to the court to have judgment entered in its favour. The Servicer will then apply for a writ of possession whereby the sheriff will set an eviction date. Appraisals and valuations are ordered and a reserve price is set for sale by way of public auction, tender or private treaty. These time frames assume that the borrower has either taken no action or has not honoured any commitments made in relation to the delinquency to the satisfaction of the Servicer and the mortgage insurers.

It should also be noted that the Servicer's ability to exercise its power of sale on the mortgaged property is dependent upon the statutory restrictions of the relevant state or territory as to notice requirements. In addition, there may be factors outside the control of the mortgagee such as whether the mortgagor contests the sale and the market conditions at the time of sale. These issues may affect the length of time between the decision of the Servicer to exercise its power of sale and final completion of the sale. See also the section "*Risk Factors – Risk Factors relating to the Covered Bond Guarantor, including the ability of the Covered Bond Guarantor to fulfil its obligations in relation to the Covered Bond Guarantee – Enforcement of Mortgage Loans can involve substantial costs and delays and may not permit full recovery by the Servicer*" in this Offering Circular.

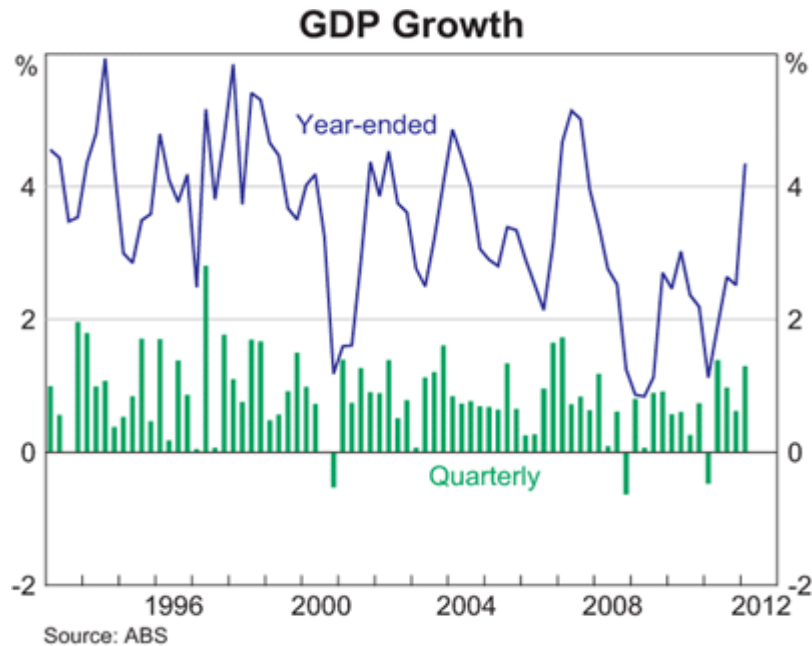
The collection and enforcement procedures may change from time to time in accordance with business judgment and changes to legislation and guidelines established by the relevant regulatory bodies.

## AUSTRALIAN MACROECONOMIC CONDITIONS AND THE AUSTRALIAN HOUSING MARKET

The following is a brief summary of Australian macroeconomic conditions and the Australian housing market and is derived from public data provided by the Reserve Bank of Australia (**RBA**), which has compiled data from a variety of government and non-government sources. While the Issuer is not aware of any misstatements regarding the data presented herein, such data may present an incomplete summary of Australian macroeconomic and housing conditions and involve risks and uncertainties. The data is also subject to change based on various factors, including those discussed under the heading “*Risk Factors*” in this Offering Circular.

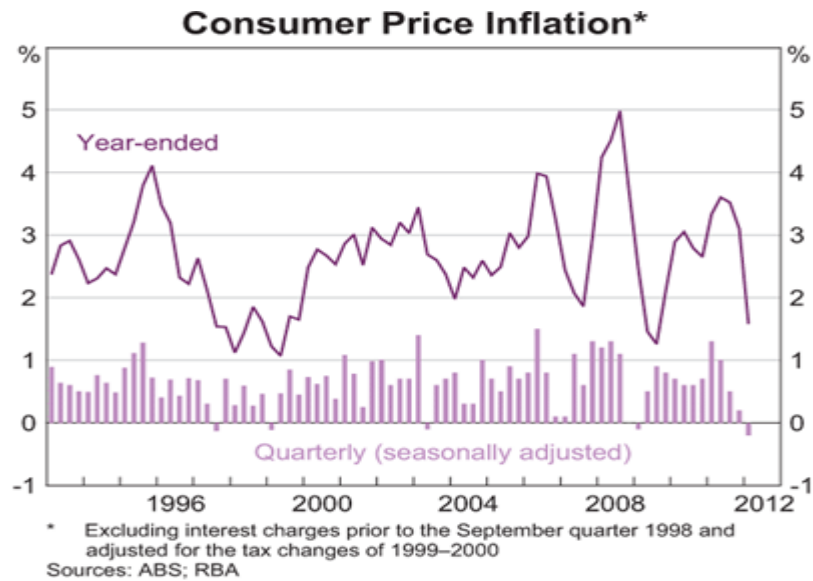
### Australian Macroeconomic Conditions

The growth in Australia’s gross domestic product (**GDP**) is illustrated in the graph below.

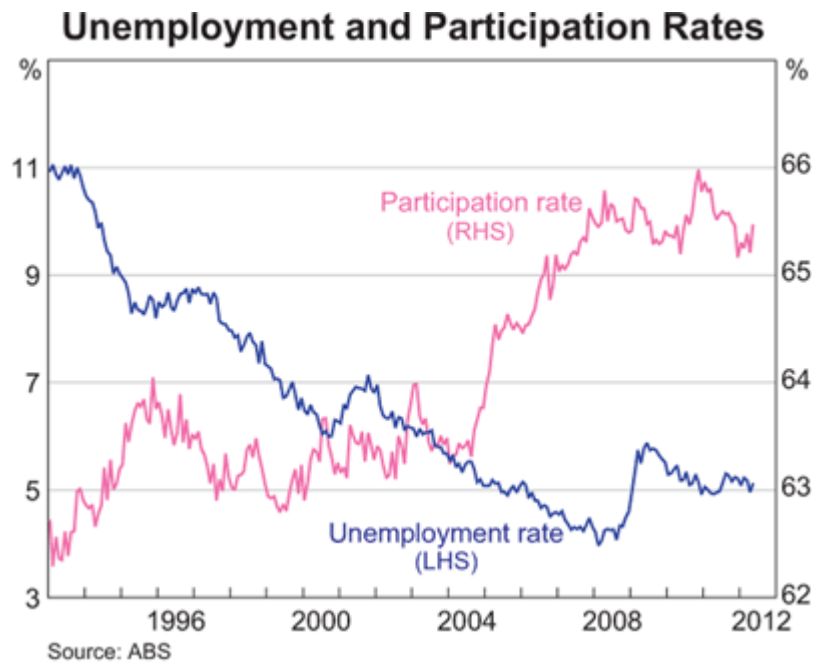


According to the RBA, GDP is estimated to have increased sharply by around 1.3 percent in the March 2012 quarter, reflecting relatively strong levels of household spending and non-dwelling construction. In 2011, GDP is estimated to have increased by around 2.3 percent, which is a little below average, partially reflecting weak export growth throughout the year and the extreme weather conditions in early 2011.

The extreme weather conditions also contributed to increased inflation in early 2011, along with increased fuel and utility prices and other factors. Inflation then fell in the second half of 2011 and the March 2012 quarter, largely as a result of the unwinding of the heightened fruit and vegetable prices caused by the early 2011 weather conditions. These trends are illustrated below.



The unemployment rate and participation rate of Australia's workforce is illustrated in the graph below.

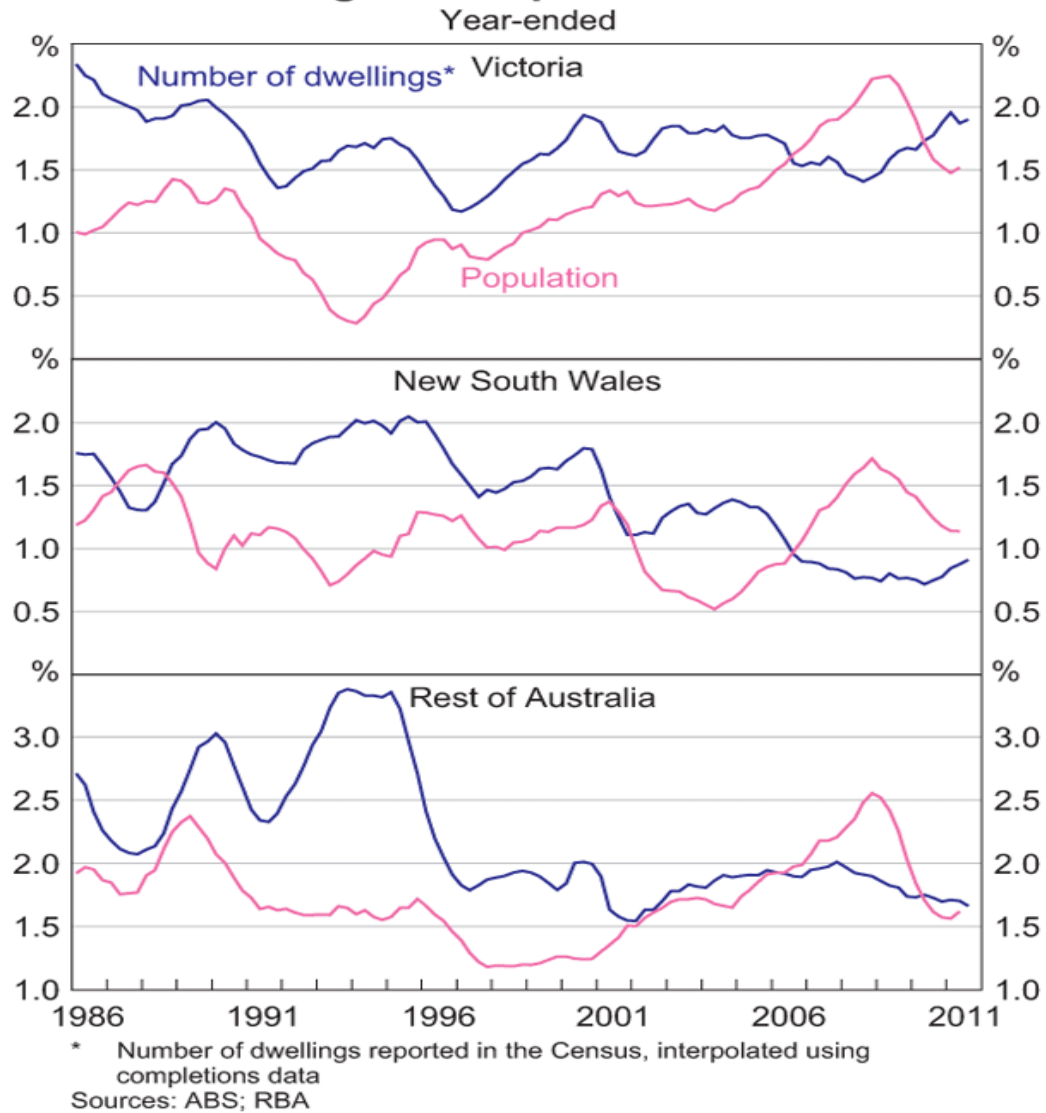


The unemployment rate has been relatively steady – in a range between 5 and approximately 5¼ percent over the last 12 months, after increasing slightly around mid-year 2011, according to the RBA.

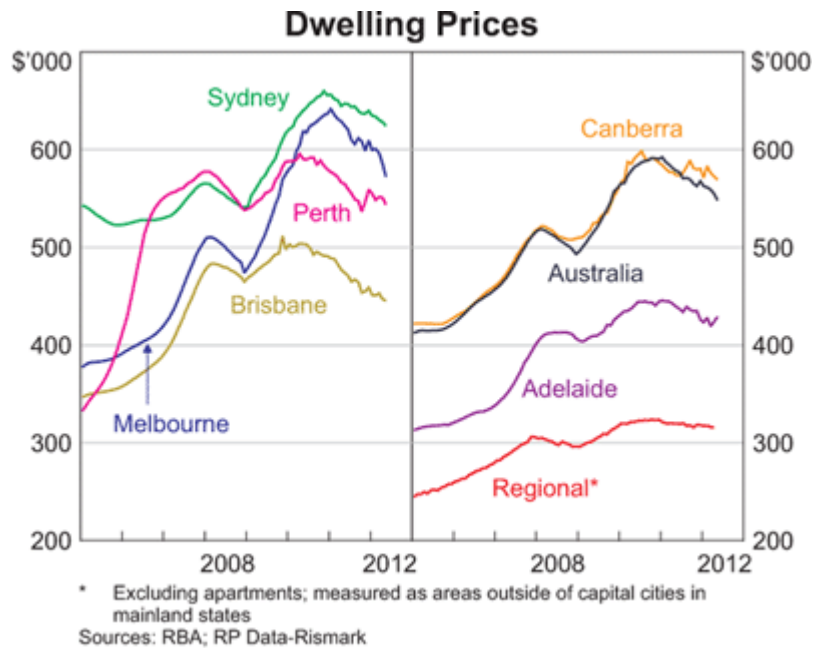
### Australian Housing Market

Over the last decade, dwelling prices in Australia have generally increased, largely driven by a combination of supply and demand issues. Strong population growth (both immigration and natural growth) has created underlying demand, while a slow supply response (primarily due to the relatively high cost of building and political issues in terms of funding new growth areas for housing) has created an underlying shortfall of new housing supply.

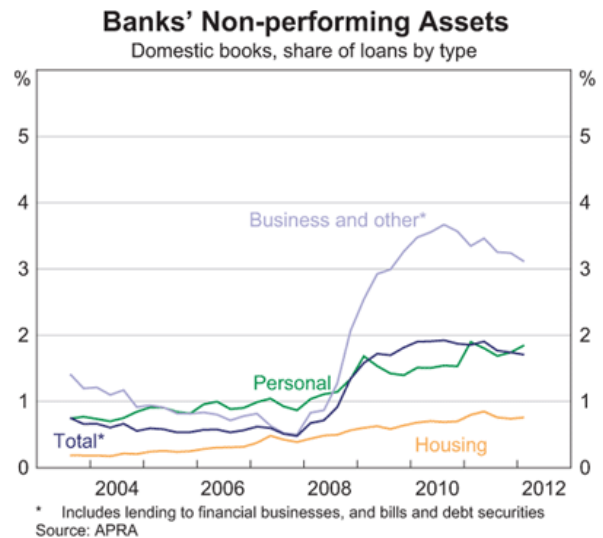
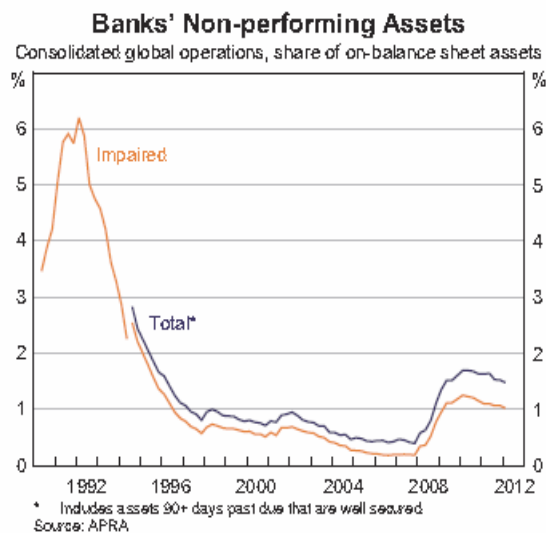
## Dwelling and Population Growth



Additionally, structurally lower interest rates and good economic performance has also provided a back-drop for broad house-price appreciation in the medium term. More recently, according to the RBA and as illustrated in the graph below, Australian capital city dwelling prices have declined modestly in 2011 and through the first half of 2012. Prices were between 5-10 percent lower over the previous year, although there have recently been signs of stabilization in prices.



Mortgage arrears rates in Australia increased through 2011, as indicated below (right). More recently, however, arrears have generally improved or stabilized.



The overall level of arrears in Australia is relatively low by global standards. The upward trend in 2011 was in part driven by an increase in interest rates during 2010 and early 2011 and also, to a lesser extent, by a series of unique weather events, including floods, cyclones and fires in the March quarter of 2011. More recently, in response to deteriorating conditions in Europe and related contagion concerns for the Australian economy, the RBA reduced interest rates by a combined 125 basis points over the last twelve months. Major banks have generally passed most of these reductions through to customers. As a consequence, there are signs of an improving performance in arrears recently.

## **DESCRIPTION OF THE COVERED BONDS PROVISIONS OF THE AUSTRALIAN BANKING ACT**

The Banking Amendment (Covered Bonds) Act 2011 (Cth) (the **Amendment Act**) came into force on October 17, 2011 and amended the Australian Banking Act to specifically facilitate the issuance of covered bonds by Australian authorised deposit-taking institutions (**ADIs**). The Amendment Act sets out a detailed regulatory framework for the issuance of covered bonds (the **Covered Bonds Provisions**). At the date of this Offering Circular, there are no regulations in support of the Covered Bonds Provisions. To facilitate the issuance of Covered Bonds in Australia, APRA has amended Australian Prudential Standard 120. On July 12, 2012, APRA issued a final prudential standard (Prudential Standard APS 121 Covered Bonds) setting out the prudential requirements that apply to ADIs that issue covered bonds in accordance with the Covered Bonds Provisions and the capital treatment of covered bonds for ADIs that invest in covered bonds. The standard became effective on August 1, 2012 and applies to covered bond programmes established prior to that date. APRA has indicated that the requirements under the standard are aimed at ensuring ADIs adopt prudent practices when issuing covered bonds to manage risks associated with exposures to a covered bond special purpose vehicle. The standard also governs the capital treatment for an issuing ADI of the assets in covered bond programmes.

### ***Eligible issuers***

The Australian Banking Act allows for ADIs that are regulated by APRA to issue covered bonds subject to compliance with the requirements of the Australian Banking Act. Any such covered bonds must be secured by assets beneficially owned by a covered bond special purpose vehicle. The Covered Bond Guarantor is a “covered bond special purpose vehicle” for the purposes of the Australian Banking Act.

### ***Cap on issuance***

Under the Australian Banking Act, an ADI is precluded from issuing covered bonds if, at the time of issuance, the value of the assets in all cover pools maintained by the ADI exceeds 8% (or such other percentage prescribed by regulation for the purposes of section 28 of the Australian Banking Act) of the value of the ADI’s assets in Australia at that time.

### ***Eligible assets***

The Australian Banking Act sets out the assets eligible for inclusion in a cover pool held by the covered bond special purpose vehicle for the purposes of securing covered bonds issued by an ADI. Accordingly, the assets in a cover pool must be one of the following:

- (a) at call deposits held with an ADI and convertible into cash within two business days;
- (b) bank accepted bills or certificates of deposit not issued by the Issuer that are eligible for repurchase transactions with the RBA and mature within 100 days;
- (c) government debt instruments issued or guaranteed by the Commonwealth, a State or a Territory;
- (d) residential mortgage loans;
- (e) commercial mortgage loans;
- (f) mortgage insurance policies or other assets related to a loan referred to in paragraphs (d) and (e) above;
- (g) a contractual right relating to the holding or management of another asset in a cover pool;
- (h) certain types of derivatives; and
- (i) any other asset prescribed from time to time by regulation for the purposes of section 31(1)(i) of the Australian Banking Act.

The value of assets in the cover pool which are bank accepted bills or certificates of deposit as described in paragraph (b) above must not exceed 15% of the face value of the covered bonds. There is currently no such limit prescribed in relation to the other types of assets set out above.

Further, the cover pool must not contain an asset of a kind prescribed by regulation for the purposes of section 31(3) of the Australian Banking Act. There are currently no such assets prescribed by regulation.

The Covered Bonds Provisions expressly provide that a statutory manager or an external administrator of the issuing ADI has no powers in relation to the assets in the cover pool apart from the contractual powers that the issuing ADI may have and the contractual obligations of the issuing ADI in relation to the assets.

#### ***APRA's powers under the Australian Banking Act***

In addition to the powers that APRA had in relation to an ADI under the Australian Banking Act prior to the enactment of the Covered Bonds Provisions, the Amendment Act has given APRA specific powers relating to covered bond issuances. Those powers include the following:

- (a) *No issue:* APRA has the power to direct an issuing ADI not to issue covered bonds where APRA gives a direction under section 11CA of the Australian Banking Act or in circumstances where APRA has reason to believe that the ADI has contravened the Covered Bonds Provisions, the Australian Banking Act, a prudential requirement regulation or a prudential standard relating to covered bonds.
- (b) *No top-up:* APRA has the power to direct the issuing ADI, in certain circumstances, not to transfer any asset to the covered bond special purpose vehicle. The relevant circumstances in which APRA may exercise such a power include, amongst other circumstances, where APRA has reason to believe that the issuing ADI is unable to meet its liabilities, there has been a material deterioration in the issuing ADI's financial condition, the issuing ADI is conducting its affairs in an improper or financially unsound way, the failure to issue a direction would materially prejudice the interests of the issuing ADI's depositors or the issuing ADI is conducting its affairs in a way that may cause or promote instability of the Australian financial system.

Further, APRA also has the power to direct a covered bond special purpose vehicle in certain circumstances to return assets to the issuing ADI which do not secure covered bond liabilities. A covered bond liability does not include a liability to the issuing ADI (other than a liability in respect of derivatives and for the provision of services) which is secured in priority to any liability to covered bondholders. However, as described under "Ring Fencing and Eligible Assets", to the extent that assets secure the covered bond liabilities of the issuing ADI, the Covered Bonds Provisions expressly provide that a statutory manager or an external administrator of the issuing ADI has no powers in relation to those assets.

For a more detailed description of APRA's powers and the potential consequences for the Programme, see the section "*Risk Factors - APRA's powers under the Australian Banking Act*" in this Offering Circular.

#### ***Maintenance of the cover pool***

The Covered Bonds Provisions require the issuing ADI to maintain the value of the cover pool at an amount which is no less than a specified minimum. The issuing ADI must ensure that the value of the assets in the cover pool is at least 103% of the face value of the outstanding covered bonds. For the purpose of calculating the value of the assets in the cover pool, the Australian Banking Act imposes a maximum loan to value ratio of no greater than 80% in respect of loans secured by a mortgage over residential property and a maximum loan to value ratio of no greater than 60% in respect of loans secured by a mortgage over commercial property, in each case, taking into account any prior or equal ranking loans secured by that property.

The Australian Banking Act does not specify a maximum level of over-collateralisation which affords ADIs the flexibility to determine the appropriate level of over-collateralisation. However APRA has the power to prevent an ADI from maintaining the cover pool in particular circumstances, such as where the ADI is facing financial difficulty. See the section "APRA's powers under the Australian Banking Act" above.

#### ***Cover Pool Monitor***

The Covered Bonds Provisions require a cover pool monitor to be appointed in respect of the cover pool securing the covered bonds issued by an ADI. The cover pool monitor must be an auditor registered under the Australian Corporations Act or the holder of an Australian Financial Services Licence (AFSL) covering the provision of financial services as a cover pool monitor or be exempt from holding such an AFSL. The issuing ADI or an associated entity (as defined in the Australian Corporations Act) of the issuing ADI is not permitted to be the cover pool monitor.

The functions of the cover pool monitor include, amongst others:

- (a) to assess the maintenance of an accurate register by the ADI or the covered bond special purpose vehicle of the assets in the cover pool every six months;
- (b) to assess the Issuer's and the Seller's compliance with sections 31 and 31A of the Australian Banking Act; and
- (c) provide reports in respect of these functions to the ADI and, upon request, to APRA.



## BOOK ENTRY CLEARANCE SYSTEMS

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of the clearing systems currently in effect. The information in this section concerning the clearing systems has been obtained from sources that the Issuer believes to be reliable, but none of the Issuer, the Covered Bond Guarantor, the Bond Trustee nor any Dealer takes any responsibility for the accuracy thereof. Investors wishing to use the facilities of any of the clearing systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant clearing system. None of the Issuer, the Covered Bond Guarantor nor any other party to the Principal Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Covered Bonds held through the facilities of any clearing system or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.*

### Book-entry systems

#### DTC

DTC is a limited purpose trust company organised under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to Section 17A of the Exchange Act. DTC holds and provides asset servicing for securities that its participants (**Direct Participants**) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerised book-entry transfers and pledges between Direct Participants’ accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (**DTCC**). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (**Indirect Participants**). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Direct or Indirect Participants are on file with the SEC. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of DTC Covered Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Covered Bonds on DTC’s records. The ownership interest of each actual purchaser of each DTC Covered Bond (**Beneficial Owner**) is in turn to be recorded on the Direct and Indirect Participant’s records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the DTC Covered Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in DTC Covered Bonds, except in the event that use of the book-entry system for the DTC Covered Bonds is discontinued.

To facilitate subsequent transfers, all DTC Covered Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co. or such other name as may be requested by an authorised representative of DTC. The deposit of DTC Covered Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the DTC Covered Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such DTC Covered Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Each issue of DTC Covered Bonds shall be represented by a Rule 144A Global Covered Bond and/or a Regulation S Global Covered Bond, each in the aggregate principal amount of such issue sold in reliance on Rule 144A or Regulation S, as the case may be, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds U.S.\$500 million, one Rule 144A Global Covered Bond and/or one Regulation S Global Covered Bond will be issued with respect to each U.S.\$500 million of principal amount,

and an additional Rule 144A Global Covered Bond or Regulation S Global Covered Bond, as applicable, will be issued with respect to any remaining principal amount of such Covered Bonds issued in reliance on Rule 144A or Regulation S, as applicable.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the DTC Covered Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to DTC Covered Bonds unless authorised by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an omnibus proxy (**Omnibus Proxy**) to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the DTC Covered Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, principal and interest payments on the DTC Covered Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorised representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Issuer or its paying agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Direct or Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Direct or Indirect Participant and not of DTC or its nominee, the Issuer or its paying agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorised representative of DTC) is the responsibility of the Issuer or its paying agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

Under certain circumstances, DTC will exchange the DTC Covered Bonds for Registered Definitive Covered Bonds, which it will distribute to its Direct Participants in accordance with their proportionate entitlements and which, if representing interests in a Rule 144A Global Covered Bond, will be legended as set forth under Subscription and Sale and Transfer and Selling Restrictions.

Since DTC may only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, any Beneficial Owner desiring to pledge DTC Covered Bonds to persons or entities that do not participate in DTC, or otherwise take actions with respect to such DTC Covered Bonds, will be required to withdraw its Registered Covered Bonds from DTC.

DTC may discontinue providing its services as depository with respect to the DTC Covered Bonds at any time by giving reasonable notice to the Issuer or an Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Covered Bond certificates will be printed and delivered to DTC.

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

Euroclear and Clearstream, Luxembourg each holds securities for its customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

### **Book-entry ownership of and payments in respect of DTC Covered Bonds**

The Issuer may apply to DTC in order to have any Tranche of Covered Bonds represented by a Registered Global Covered Bond accepted in its book-entry settlement system. Upon the issue of any such Registered Global Covered Bond, DTC or its custodian will credit, on its internal book-entry system, the respective nominal amounts of the individual beneficial interests represented by such Registered Global Covered Bond to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the Relevant Dealer. Ownership of beneficial interests in such a Registered Global Covered Bond will be limited to Direct Participants or Indirect Participants, including, in the case of any Regulation S Global Covered Bond, the respective depositaries of Euroclear, Clearstream, Luxembourg. Ownership of beneficial interests in a Registered Global Covered Bond accepted by DTC will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to interests of Indirect Participants).

It should be noted that DTC will only process payments of principal and interest in U.S. dollars. Payments in U.S. dollars of principal and interest in respect of a Registered Global Covered Bond accepted by DTC will be made to the order of DTC or its nominee as the registered holder of such Registered Global Covered Bond. In the case of any payment in a currency other than U.S. dollars in respect of a Registered Global Covered Bond accepted by DTC, payment will be made to the Exchange Agent and the Exchange Agent will (in accordance with express written instructions received by it) remit all or a portion of such payment for credit directly to the beneficial holders of interests in the Registered Global Covered Bond in the currency in which such payment was made and/or cause all or a portion of such payment to be converted into U.S. dollars and credited to the applicable Direct Participants' account.

The Issuer expects DTC to credit accounts of Direct Participants on the applicable payment date in accordance with their respective holdings as shown in the records of DTC unless DTC has reason to believe that it will not receive payment on such payment date. The Issuer also expects that payments by Direct or Indirect Participants to beneficial owners of Covered Bonds will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Direct or Indirect Participant and not the responsibility of DTC, the Bond Trustee, the Security Trustee, the Agents or the Issuer. Payment of principal, premium, if any, and interest, if any, on Covered Bonds to DTC is the responsibility of the Issuer.

### **Transfers of Covered Bonds represented by Registered Global Covered Bonds**

Transfers of any interests in Covered Bonds represented by a Registered Global Covered Bond within DTC, Euroclear and Clearstream, Luxembourg will be effected in accordance with the customary rules and operating procedures of the relevant clearing system. The laws in some States within the United States may require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Covered Bonds represented by a Registered Global Covered Bond to such persons may depend upon the ability to exchange such Covered Bonds for Covered Bonds in definitive form. Similarly, because DTC can only act on behalf of Direct Participants in the DTC system who in turn act on behalf of Indirect Participants, the ability of a person having an interest in Covered Bonds represented by a Registered Global Covered Bond accepted by DTC to pledge such Covered Bonds to persons or entities that do not participate in the DTC system or otherwise to take action in respect of such Covered Bonds may depend upon the ability to exchange such Covered Bonds for Covered Bonds in definitive form. The ability of any holder of Covered Bonds represented by a Registered Global Covered Bond accepted by DTC to resell, pledge or otherwise transfer such Covered Bonds may be impaired if the proposed transferee of such Covered Bonds is not eligible to hold such Covered Bonds through a Direct or Indirect Participant in the DTC system.

Subject to compliance with the transfer restrictions applicable to the Registered Covered Bonds described under “*Subscription and Sale and Selling Restrictions*”, cross-market transfers between DTC, on the one hand, and directly or indirectly between accountholders in Euroclear and Clearstream, Luxembourg, on the other, will be effected by the relevant clearing system in accordance with its rules and through action taken by the U.S.

Registrar, the U.S. Paying Agent and any custodian (**Custodian**) with whom the relevant Registered Global Covered Bonds have been deposited.

On or after the Issue Date for any Covered Bond, transfers of Covered Bonds of such Series between accountholders in Euroclear and Clearstream, Luxembourg and transfers of Covered Bonds of such Series between participants in DTC will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in Euroclear or Clearstream, Luxembourg and DTC participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Euroclear and Clearstream, Luxembourg, on the other, transfers of interests in the relevant Registered Global Covered Bonds will be effected through the U.S. Registrar, the U.S. Paying Agent and the Custodian receiving instructions (and, where appropriate, certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. In the case of cross-market transfers, settlement between Euroclear or Clearstream, Luxembourg accountholders and DTC participants cannot be made on a delivery versus payment basis. The Covered Bonds will be delivered on a free delivery basis and arrangements for payment must be made separately.

DTC, Clearstream, Luxembourg and Euroclear have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Registered Global Covered Bonds among participants and accountholders of DTC, Euroclear and Clearstream, Luxembourg. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Bond Trustee, the Security Trustee, the Issuer, the Covered Bond Guarantor, the Agents or any Dealer will be responsible for any performance by DTC, Euroclear or Clearstream, Luxembourg, or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Covered Bonds represented by Registered Global Covered Bonds or for maintaining, supervising or reviewing any records relating to such beneficial interests.

## TAXATION

### United States federal income taxation

*United States Internal Revenue Service Circular 230 Notice: To ensure compliance with Internal Revenue Service Circular 230, prospective investors are hereby notified that: (a) any discussion of United States federal tax issues contained or referred to in this Offering Circular or any document referred to herein is not intended or written to be used, and cannot be used by prospective investors for the purpose of avoiding penalties that may be imposed on them under the United States Internal Revenue Code; (b) such discussion is written for use in connection with the promotion or marketing of the transactions or matters addressed herein; and (c) prospective investors should seek advice based on their particular circumstances from an independent tax advisor.*

This section describes the material United States federal income tax consequences to U.S. holders (as defined below) of owning the Covered Bonds. It applies to you only if you hold your Covered Bonds as capital assets for tax purposes. This section does not apply to you if you are a member of a class of holders subject to special rules, such as:

- a dealer in securities or currencies,
- a trader in securities that elects to use a mark-to-market method of accounting for your securities holdings,
- a bank,
- a life insurance company,
- a tax-exempt organization,
- a person that owns Covered Bonds that are a hedge or that are hedged against interest rate or currency risks,
- a person that owns Covered Bonds as part of a straddle or conversion transaction for tax purposes,
- a person that purchases or sells Covered Bonds as part of a wash sale for tax purposes, or
- a person whose functional currency for tax purposes is not the U.S. dollar.

This section applies only to holders of registered Covered Bonds. This section deals only with Covered Bonds that are due to mature 30 years or less from the date on which they are issued. The United States federal income tax consequences of owning Covered Bonds that are due to mature more than 30 years from their date of issue will be discussed in the applicable supplement. This section is based on the Code, as amended, its legislative history, existing and proposed regulations under the Code, published rulings and court decisions, all as currently in effect. These laws are subject to change, possibly on a retroactive basis.

If a partnership holds the Covered Bonds, the United States federal income tax treatment of a partner will generally depend on the status of the partner and the tax treatment of the partnership. A partner in a partnership holding the Covered Bonds should consult its tax advisor with regard to the United States federal income tax treatment of an investment in the Covered Bonds.

Any special United States federal income tax considerations relevant to a particular issue of Covered Bonds will be provided in the applicable supplement. Accordingly, investors should also consult the applicable supplement for any additional discussion regarding the United States federal income tax consequences applicable to a particular issuance of Covered Bonds.

If you are not a U.S. holder, this section does not apply to you. You are a U.S. holder if you are a beneficial owner of a Covered Bond and you are:

- a citizen or resident of the United States,
- a domestic corporation,

- an estate whose income is subject to United States federal income tax regardless of its source, or
- a trust if a United States court can exercise primary supervision over the trust's administration and one or more United States persons are authorized to control all substantial decisions of the trust.

### **Payments of Interest**

Except as described below in the case of interest on a discount Covered Bond that is not qualified stated interest, each as defined below under “– *Original Issue Discount – General*”, you will be taxed on any interest on your Covered Bond, whether payable in U.S. dollars or other Specified Currency, as ordinary income at the time you receive the interest or when it accrues, depending on your method of accounting for tax purposes.

Interest paid by the Issuer on the Covered Bonds and original issue discount, if any, accrued with respect to the Covered Bonds (as described below under “*Original Issue Discount*”) is income from sources outside the United States subject to the rules regarding the foreign tax credit allowable to a U.S. holder. Under the foreign tax credit rules, interest, original issue discount, and additional amounts will, depending on your circumstances, be either “passive” or “general” income for purposes of computing the foreign tax credit.

*Cash Basis Taxpayers.* If you are a taxpayer that uses the cash receipts and disbursements method of accounting for tax purposes and you receive an interest payment that is denominated in, or determined by reference to, a foreign currency, you must recognize income equal to the U.S. dollar value of the interest payment, based on the exchange rate in effect on the date of receipt, regardless of whether you actually convert the payment into U.S. dollars.

*Accrual Basis Taxpayers.* If you are a taxpayer that uses an accrual method of accounting for tax purposes, you may determine the amount of income that you recognize with respect to an interest payment denominated in, or determined by reference to, a foreign currency by using one of two methods. Under the first method, you will determine the amount of income accrued based on the average exchange rate in effect during the interest accrual period or, with respect to an accrual period that spans two taxable years, that part of the period within the taxable year.

If you elect the second method, you would determine the amount of income accrued on the basis of the exchange rate in effect on the last day of the accrual period, or, in the case of an accrual period that spans two taxable years, the exchange rate in effect on the last day of the part of the period within the taxable year. Additionally, under this second method, if you receive a payment of interest within five business days of the last day of your accrual period or taxable year, you may instead translate the interest accrued into U.S. dollars at the exchange rate in effect on the day that you actually receive the interest payment. If you elect the second method it will apply to all debt instruments that you hold at the beginning of the first taxable year to which the election applies and to all debt instruments that you subsequently acquire. You may not revoke this election without the consent of the United States Internal Revenue Service (**IRS**).

When you actually receive an interest payment, including a payment attributable to accrued but unpaid interest upon the sale or retirement of your Covered Bond, denominated in, or determined by reference to, a foreign currency for which you accrued an amount of income, you will recognize ordinary income or loss measured by the difference, if any, between the exchange rate that you used to accrue interest income and the exchange rate in effect on the date of receipt, regardless of whether you actually convert the payment into U.S. dollars.

### **Original Issue Discount**

*General.* If you own a Covered Bond, other than a short-term Covered Bond with a term of one year or less, it will be treated as a discount Covered Bond issued at an original issue discount if the amount by which the Covered Bond's stated redemption price at maturity exceeds its issue price is more than a de minimis amount. Generally, a Covered Bond's issue price will be the first price at which a substantial amount of Covered Bonds included in the issue of which the Covered Bond is a part is sold to persons other than bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers. A Covered Bond's stated redemption price at maturity is the total of all payments provided by the Covered Bond that are not payments of qualified stated interest. Generally, an interest payment on a Covered Bond is qualified stated interest if it is one of a series of stated interest payments on a Covered Bond that are unconditionally payable at least annually at a single fixed rate, with certain exceptions for lower rates paid during some periods, applied to the outstanding principal amount of the Covered Bond. There are special rules for variable rate Covered Bonds that are discussed under “–*Variable Rate Covered Bonds*”.

In general, your Covered Bond is not a discount Covered Bond if the amount by which its stated redemption price at maturity exceeds its issue price is less than the de minimis amount of  $\frac{1}{4}$  of 1 percent of its stated redemption price at maturity multiplied by the number of complete years to its maturity. Your Covered Bond will have de minimis original issue discount if the amount of the excess is less than the de minimis amount. If your Covered Bond has de minimis original issue discount, you must include the de minimis amount in income as stated principal payments are made on the Covered Bond, unless you make the election described below under “– *Election to Treat All Interest as Original Issue Discount*”. You can determine the includible amount with respect to each such payment by multiplying the total amount of your Covered Bond’s de minimis original issue discount by a fraction equal to:

- the amount of the principal payment made
- divided by:
- the stated principal amount of the Covered Bond.

Generally, if your discount Covered Bond matures more than one year from its date of issue, you must include original issue discount (**OID**) in income before you receive cash attributable to that income. The amount of OID that you must include in income is calculated using a constant-yield method, and generally you will include increasingly greater amounts of OID in income over the life of your Covered Bond. More specifically, you can calculate the amount of OID that you must include in income by adding the daily portions of OID with respect to your discount Covered Bond for each day during the taxable year or portion of the taxable year that you hold your discount Covered Bond. You can determine the daily portion by allocating to each day in any accrual period a pro rata portion of the OID allocable to that accrual period. You may select an accrual period of any length with respect to your discount Covered Bond and you may vary the length of each accrual period over the term of your discount Covered Bond. However, no accrual period may be longer than one year and each scheduled payment of interest or principal on the discount Covered Bond must occur on either the first or final day of an accrual period.

You can determine the amount of OID allocable to an accrual period by:

- multiplying your discount Covered Bond’s adjusted issue price at the beginning of the accrual period by your Covered Bond’s yield to maturity, and then
- subtracting from this figure the sum of the payments of qualified stated interest on your Covered Bond allocable to the accrual period.

You must determine the discount Covered Bond’s yield to maturity on the basis of compounding at the close of each accrual period and adjusting for the length of each accrual period. Further, you determine your discount Covered Bond’s adjusted issue price at the beginning of any accrual period by:

- adding your discount Covered Bond’s issue price and any accrued OID for each prior accrual period, and then
- subtracting any payments previously made on your discount Covered Bond that were not qualified stated interest payments.

If an interval between payments of qualified stated interest on your discount Covered Bond contains more than one accrual period, then, when you determine the amount of OID allocable to an accrual period, you must allocate the amount of qualified stated interest payable at the end of the interval, including any qualified stated interest that is payable on the first day of the accrual period immediately following the interval, pro rata to each accrual period in the interval based on their relative lengths. In addition, you must increase the adjusted issue price at the beginning of each accrual period in the interval by the amount of any qualified stated interest that has accrued prior to the first day of the accrual period but that is not payable until the end of the interval. You may compute the amount of OID allocable to an initial short accrual period by using any reasonable method if all other accrual periods, other than a final short accrual period, are of equal length.

The amount of OID allocable to the final accrual period is equal to the difference between:

- the amount payable at the maturity of your Covered Bond, other than any payment of qualified stated interest, and

- your Covered Bond's adjusted issue price as of the beginning of the final accrual period.

**Acquisition Premium.** If you purchase your Covered Bond for an amount that is less than or equal to the sum of all amounts, other than qualified stated interest, payable on your Covered Bond after the purchase date but is greater than the amount of your Covered Bond's adjusted issue price, as determined above under “– *General*”, the excess is acquisition premium. If you do not make the election described below under “– *Election to Treat All Interest as Original Issue Discount*”, then you must reduce the daily portions of OID by a fraction equal to:

- the excess of your adjusted basis in the Covered Bond immediately after purchase over the adjusted issue price of the Covered Bond

divided by:

- the excess of the sum of all amounts payable, other than qualified stated interest, on the Covered Bond after the purchase date over the Covered Bond's adjusted issue price.

**Pre-Issuance Accrued Interest.** An election may be made to decrease the issue price of your Covered Bond by the amount of pre-issuance accrued interest if:

- a portion of the initial purchase price of your Covered Bond is attributable to pre-issuance accrued interest,
- the first stated interest payment on your Covered Bond is to be made within one year of your Covered Bond's issue date, and
- the payment will equal or exceed the amount of pre-issuance accrued interest.

If this election is made, a portion of the first stated interest payment will be treated as a return of the excluded pre-issuance accrued interest and not as an amount payable on your Covered Bond.

**Covered Bonds Subject to Contingencies Including Optional Redemption.** Your Covered Bond is subject to a contingency if it provides for an alternative payment schedule or schedules applicable upon the occurrence of a contingency or contingencies, other than a remote or incidental contingency, whether such contingency relates to payments of interest or of principal. In such a case, you must determine the yield and maturity of your Covered Bond by assuming that the payments will be made according to the payment schedule most likely to occur if:

- the timing and amounts of the payments that comprise each payment schedule are known as of the issue date and
- one of such schedules is significantly more likely than not to occur.

If there is no single payment schedule that is significantly more likely than not to occur, other than because of a mandatory sinking fund, you must include income on your Covered Bond in accordance with the general rules that govern contingent payment obligations. These rules will be discussed in the applicable supplement.

Notwithstanding the general rules for determining yield and maturity, if your Covered Bond is subject to contingencies, and either you or the Issuer have an unconditional option or options that, if exercised, would require payments to be made on the Covered Bond under an alternative payment schedule or schedules, then:

- in the case of an option or options that the Issuer may exercise, the Issuer will be deemed to exercise or not exercise an option or combination of options in the manner that minimizes the yield on your Covered Bond and
- in the case of an option or options that you may exercise, you will be deemed to exercise or not exercise an option or combination of options in the manner that maximizes the yield on your Covered Bond.

If both you and the Issuer hold options described in the preceding sentence, those rules will apply to each option in the order in which they may be exercised. You may determine the yield on your Covered Bond for the purposes of those calculations by using any date on which your Covered Bond may be redeemed or repurchased



as the maturity date and the amount payable on the date that you chose in accordance with the terms of your Covered Bond as the principal amount payable at maturity.

If a contingency, including the exercise of an option, actually occurs or does not occur contrary to an assumption made according to the above rules then, except to the extent that a portion of your Covered Bond is repaid as a result of this change in circumstances and solely to determine the amount and accrual of OID, you must redetermine the yield and maturity of your Covered Bond by treating your Covered Bond as having been retired and reissued on the date of the change in circumstances for an amount equal to your Covered Bond's adjusted issue price on that date.

*Election to Treat All Interest as Original Issue Discount.* You may elect to include in gross income all interest that accrues on your Covered Bond using the constant-yield method described above under “– *General*”, with the modifications described below. For purposes of this election, interest will include stated interest, OID, de minimis original issue discount, market discount, de minimis market discount and unstated interest, as adjusted by any amortizable bond premium, described below under “– *Covered Bonds Purchased at a Premium*,” or acquisition premium.

If you make this election for your Covered Bond, then, when you apply the constant-yield method:

- the issue price of your Covered Bond will equal your cost,
- the issue date of your Covered Bond will be the date you acquired it, and
- no payments on your Covered Bond will be treated as payments of qualified stated interest.

Generally, this election will apply only to the Covered Bond for which you make it; however, if the Covered Bond has amortizable bond premium, you will be deemed to have made an election to apply amortizable bond premium against interest for all debt instruments with amortizable bond premium, other than debt instruments the interest on which is excludible from gross income, that you hold as of the beginning of the taxable year to which the election applies or any taxable year thereafter. Additionally, if you make this election for a market discount Covered Bond, you will be treated as having made the election discussed below under “– *Market Discount*” to include market discount in income currently over the life of all debt instruments having market discount that you acquire on or after the first day of the first taxable year to which the election applies. You may not revoke any election to apply the constant-yield method to all interest on a Covered Bond or the deemed elections with respect to amortizable bond premium or market discount Covered Bonds without the consent of the IRS.

*Variable Rate Covered Bonds.* Your Covered Bond will be a variable rate Covered Bond if:

- your Covered Bond's issue price does not exceed the total noncontingent principal payments by more than the lesser of:
  1. .015 multiplied by the product of the total noncontingent principal payments and the number of complete years to maturity from the issue date, or
  2. 15 percent of the total noncontingent principal payments; and
- your Covered Bond provides for stated interest, compounded or paid at least annually, only at:
  1. one or more qualified floating rates,
  2. a single fixed rate and one or more qualified floating rates,
  3. a single objective rate, or
  4. a single fixed rate and a single objective rate that is a qualified inverse floating rate.

Your Covered Bond will have a variable rate that is a qualified floating rate if:

- variations in the value of the rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which your Covered Bond is denominated; or

- the rate is equal to such a rate multiplied by either:
  5. a fixed multiple that is greater than 0.65 but not more than 1.35 or
  6. a fixed multiple greater than 0.65 but not more than 1.35, increased or decreased by a fixed rate; and
- the value of the rate on any date during the term of your Covered Bond is set no earlier than three months prior to the first day on which that value is in effect and no later than one year following that first day.

If your Covered Bond provides for two or more qualified floating rates that are within 0.25 percentage points of each other on the issue date or can reasonably be expected to have approximately the same values throughout the term of the Covered Bond, the qualified floating rates together constitute a single qualified floating rate.

Your Covered Bond will not have a qualified floating rate, however, if the rate is subject to certain restrictions (including caps, floors, governors, or other similar restrictions) unless such restrictions are fixed throughout the term of the Covered Bond or are not reasonably expected to significantly affect the yield on the Covered Bond.

Your Covered Bond will have a variable rate that is a single objective rate if:

- the rate is not a qualified floating rate,
- the rate is determined using a single, fixed formula that is based on objective financial or economic information that is not within the control of or unique to the circumstances of the issuer or a related party, and
- the value of the rate on any date during the term of your Covered Bond is set no earlier than three months prior to the first day on which that value is in effect and no later than one year following that first day.

Your Covered Bond will not have a variable rate that is an objective rate, however, if it is reasonably expected that the average value of the rate during the first half of your Covered Bond's term will be either significantly less than or significantly greater than the average value of the rate during the final half of your Covered Bond's term.

An objective rate as described above is a qualified inverse floating rate if:

- the rate is equal to a fixed rate minus a qualified floating rate and
- the variations in the rate can reasonably be expected to inversely reflect contemporaneous variations in the cost of newly borrowed funds.

Your Covered Bond will also have a single qualified floating rate or an objective rate if interest on your Covered Bond is stated at a fixed rate for an initial period of one year or less followed by either a qualified floating rate or an objective rate for a subsequent period, and either:

- the fixed rate and the qualified floating rate or objective rate have values on the issue date of the Covered Bond that do not differ by more than 0.25 percentage points or
- the value of the qualified floating rate or objective rate is intended to approximate the fixed rate.

In general, if your variable rate Covered Bond provides for stated interest at a single qualified floating rate or objective rate, or one of those rates after a single fixed rate for an initial period, all stated interest on your Covered Bond is qualified stated interest. In this case, the amount of OID, if any, is determined by using, in the case of a qualified floating rate or qualified inverse floating rate, the value as of the issue date of the qualified floating rate or qualified inverse floating rate, or, for any other objective rate, a fixed rate that reflects the yield reasonably expected for your Covered Bond.

If your variable rate Covered Bond does not provide for stated interest at a single qualified floating rate or a single objective rate, and also does not provide for interest payable at a fixed rate other than a single fixed rate for an initial period, you generally must determine the interest and OID accruals on your Covered Bond by:

- determining a fixed rate substitute for each variable rate provided under your variable rate Covered Bond,
- constructing the equivalent fixed rate debt instrument, using the fixed rate substitute described above,
- determining the amount of qualified stated interest and OID with respect to the equivalent fixed rate debt instrument, and
- adjusting for actual variable rates during the applicable accrual period.

When you determine the fixed rate substitute for each variable rate provided under the variable rate Covered Bond, you generally will use the value of each variable rate as of the issue date or, for an objective rate that is not a qualified inverse floating rate, a rate that reflects the reasonably expected yield on your Covered Bond.

If your variable rate Covered Bond provides for stated interest either at one or more qualified floating rates or at a qualified inverse floating rate, and also provides for stated interest at a single fixed rate other than at a single fixed rate for an initial period, you generally must determine interest and OID accruals by using the method described in the previous paragraph. However, your variable rate Covered Bond will be treated, for purposes of the first three steps of the determination, as if your Covered Bond had provided for a qualified floating rate, or a qualified inverse floating rate, rather than the fixed rate. The qualified floating rate, or qualified inverse floating rate, that replaces the fixed rate must be such that the fair market value of your variable rate Covered Bond as of the issue date approximates the fair market value of an otherwise identical debt instrument that provides for the qualified floating rate, or qualified inverse floating rate, rather than the fixed rate.

*Short-Term Covered Bonds.* In general, if you are an individual or other cash basis U.S. holder of a short-term Covered Bond, you are not required to accrue OID, as specially defined below for the purposes of this paragraph, for United States federal income tax purposes unless you elect to do so (although it is possible that you may be required to include any stated interest in income as you receive it). If you are an accrual basis taxpayer, a taxpayer in a special class, including, but not limited to, a regulated investment company, common trust fund, or a certain type of pass-through entity, or a cash basis taxpayer who so elects, you will be required to accrue OID on short-term Covered Bond on either a straight-line basis or under the constant-yield method, based on daily compounding. If you are not required and do not elect to include OID in income currently, any gain you realize on the sale or retirement of your short-term Covered Bond will be ordinary income to the extent of the accrued OID, which will be determined on a straight-line basis unless you make an election to accrue the OID under the constant-yield method, through the date of sale or retirement. However, if you are not required and do not elect to accrue OID on your short-term Covered Bonds, you will be required to defer deductions for interest on borrowings allocable to your short-term Covered Bonds in an amount not exceeding the deferred income until the deferred income is realized.

When you determine the amount of OID subject to these rules, you must include all interest payments on your short-term Covered Bond, including stated interest, in your short-term Covered Bond's stated redemption price at maturity.

*Foreign Currency Discount Covered Bonds.* If your discount Covered Bond is denominated in, or determined by reference to, a Specified Currency other than U.S. dollars, you must determine OID for any accrual period on your discount Covered Bond in the Specified Currency and then translate the amount of OID into U.S. dollars in the same manner as stated interest accrued by an accrual basis U.S. holder, as described under “– U.S. Holders – Payments of Interest”. You may recognize ordinary income or loss when you receive an amount attributable to OID in connection with a payment of interest or the sale or retirement of your Covered Bond.

## **Market Discount**

You will be treated as if you purchased your Covered Bond, other than a short-term Covered Bond, at a market discount, and your Covered Bond will be a market discount Covered Bond if:

- you purchase your Covered Bond for less than its issue price as determined above under “*Original Issue Discount – General*” and
- the difference between the Covered Bond's stated redemption price at maturity or, in the case of a discount Covered Bond, the Covered Bond's revised issue price, and the price you paid for your Covered Bond is equal to or greater than  $\frac{1}{4}$  of 1 percent of your Covered Bond's stated redemption

price at maturity or revised issue price, respectively, multiplied by the number of complete years to the Covered Bond's maturity. To determine the revised issue price of your Covered Bond for these purposes, you generally add any OID that has accrued on your Covered Bond to its issue price.

If your Covered Bond's stated redemption price at maturity or, in the case of a discount Covered Bond, its revised issue price, exceeds the price you paid for the Covered Bond by less than  $\frac{1}{4}$  of 1 percent multiplied by the number of complete years to the Covered Bond's maturity, the excess constitutes de minimis market discount, and the rules discussed below are not applicable to you.

You must treat any gain you recognize on the maturity or disposition of your market discount Covered Bond as ordinary income to the extent of the accrued market discount on your Covered Bond. Alternatively, you may elect to include market discount in income currently over the life of your Covered Bond. If you make this election, it will apply to all debt instruments with market discount that you acquire on or after the first day of the first taxable year to which the election applies. You may not revoke this election without the consent of the IRS. If you own a market discount Covered Bond and do not make this election, you will generally be required to defer deductions for interest on borrowings allocable to your Covered Bond in an amount not exceeding the accrued market discount on your Covered Bond until the maturity or disposition of your Covered Bond.

You will accrue market discount on your market discount Covered Bond on a straight-line basis unless you elect to accrue market discount using a constant-yield method. If you make this election, it will apply only to the Covered Bond with respect to which it is made and you may not revoke it.

### **Covered Bonds Purchased at a Premium**

If you purchase your Covered Bond for an amount in excess of its principal amount, you may elect to treat the excess as amortizable bond premium. If you make this election, you will reduce the amount required to be included in your income each year with respect to interest on your Covered Bond by the amount of amortizable bond premium allocable to that year, based on your Covered Bond's yield to maturity. If your Covered Bond is denominated in, or determined by reference to, a foreign currency (i.e., a currency other than U.S. dollars), you will compute your amortizable bond premium in units of the foreign currency and your amortizable bond premium will reduce your interest income in units of the foreign currency. Gain or loss recognized that is attributable to changes in exchange rates between the time your amortized bond premium offsets interest income and the time of the acquisition of your Covered Bond is generally taxable as ordinary income or loss. If you make an election to amortize bond premium, it will apply to all debt instruments, other than debt instruments the interest on which is excludible from gross income, that you hold at the beginning of the first taxable year to which the election applies or that you thereafter acquire, and you may not revoke it without the consent of the IRS. See also "*Original Issue Discount – Election to Treat All Interest as Original Issue Discount*".

### **Purchase, Sale and Retirement of the Covered Bonds**

Your tax basis in your Covered Bond will generally be the U.S. dollar cost, as defined below, of your Covered Bond, adjusted by:

- adding any OID or market discount previously included in income with respect to your Covered Bond, and then
- subtracting any payments on your Covered Bond that are not qualified stated interest payments and any amortizable bond premium applied to reduce interest on your Covered Bond.

If you purchase your Covered Bond with foreign currency (i.e., currency other than U.S. dollars), the U.S. dollar cost of your Covered Bond will generally be the U.S. dollar value of the purchase price on the date of purchase. However, if you are a cash basis taxpayer, or an accrual basis taxpayer if you so elect, and your Covered Bond is traded on an established securities market, as defined in the applicable Treasury regulations, the U.S. dollar cost of your Covered Bond will be the U.S. dollar value of the purchase price on the settlement date of your purchase.

You will generally recognize gain or loss on the sale or retirement of your Covered Bond equal to the difference between the amount you realize on the sale or retirement and your tax basis in your Covered Bond. If your Covered Bond is sold or retired for an amount in foreign currency, the amount you realize will be the U.S. dollar value of such amount on the date the Covered Bond is disposed of or retired, except that in the case of a Covered Bond that is traded on an established securities market, as defined in the applicable Treasury

regulations, a cash basis taxpayer, or an accrual basis taxpayer that so elects, will determine the amount realized based on the U.S. dollar value of the foreign currency on the settlement date of the sale.

You will recognize capital gain or loss when you sell or retire your Covered Bond, except to the extent:

- described above under “– *Original Issue Discount – Short-Term Covered Bonds*” or “– *Market Discount*”,
- attributable to accrued but unpaid interest,
- the rules governing contingent payment obligations apply, or
- attributable to changes in exchange rates as described below.

Capital gain of a noncorporate U.S. holder is generally taxed at preferential rates where the property is held for more than one year.

You must treat any portion of the gain or loss that you recognize on the sale or retirement of a Covered Bond as ordinary income or loss to the extent attributable to changes in exchange rates. However, you will take exchange gain or loss into account only to the extent of the total gain or loss you realize on the transaction.

### **Exchange of Amounts in Other Than U.S. Dollars**

If you receive foreign currency (i.e., currency other than U.S. dollars) as interest on your Covered Bond or on the sale or retirement of your Covered Bond, your tax basis in the foreign currency will equal its U.S. dollar value when the interest is received or at the time of the sale or retirement. If you purchase foreign currency, you generally will have a tax basis equal to the U.S. dollar value of the foreign currency on the date of your purchase. If you sell or dispose of a foreign currency, including if you use it to purchase Covered Bonds or exchange it for U.S. dollars, any gain or loss recognized generally will be ordinary income or loss.

### **Medicare Tax**

For taxable years beginning after December 31, 2012, a U.S. holder that is an individual or estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, will be subject to a 3.8% tax on the lesser of (1) the U.S. holder’s “net investment income” for the relevant taxable year and (2) the excess of the U.S. holder’s modified adjusted gross income for the taxable year over a certain threshold (which in the case of individuals will be between U.S.\$125,000 and U.S.\$250,000, depending on the individual’s circumstances). A U.S. holder’s net investment income will generally include its interest income and its net gains from the disposition of Covered Bonds, unless such interest income or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). If you are a U.S. holder that is an individual, estate or trust, you are urged to consult your tax advisors regarding the applicability of the Medicare tax to your income and gains in respect of your investment in the Covered Bonds.

### **Indexed Covered Bonds and Extendible Amortizing Covered Bonds**

The applicable supplement will discuss any special United States federal income tax rules with respect to Covered Bonds the payments on which are determined by reference to any index and other Covered Bonds that are subject to the rules governing contingent payment obligations which are not subject to the rules governing variable rate Covered Bonds and with respect to any extendible Covered Bonds.

### **Treasury Regulations Requiring Disclosure of Reportable Transactions**

Treasury regulations require United States taxpayers to report certain transactions that give rise to a loss in excess of certain thresholds (a **Reportable Transaction**). Under these regulations, if the Covered Bonds are denominated in a foreign currency, a U.S. holder that recognizes a loss with respect to the Covered Bonds that is characterized as an ordinary loss due to changes in currency exchange rates (under any of the rules discussed above) would be required to report the loss on IRS Form 8886 (Reportable Transaction Statement) if the loss exceeds the thresholds set forth in the regulations. For individuals and trusts, this loss threshold is \$50,000 in any single taxable year. For other types of taxpayers and other types of losses, the thresholds are higher. You should consult with your tax advisor regarding any tax filing and reporting obligations that may apply in connection with acquiring, owning and disposing of Covered Bonds.

## **Information with Respect to Foreign Financial Assets**

Owners of “specified foreign financial assets” with an aggregate value in excess of \$50,000 (and in some circumstances, a higher threshold), may be required to file an information report with respect to such assets with their tax returns. “Specified foreign financial assets” include any financial accounts maintained by foreign financial institutions as well as any of the following (which may include the Covered Bonds), but only if they are not held in accounts maintained by financial institutions: (i) stocks and securities issued by non-U.S. persons, (ii) financial instruments and contracts held for investment that have non-U.S. issuers or counterparties and (iii) interests in foreign entities. Individuals are urged to consult their tax advisors regarding the application of this legislation to their ownership of the Covered Bonds.

## **Foreign Account Tax Compliance Act**

A 30% withholding tax will be imposed on certain payments to certain non-U.S. financial institutions that fail to comply with information reporting requirements or certification requirements in respect of their direct and indirect United States shareholders and/or United States accountholders. United States accountholders subject to such information reporting or certification requirements may include holders of the Covered Bonds. To avoid becoming subject to the 30% withholding tax on payments to them, the Issuer and other non-U.S. financial institutions may be required to report information to the IRS regarding the holders of Covered Bonds issued after March 18, 2012 and, in the case of holders who (i) fail to provide the relevant information, (ii) are non-U.S. financial institutions who have not agreed to comply with these information reporting requirements, or (iii) hold Covered Bonds directly or indirectly through such a non-compliant non-U.S. financial institution, withhold on a portion of payments under the Covered Bonds. Under proposed regulations, such withholding would generally not apply to payments made before January 1, 2017. Moreover, under proposed regulations, such requirements would only apply to Covered Bonds issued on or after January 1, 2013. If these rules were to be finalized in their current proposed form, a holder of Covered Bonds would not be subject to the information reporting and withholding rules described in this paragraph unless the holder (i) is a non-U.S. financial institution who has not agreed to comply with these information reporting requirements, or (ii) holds Covered Bonds directly or indirectly through such a non-compliant non-U.S. financial institution. However, the rules for the implementation of this legislation have not yet been finalized, so it is not possible to determine at this time what impact, if any, this legislation will have on holders of the Covered Bonds.

## **Backup Withholding and Information Reporting**

In general, if you are a noncorporate U.S. holder, the Issuer and other payors are required to report to the IRS all payments of principal, any premium and interest on your Covered Bond, and the accrual of OID on a discount Covered Bond. In addition, the Issuer and other payors are required to report to the IRS any payment of proceeds of the sale of your Covered Bond before maturity within the United States. Additionally, backup withholding will apply to any payments, including payments of OID, if you fail to provide an accurate taxpayer identification number, or you are notified by the IRS that you have failed to report all interest and dividends required to be shown on your federal income tax returns.

In general, payment of the proceeds from the sale of Covered Bonds effected at a foreign office of a broker will not be subject to information reporting or backup withholding. However, a sale effected at a foreign office of a broker will generally be subject to information reporting and backup withholding if:

- the proceeds are transferred to an account maintained by you in the United States,
- the payment of proceeds or the confirmation of the sale is mailed to you at a United States address, or
- the sale has some other specified connection with the United States as provided in U.S. Treasury regulations.

In addition, payment of the proceeds from the sale of Covered Bonds effected at a foreign office of a broker will generally be subject to information reporting if the broker is:

- a United States person,
- a controlled foreign corporation for United States tax purposes,

- a foreign person 50% or more of whose gross income is effectively connected with the conduct of a United States trade or business for a specified three-year period, or
- a foreign partnership, if at any time during its tax year:
  - one or more of its partners are “United States persons”, as defined in U.S. Treasury regulations, who in the aggregate hold more than 50% of the income or capital interest in the partnership, or
  - such foreign partnership is engaged in the conduct of a United States trade or business.

Backup withholding will apply if the sale is subject to information reporting and the broker has actual knowledge that you are a United States person.

## **Australian Taxation**

*The following taxation summary is of a general nature only and addresses only some of the key Australian tax implications that may arise for a prospective holder of a Covered Bond as a result of acquiring, holding or transferring the Covered Bond. The following is not intended to be and should not be taken as a comprehensive taxation summary for a prospective holder of a Covered Bond.*

*The taxation summary is based on the Australian taxation laws in force and the administrative practices of the Australian Taxation Office (the ATO) generally accepted as at the date of this Offering Circular. Any of these may change in the future without notice and legislation introduced to give effect to announcements may contain provisions that are currently not contemplated and may have retroactive effect.*

*Prospective holders of Covered Bonds should also be aware that particular terms of issue of any Series or Tranche of Covered Bonds may affect the tax treatment of that and other Series or Tranches of Covered Bonds. Holders of Covered Bonds should consult their professional advisers in relation to their tax position. Holders of Covered Bonds who may be liable to taxation in jurisdictions other than Australia in respect of their acquisition, holding or disposal of Covered Bonds are particularly advised to consult their professional advisers as to whether they are so liable (and, if so, under the laws of which jurisdictions), since the following comments relate only to certain Australian taxation aspects of the Covered Bonds. In particular, holders of Covered Bonds should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Covered Bonds even if such payments may be made without withholding or deduction for or on account of taxation under the laws of Australia.*

### **Taxation of interest on Covered Bonds**

#### *Australian Covered Bondholders*

Covered Bondholders who are Australian tax residents that do not hold the Covered Bonds in carrying on business at or through a permanent establishment outside of Australia, or who are non-residents that hold the Covered Bonds in carrying on business at or through a permanent establishment in Australia, will be taxable by assessment in respect of any interest income derived in respect of the Covered Bonds. Such Covered Bondholders will generally be required to lodge an Australian income tax return. The timing of assessment of the interest (e.g. a cash receipts or accruals basis) will depend upon the tax status of the particular Covered Bondholder and the Conditions of the Covered Bonds and the potential application of the Taxation of Financial Arrangements provisions.

Tax at the rate of 46.5% may be deducted from payments to such a Covered Bondholder if the Covered Bondholder does not provide the Issuer with a tax file number (TFN) or an Australian Business Number (ABN) (where applicable), or proof of a relevant exemption.

#### *Offshore Bondholders*

Interest (which for the purposes of withholding tax is defined in section 128A(1AB) of the Tax Act to include amounts in the nature of, or in substitution for, interest and certain other amounts, including premiums on redemption or for a Covered Bond issued at a discount the difference between the amount repaid and the issue price) on debentures and certain other debt interests will be subject to interest withholding tax at a current rate of 10%, where the interest is paid to a non-resident of Australia and not derived in carrying on business at or

through an Australian permanent establishment, or to an Australian resident who derived the interest in carrying on business through a permanent establishment outside Australia.

Depending on their terms, Covered Bonds could in some cases be characterised as equity interests for tax purposes and be subject to different rules (e.g. Covered Bonds with returns contingent on the Issuer's performance or discretion, or convertible into shares in the Issuer). The Issuer does not intend to issue any Covered Bonds that would be characterised as equity interests for tax purposes.

Various exemptions are available from interest withholding tax, including the "public offer" exemption, tax treaty exemptions, and pension fund exemption (each discussed further below).

#### *Public offer exemption*

An exemption from Australian interest withholding tax will be available under section 128F of the Tax Act in respect of any Covered Bonds if the Issuer remains an Australian resident company both at the time it issues the relevant Series or Tranche of Covered Bonds and at the time interest is paid in respect of the Covered Bonds, and the Series or Tranche of Covered Bonds is issued in a manner which satisfies the "public offer test".

There are five principal methods of satisfying the public offer test, being broadly:

- (a) offers to 10 or more unrelated financial institutions or securities dealers;
- (b) offers to 100 or more investors;
- (c) offers of listed Covered Bonds;
- (d) offers via publicly available electronic information sources; and
- (e) offers to a dealer, manager or underwriter who offers to sell those Covered Bonds within 30 days by one of the preceding methods.

The public offer test will not be satisfied in respect of an issue of a Series or Tranche of Covered Bonds if, at the time of issue, the Issuer knew, or had reasonable grounds to suspect, at the time of issue that some of the Covered Bonds, or an interest in some of the Covered Bonds, would be acquired either directly or indirectly by an Offshore Associate (as defined below) of the Issuer, other than in the capacity of a dealer, manager or underwriter in relation to the placement of the Covered Bonds, or in the capacity of a clearing house, custodian, funds manager or responsible entity of a registered scheme.

Accordingly, the Covered Bonds should not be acquired by any Offshore Associate of the Issuer, subject to the exceptions referred to above.

Even if the public offer test is initially satisfied in respect of a Series or Tranche of Covered Bonds, if such Covered Bonds later come to be held by an Offshore Associate of the Issuer, and at the time of payment of interest on those Covered Bonds, the Issuer knows or has reasonable grounds to suspect that such person is an Offshore Associate of the Issuer, the exemption under section 128F does not apply to interest paid by the Issuer to such Offshore Associate in respect of those Covered Bonds, unless the Offshore Associate receives the payment in the capacity of a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme.

For the purposes of this section, an **Offshore Associate** is an "associate" of the Issuer as defined in section 128F(9) of the Tax Act who is:

- (a) a non-resident of Australia that does not acquire the Covered Bonds or an interest in the Covered Bonds in carrying on a business in Australia at or through a permanent establishment of the associate in Australia; or
- (b) a resident of Australia that acquires the Covered Bonds or an interest in the Covered Bonds in carrying on a business in a country outside Australia at or through a permanent establishment of the associate in that country.

The definition of **associate** includes, among other things, persons who have a majority voting interest in the Issuer, or who are able to influence or control the Issuer, and persons in whom the Issuer has a majority voting



interest, or whom the Issuer is able to influence or control (however this is not a complete statement of the definition).

Unless otherwise specified in any applicable Final Terms (or another relevant supplement to this Offering Circular), the Issuer intends to issue the Bonds in a manner which will satisfy the requirements of section 128F of the Tax Act.

#### *Tax treaty exemption*

Various Australian double tax agreements, including those with the United States of America, the United Kingdom, Norway, Finland, the Republic of France, Japan, the Republic of South Africa and New Zealand (each a **Specified Country**), include exemptions from interest withholding tax for interest derived by:

- (a) the government of the relevant Specified Country and certain governmental authorities and agencies in the Specified Country; and
- (b) certain unrelated banks, and financial institutions which substantially derive their profits by carrying on a business of raising and providing finance, which are resident in the Specified Country, and which are dealing wholly independently with the Issuer (interest paid under a back-to-back loan or economically equivalent arrangement will not qualify for this exemption).

The Australian government is progressively amending its double tax agreements to include similar kinds of interest withholding tax exemption. Prospective Covered Bondholders should obtain their own independent tax advice as to whether any of the exemptions under the relevant double tax agreements may apply to their particular circumstances.

#### *Pension fund exemption*

An exemption is available in respect of interest paid to a non-resident superannuation fund where that fund is a superannuation fund for foreign residents and the interest arising from the Covered Bonds is exempt from income tax in the country in which such superannuation fund is resident.

#### *Payment of additional amounts*

As set out in more detail in the Conditions, and unless expressly provided to the contrary in the applicable Final Terms (or another relevant supplement to this Offering Circular), if the Issuer is at any time compelled or authorised by law to deduct or withhold an amount in respect of any Australian withholding taxes imposed or levied by the Commonwealth of Australia in respect of the Covered Bonds, the Issuer must, subject to certain exceptions (as set out in Condition 7 of the Programme Conditions), pay such additional amounts as may be necessary in order to ensure that the net amounts received by the holders of those Covered Bonds after such deduction or withholding are equal to the respective amounts which would have been received had no such deduction or withholding been required. If there is a change in law or regulation as set out in Condition 5.2 of the Programme Conditions, requiring the Issuer to pay such additional amounts in relation to any Covered Bonds, the Covered Bonds may be redeemed at the option of the Issuer in whole, but not in part, on giving not less than 30 nor more than 60 days' notice to the Bond Trustee (see further Condition 5.2 of the Programme Conditions).

#### *Taxation of gains on disposal or redemption*

##### *Australian Covered Bondholders*

Covered Bondholders who are Australian tax residents, or who are non-residents that hold the Covered Bonds in carrying on business at or through a permanent establishment in Australia, will be required to include any gain or loss on disposal of the Covered Bonds in their assessable income.

The determination of the amount and timing of any gain or loss on disposition or redemption of the Covered Bonds may be affected by the "Taxation of Financial Arrangements" provisions, which provide for a specialised regime for the taxation of financial instruments, and, where the Covered Bonds are denominated in a currency other than Australian Dollars, the foreign currency rules. Prospective Bondholders should obtain their own independent tax advice in relation to the determination of any gain or loss on disposal or redemption of the Covered Bonds.

### *Offshore Covered Bondholders*

A Covered Bondholder who is a non-resident of Australia will not be subject to Australian income tax on gains realised on the disposal of the Covered Bonds, provided:

- (a) if the non-resident is not a resident of a country with which Australia has entered into a double tax agreement – such gains do not have an Australian source. A gain arising on the sale of the Covered Bonds by a non-Australian resident holder to another non-Australian resident where the Covered Bonds are sold outside Australia and all negotiations are conducted, and documentation executed, outside Australia, should generally not be regarded as having an Australian source; or
- (b) if the non-resident is a resident of a country with which Australia has entered into a double tax agreement – the non-Australian resident does not hold the Covered Bonds in the course of carrying on business at or through a permanent establishment in Australia.

Special rules can apply to treat a portion of the purchase price of Covered Bonds as interest for withholding tax purposes where deferred-return Covered Bonds (for example, Covered Bonds which pay a return that is deferred by more than 12 months) are sold to an Australian Bondholder. Any deemed interest under these rules is able to qualify for exemption from withholding tax as described above.

### *Payments by the Covered Bond Guarantor*

If the Issuer fails to pay an amount of principal or interest on the Covered Bonds, then the Covered Bond Guarantor may be required to make payments to the holders of Covered Bonds under the Covered Bond Guarantee. Where such payments relate to interest (including premiums on redemption or for a Covered Bond issued at a discount, the difference between the amount repaid and the issue price), it is not clear whether such payments would also be treated as interest for Australian withholding tax purposes. The definition of interest for Australian withholding tax purposes in subsection 128A(1AB) of the 1936 Act is very broad and includes amounts in the nature of interest and amounts in substitution for interest.

The ATO's view, as reflected in *Taxation Determination* TD 1999/26, is that such payments under the Covered Bond Guarantee would be interest for Australian withholding tax purposes. Based on this approach, interest withholding tax would be imposed at the rate of 10% in relation to any payments made by the Covered Bond Guarantor in respect of interest on the Bonds (or other amounts due under the Bonds other than the repayment of amounts subscribed for the Bonds) subject to such relief as may be available under the provisions of any applicable double taxation treaty or to any other exemption that may apply.

As discussed above, the exemption that is commonly relied upon by Australian debt issuers is the public offer exemption in section 128F. The ATO states in TD 1999/26 that guarantee payments would be treated as exempt from withholding tax under section 128F of the 1936 Act if the requirements of that section are satisfied. If the requirements of section 128F of the 1936 Act are satisfied in relation to the Covered Bonds, then payments by the Covered Bond Guarantor should not be subject to Australian withholding tax.

In the event payments by the Covered Bond Guarantor are subject to any withholding or deduction for or on account of tax, the Covered Bond Guarantor will not be required to pay any additional amounts (see further Condition 7 of the Programme Conditions).

### *Stamp duty*

No ad valorem stamp, issue, registration or similar taxes are payable in Australia on the issue, transfer or redemption of the Covered Bonds.

### *Goods and Services Tax*

Neither the issue nor receipt of the Covered Bonds will give rise to a liability for GST in Australia on the basis that the supply of Covered Bonds will comprise either an input taxed financial supply or (in the case of an offshore non-resident subscriber) a GST-free supply. Furthermore, neither the payment of principal or interest on the Covered Bonds would give rise to a GST liability.

### ***Tax treatment of the Covered Bond Guarantor***

The tax treatment of Covered Bond Guarantor could affect the Covered Bond Guarantor's ability to make payments under the Intercompany Loan, the Demand Loan, the Interest Rate Swap, the Covered Bond Swaps and, if called upon, the Covered Bond Guarantee.

### ***Income Tax Status of the Covered Bond Guarantor***

As the Covered Bond Guarantor is wholly owned by the Issuer, it will be a member of the Issuer's tax consolidated group, and will be taken to be a part of the head company of that group for most Australian income tax purposes. The primary responsibility for income tax liabilities rests with the head company of a tax consolidated group. As a result, the Covered Bond Guarantor will not be subject to any income tax liability in respect of the income of the Covered Bond Guarantor in the first instance.

All members of the Issuer tax consolidated group, including the Covered Bond Guarantor, can become jointly and severally liable for the tax liabilities of that group where the head company of that group defaults on those tax liabilities. However, where the members of that group have entered into a valid and effective tax sharing agreement, the liability of each member, including the Covered Bond Guarantor, will be limited to a reasonable allocation of the group's tax liabilities. Under the Issuer tax consolidated group's tax sharing agreement, subject to certain assumptions regarding the operation of the Covered Bond Guarantor, the Covered Bond Guarantor should have a nil allocation of that group's tax liabilities.

It is the opinion of Allen & Overy that the Issuer tax consolidated group's tax sharing agreement is consistent with the current guidance published by the Australian Commissioner of Taxation in relation to tax sharing agreements. It should be noted however that it is possible that the Commissioner of Taxation could change his current views, and any ultimate determination rests with the Courts. In addition, certain prescribed circumstances can operate to invalidate a tax sharing agreement, however, the Issuer will seek to ensure that no such circumstances occur. Subject to those qualifications, it is the opinion of Allen & Overy that the Issuer tax consolidated group's tax sharing agreement is valid and effective.

Additionally, the Covered Bond Guarantor will accede to the Issuer tax consolidated group's tax funding agreement, under which members of the tax consolidated group may be required to pay funding obligations in respect of taxes. However, under the terms of the tax funding agreement, the Covered Bond Guarantor should not be liable to pay any funding obligations in respect of its activities.

### ***Potential tax reform***

The Australian Government has announced proposed changes to update the law regarding taxation of trusts. On the basis of currently available information, there is a possibility that the law could be amended in a way that could cause the Covered Bond Guarantor to become subject to a liability in respect of taxes in certain circumstances (or potentially a liability under the Issuer tax consolidated group's tax sharing agreement or tax funding agreement), however, no draft legislation has been released.

### ***GST treatment of Covered Bond Guarantor***

Pursuant to the terms of the Bond Trust Deed, the Covered Bond Guarantor has guaranteed payments of interest and principal under the Covered Bonds. The Covered Bond Guarantor has agreed to pay an amount equal to the Guaranteed Amount when the same becomes Due for Payment but which would otherwise be unpaid by the Issuer. In addition, the Covered Bond Guarantor has agreed to pay certain other amounts in accordance with the applicable Priority of Payments.

The supply of some services made to the Covered Bond Guarantor may give rise to a liability for GST on the part of the relevant service provider. The GST position in this regard is covered below. However, where the Covered Bond Guarantor and the relevant service provider is grouped for GST purposes, no GST liability arises and input tax credit entitlements in respect of acquisitions made from outside of the GST group will depend on the supplies and acquisitions of the GST group as a whole. The Issuer understands that the Covered Bond Guarantor and the relevant service providers will not be grouped for GST purposes, however GST grouping may occur at a later date.

In relation to the acquisition of taxable services by the Covered Bond Guarantor from a service provider who is not part of the same GST group:

- (a) In the ordinary course of business, the service provider would charge the Covered Bond Guarantor an additional amount on account of GST unless the agreed fee is already GST-inclusive.
- (b) Assuming that the Covered Bond Guarantor exceeds the financial acquisitions threshold for the purposes of Division 189 of the GST Act, the Covered Bond Guarantor would not be entitled to a full input tax credit from the ATO to the extent that the acquisition relates to the Covered Bond Guarantor's input taxed supplies (including in respect of the Intercompany Loan, the Demand Loan and any Mortgage Loan Rights to be acquired by the Covered Bond Guarantor).
- (c) In the case of acquisitions which relate to the making of supplies of the nature described above, the Covered Bond Guarantor may still be entitled to a "reduced input tax credit" (which as at the date of this Offering Circular is equal to 75% of 1/11th of the GST-inclusive consideration payable by the Covered Bond Guarantor to the relevant service provider) in relation to certain acquisitions prescribed in the GST regulations, but only where the Covered Bond Guarantor is the recipient of the taxable supply and the Covered Bond Guarantor either provides, or is liable to provide, the consideration for the taxable supply.
- (d) Where services are provided to the Covered Bond Guarantor by an entity comprising an associate of the Covered Bond Guarantor for income tax purposes (but who is not a member of the same GST group), those services are provided for nil or less than market value consideration, and the Covered Bond Guarantor would not be entitled to a full input tax credit, the relevant GST (and any input tax credit) would be calculated by reference to the market value of those services.

In the case of supplies performed outside Australia for the purposes of the Covered Bond Guarantor's business, these may attract a liability for Australian GST if they are supplies of a kind which would have been taxable if they occurred in Australia and if the Covered Bond Guarantor would not have been entitled to a full input tax credit if the supply had been performed in Australia. This is known as the "reverse charge" rule. Where the rule applies, the liability to pay GST to the ATO falls not on the supplier, but on the Covered Bond Guarantor.

Where GST is payable on a taxable supply made to the Covered Bond Guarantor but a full input tax credit is not available, this will mean that less money is available to the Covered Bond Guarantor to make payments in accordance with the applicable Priority of Payments (which would include Guaranteed Amounts).

### **United Kingdom Taxation**

*The comments below are of a general nature based on current United Kingdom law and practice. They relate only to the position of persons who are the absolute beneficial owners of their Covered Bonds and all payments made thereon. The comments relate only to withholding tax or payments of or in respect of interest on the Covered Bonds issued by the Issuer and do not deal with any other aspect of the United Kingdom taxation treatment that may be applicable to holders of such Covered Bonds (including, for instance, income tax, capital gains tax and corporation tax). Prospective holders of Covered Bonds should note that the particular terms of issue of any Series of Covered Bonds as specified in the applicable Final Terms may affect the tax treatment of that and any other Series of Covered Bonds and should be treated with appropriate caution. The comments below do not deal with the tax consequences of any substitution of the Issuer in accordance with Condition 10.3 of the Programme Conditions.*

*References to "interest" in this summary mean "interest" as understood in United Kingdom tax law, and do not take account of any different definitions of "interest" which may prevail under any other law or which may be created by the Conditions or any related documentation.*

*Any holders of Covered Bonds who are in doubt as to their tax position should consult their professional advisers. Holders of Covered Bonds who may be liable to taxation in jurisdictions other than the United Kingdom in respect of their acquisition, holding or disposal of Covered Bonds are particularly advised to consult their professional advisers as to whether they are so liable (and, if so, under the laws of which jurisdictions), since the following comments relate only to certain United Kingdom taxation aspects of payments in respect of the Covered Bonds. In particular, holders of Covered Bonds should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Covered Bonds even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom.*

### *Payment of interest by the Issuer in respect of the Covered Bonds*

Payments of interest on the Covered Bonds issued by the Issuer may be made without withholding on account of United Kingdom income tax.

Covered Bondholders may wish to note that, in certain circumstances, HMRC has power to obtain information (including the name and address of the beneficial owner of the interest) from any person in the UK who either pays or credits interest to, or receives interest for the benefit of, a Covered Bondholder (regardless of whether tax is required to be withheld or deducted from such interest). HMRC also has power, in certain circumstances, to obtain information from any person in the United Kingdom who pays amounts payable on the redemption of Covered Bonds which are deeply discounted securities for the purposes of the Income Tax (Trading and Other Income) Act 2005 to or receives such amounts for the benefit of another person, although HMRC published practice is that it will not exercise its power to require this information in respect of amounts payable on the redemption of Covered Bonds where such amounts are paid on or before April 5, 2012. Such information may include the name and address of the beneficial owner of the amount payable on redemption. Any information obtained may, in certain circumstances, be exchanged by HMRC with the tax authorities of the jurisdiction in which the Covered Bondholder is resident for tax purposes.

### **EU Savings Directive**

Under the EU Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories, including Switzerland, have adopted similar measures (a withholding system in the case of Switzerland).

The European Commission has proposed certain amendments to the Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

## EMPLOYEE RETIREMENT INCOME SECURITY ACT

A fiduciary of a pension, profit-sharing or other employee benefit plan (a **plan**) subject to the U.S. Employee Retirement Income Security Act of 1974, as amended (**ERISA**), should consider the fiduciary standards of ERISA in the context of the plan's particular circumstances before authorizing an investment in the Covered Bonds. Accordingly, among other factors, the fiduciary should consider whether the investment would satisfy the prudence and diversification requirements of ERISA and would be consistent with the documents and instruments governing the plan, and whether the investment would involve a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code.

Section 406 of ERISA and Section 4975 of the Code prohibit plans, as well as individual retirement accounts and Keogh plans subject to Section 4975 of the Code (also **plans**), from engaging in certain transactions involving "plan assets" with persons who are "parties in interest" under ERISA or "disqualified persons" under the Code (**parties in interest**) with respect to the plan. A violation of these prohibited transaction rules may result in civil penalties or other liabilities under ERISA and/or an excise tax under Section 4975 of the Code for those persons, unless exemptive relief is available under an applicable statutory, regulatory or administrative exemption. Certain employee benefit plans and arrangements including those that are governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA) and foreign plans (as described in Section 4(b)(4) of ERISA) (**non-ERISA arrangements**) are not subject to the requirements of ERISA or Section 4975 of the Code but may be subject to similar provisions under applicable federal, state, local, foreign or other regulations, rules or laws (**similar laws**).

The acquisition of the Covered Bonds by a plan with respect to which the Issuer or certain of its affiliates is or becomes a party in interest may constitute or result in a prohibited transaction under ERISA or Section 4975 of the Code, unless those Covered Bonds are acquired pursuant to and in accordance with an applicable exemption. Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code provide an exemption for the purchase and sale of securities where neither the Issuer nor any of its affiliates have or exercise any discretionary authority or control or render any investment advice with respect to the assets of the plan involved in the transaction and the plan pays no more and receives no less than "adequate consideration" in connection with the transaction (the **service provider exemption**). The U.S. Department of Labor has also issued five prohibited transaction class exemptions, or **PTCEs**, that may provide exemptive relief if required for direct or indirect prohibited transactions that may arise from the purchase or holding of the Covered Bonds. These exemptions are:

- PTCE 84-14, an exemption for certain transactions determined or effected by independent qualified professional asset managers;
- PTCE 90-1, an exemption for certain transactions involving insurance company pooled separate accounts;
- PTCE 91-38, an exemption for certain transactions involving bank collective investment funds;
- PTCE 95-60, an exemption for transactions involving certain insurance company general accounts; and
- PTCE 96-23, an exemption for plan asset transactions managed by in-house asset managers.

Any purchaser or holder of Covered Bonds or any interest therein will be deemed to have represented by its purchase and holding of the Covered Bonds that it either (1) is not a plan and is not purchasing those Covered Bonds on behalf of or with "plan assets" of any plan or (2) with respect to the purchase or holding is eligible for the exemptive relief available under any of the PTCEs listed above, the service provider exemption or another applicable exemption. In addition, any purchaser or holder of Covered Bonds or any interest therein which is a non-ERISA arrangement will be deemed to have represented by its purchase or holding of the Covered Bonds that its purchase and holding will not constitute or result in a non-exempt violation of the provisions of any similar law.

Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is important that fiduciaries or other persons considering purchasing Covered Bonds on behalf of or with "plan assets" of any plan or non-ERISA arrangement consult with their counsel regarding the availability of exemptive relief under any of the PTCEs listed above, the service provider exemption or any other applicable exemption, or the potential consequences of any purchase or holding under similar laws, as applicable.

If you are an insurance company or the fiduciary of a pension plan or an employee benefit plan, and propose to invest in Covered Bonds, you should consult your legal counsel.

## SUBSCRIPTION AND SALE AND SELLING RESTRICTIONS

The Dealers have pursuant to an amended and restated distribution agreement (as the same may be further amended and/or supplemented and/or restated from time to time, the **U.S. Distribution Agreement**) dated August 29, 2012, agreed with the Issuer and the Covered Bond Guarantor a basis upon which such Dealers or any of them may from time to time use its reasonable best efforts to solicit offers to purchase the Covered Bonds. The Arranger is not acting as a Dealer under the Programme. The Arranger has not made, and reference to it in this Offering Circular as the Arranger does not constitute, an offer to sell or the solicitation of an offer to buy any Covered Bonds in any jurisdiction to any person. The Issuer will pay the applicable Dealer a commission which will equal the percentage of the principal amount of any such Covered Bond sold through such Dealer set forth in the applicable Final Terms. The Issuer may also sell Covered Bonds to a Dealer, as principal, at a discount from the principal amount thereof, and such Dealer may later resell such Covered Bonds to investors and other purchasers at varying prices related to prevailing market prices at the time of sale as determined by such Dealer. The Issuer may also sell Covered Bonds directly to, and may solicit and accept offers to purchase directly from, investors on its own behalf in those jurisdictions where the Issuer is authorized to do so. Any such agreement for any particular purchase by a Dealer will extend to those matters stated in the sections *“Form of the Covered Bonds”* and *“Terms and Conditions of the Covered Bonds”* in this Offering Circular. As at the date of this Offering Circular, the Dealers are Barclays Capital Inc., BNP Paribas Securities Corp., Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC, Deutsche Bank Securities Inc., Goldman, Sachs & Co., HSBC Securities (USA) Inc., J.P. Morgan Securities plc, Morgan Stanley & Co. LLC, RBS Securities Inc. and UBS Securities LLC but the Issuer may appoint other dealers from time to time in accordance with the U.S. Distribution Agreement, which appointment may be for a specific issue or on an ongoing basis.

In addition, the Dealers may offer the Covered Bonds they have purchased as principal to other Dealers. The Dealers may sell Covered Bonds to any Dealer at a discount. Unless otherwise indicated in the applicable Final Terms, any Covered Bond sold to a Dealer as principal will be purchased by such Dealer at a price equal to 100% of the principal amount thereof less a percentage equal to the commission applicable to any agency sale of a Covered Bond of identical term, and may be resold by such Dealer to investors and other purchasers from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale or may be resold to certain dealers as described above. After the initial offering of any Tranche of Covered Bonds to be resold to investors and other purchasers on a fixed offering price basis, the offering price, concession and discount may be changed.

In the U.S. Distribution Agreement, the Issuer has agreed to reimburse, make contributions relating to and indemnify the Dealers for certain of their expenses and liabilities (including liabilities under the Securities Act) in connection with the establishment and any future updates of the Programme and the issue of Covered Bonds under the Programme. The Dealers are entitled to be released and discharged from their obligations in relation to any agreement to purchase Covered Bonds under the U.S. Distribution Agreement in certain circumstances prior to payment to the Issuer.

In connection with an offering of Covered Bonds purchased by one or more Dealers as principal on a fixed offering price basis, such Dealer(s) will be permitted to over-allot or engage in transactions that stabilize the price of Covered Bonds. These transactions may consist of bids or purchases for the purpose of pegging, fixing or maintaining the price of Covered Bonds. If the Dealer creates or the Dealers create, as the case may be, a short position in Covered Bonds, that is, if it sells or they sell Covered Bonds in an aggregate principal amount exceeding that set forth in the applicable Final Terms, such Dealer(s) may reduce that short position by purchasing Covered Bonds in the open market. In general, purchase of Covered Bonds for the purpose of stabilization or to reduce a short position could cause the price of Covered Bonds to be higher than it might be in the absence of such purchases. Such stabilization if commenced, may be discontinued at any time and must be brought to an end after a limited period. Such stabilization, if any, will be in compliance with all laws.

Neither the Issuer, the Covered Bond Guarantor nor any of the Dealers make any representation or prediction as to the direction or magnitude of any effect that the transactions described in the immediately preceding paragraph may have on the price of Covered Bonds. In addition, neither the Issuer, the Covered Bond Guarantor nor any of the Dealers make any representation that the Dealers will engage in any such transactions or that such transactions, once commenced, will not be discontinued without notice.

The Dealers may from time to time purchase and sell Covered Bonds in the secondary market, but they are not obligated to do so, and there can be no assurance that there will be a secondary market for the Covered Bonds or



liquidity in the secondary market if one develops. From time to time, the Dealers may make a market in the Covered Bonds.

The Dealers and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Certain of the Dealers and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for the Issuer, for which they received or will receive customary fees and expenses. Affiliates of Deutsche Bank Securities Inc. are acting as Agents in connection with the Programme and are receiving customary fees in connection with these services.

In the ordinary course of their various business activities, the Dealers and their respective 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, and such investment and securities activities may involve securities and/or instruments of the Issuer, the Covered Bond Guarantor or their 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 the Issuer's securities, including potentially the Covered Bonds offered hereby. Any such short positions could adversely affect future trading prices of the Covered Bonds offered hereby. The Dealers and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

## United States

Each Dealer appointed under the U.S. Distribution Agreement will be required to acknowledge that the Covered Bonds and the Covered Bond Guarantee have not been and will not be registered under the Securities Act and may not be offered or sold, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. persons except (A) in the United States to QIBs in reliance on Rule 144A, (B) outside the United States to persons other than U.S. persons (as defined in Regulation S) in offshore transactions in reliance upon Regulation S, (C) pursuant to any other exemption from the registration requirements under the Securities Act or (D) pursuant to an effective registration statement under the Securities Act.

In connection with any Regulation S Global Covered Bonds, each Dealer appointed under the Programme will be required to agree that it will not offer and sell the Covered Bonds of any identifiable Series or Tranche within the United States or to, or for the account or benefit of U.S. persons (a) as part of their distribution at any time; and (b) otherwise during the Distribution Compliance Period, except in either case in accordance with Regulation S or to purchasers that are reasonably believed to be QIBs or pursuant to an effective registration statement under the Securities Act. Accordingly, each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree, that neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Regulation S Covered Bonds, and it and they have complied and will comply with the offering restrictions requirement of Regulation S under the Securities Act.

In addition, until the expiration of the Distribution Compliance Period, an offer or sale of Regulation S Global Covered Bonds 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 compliance with Rule 144A or pursuant to another exemption from the registration requirements under the Securities Act. Each Dealer who has purchased Covered Bonds of a Series or Tranche has agreed to notify the U.S. Paying Agent or the Lead Manager, when it has completed the distribution of its portion of the Covered Bonds of any identifiable Series or Tranche so that the U.S. Paying Agent or the Lead Manager may determine the completion of the distribution of all Covered Bonds of that Series or Tranche and notify any other Relevant Dealer of the end of the Distribution Compliance Period. Each Dealer has agreed that, at or prior to confirmation of sale of Covered Bonds in reliance on Regulation S, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Covered Bonds from it during the Distribution Compliance Period a confirmation or notice to substantially the following effect:

“THIS SECURITY AND ANY GUARANTEE IN RESPECT THEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), OR ANY APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN ACCORDANCE WITH

THE PRINCIPAL AGENCY AGREEMENT IN RESPECT OF THIS SECURITY (THE **PRINCIPAL AGENCY AGREEMENT**) AND PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT. UNTIL THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING AND THE ISSUE DATE, SALES MAY NOT BE MADE IN THE UNITED STATES OR TO U.S. PERSONS UNLESS MADE PURSUANT TO RULE 903 OR 904 OF REGULATION S OR RULE 144A UNDER THE SECURITIES ACT.”

Terms used in the above paragraph have the meanings given to them by Regulation S under the Securities Act.

### European Economic Area

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

(a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Covered Bonds referred to in (a) to (c) above will 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 “offer of Covered Bonds to the public” in relation to any Covered Bonds 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 Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Covered Bonds, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression Prospectus Directive means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression **2010 PD Amending Directive** means Directive 2010/73/EU.

### United Kingdom

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

(a) in relation to any Covered Bonds having a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Covered Bonds other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Covered Bonds would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Covered Bonds in

circumstances in which Section 21(1) of the FSMA does not apply to the Covered Bond Guarantor or the Issuer; and

- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Covered Bonds in, from or otherwise involving the United Kingdom.

### **Australia**

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 Covered Bonds, it:

- (a) will not make any offer or invitation in Australia or offer or invitation received in Australia in relation to the issue, sale or purchase of any Covered Bonds unless the offeree is required to pay at least A\$500,000 (disregarding any amount lent by the offeror, the issuer or any associated person of the offeror or issuer) for the Covered Bonds or its foreign currency equivalent or it is otherwise an offer or invitation for which by virtue of section 708 of the Australian Corporations Act no disclosure is required to be made under Part 6D.2 and it not an offer or invitation to a “retail client” (as defined in section 761G of the Australian Corporations Act);
- (b) has not circulated or issued and will not circulate or issue a disclosure document relating to the Covered Bonds in Australia or received in Australia which requires lodging under Division 5 of Part 6D.2 of the Australian Corporations Act; and
- (c) it will not make an offer or invitation to a "retail client" (as defined in section 761G of the Australian Corporations Act).

### **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 Covered Bonds (except for Covered Bonds which are a “structured product” as defined in the Securities and Futures Ordinance (Cap.571) of Hong Kong) other than (a) to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; 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 Covered Bonds, 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 Covered Bonds which are or are intended to be to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that ordinance.

### **Japan**

The Covered Bonds have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended (the **FIEA**)) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Covered Bonds, 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.

### **New Zealand**

The Covered Bonds may not be offered, sold or delivered, nor may any offering memorandum or advertisement in relation to any offer of Covered Bonds be distributed in New Zealand other than:

- (a) to persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money; or
- (b) to persons who are each required to pay a minimum subscription price of at least NZ\$500,000 for the Covered Bonds (disregarding any amount lent by the offeror, the Issuer or any associated person of the offeror or Issuer) before the allotment of those Covered Bonds; or
- (c) to persons who have each paid a minimum subscription price of at least NZ\$500,000 for securities previously issued by the Issuer (Initial Securities) (in a single transaction before allotment of Initial Securities and disregarding any amount lent by the offeror, the Issuer or any associated person of the offeror or the Issuer), provided the date of first allotment of Initial Securities occurred not more than 18 months before the date of offer of the Covered Bonds; or
- (d) in other circumstances where there is no contravention of the Securities Act 1978 of New Zealand.

In addition, the Covered Bonds may not be offered or sold to persons who are resident in New Zealand for New Zealand income tax purposes or who carry on business in New Zealand through a fixed establishment (as defined for New Zealand income tax purposes) 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 the seller (in which event the seller will provide details thereof to the Issuer or to a Paying Agent).

### **Singapore**

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that the Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore, and the Covered Bonds will be offered pursuant to exemptions under the Securities and Futures Act, Chapter 289 of Singapore (the **Securities and Futures Act**). Accordingly, the Covered Bonds may not be offered or sold or made the subject of an invitation for subscription or purchase nor may this Offering Circular or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any Covered Bonds be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor pursuant to section 274 of the Securities and Futures Act, (b) to a relevant person pursuant to Section 275(1) of the Securities and Futures Act, or to any person pursuant to Section 275(1A) of the Securities and Futures Act, and in accordance with the conditions specified in Section 275 of the Securities and Futures Act, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

Each of the following persons specified in Section 275 of the Securities and Futures Act which has subscribed or purchased the Covered Bonds, namely a person who is:

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

should note that shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust will not be transferred within six months after that corporation or that trust has acquired the Covered Bonds under Section 275 of the Securities and Futures Act except:

- (i) to an institutional investor under Section 274 of the Securities and Futures Act or to a relevant person or to any person pursuant to Section 275(1) and Section 275(1A) of the Securities and Futures Act, respectively and in accordance with the conditions specified in Section 275 of the Securities and Futures Act;
- (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 Securities and Futures Act.

## 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 Covered Bonds to the public in an EEA Member State (including the Grand Duchy of Luxembourg), the Dealers can also make an offer of Covered Bonds 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 10th 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.

## Taiwan

The Covered Bonds may not be sold, offered or issued to Republic of China (**Taiwan**) resident investors or in Taiwan unless they are made available, (i) outside Taiwan for purchase outside Taiwan by such investors and/or (ii) in Taiwan, (A) in the case of Structured Covered Bonds (as defined below) through bank trust departments, licensed securities brokers and/or insurance company investment linked insurance policies pursuant to the Taiwan Rules Governing Offshore Structured Products or (B) in the case of Covered Bonds which are not Structured Covered Bonds, through properly licensed Taiwan intermediaries (including the specified trust of money services of licensed banks in Taiwan acting as trustees) in such manner as complies with Taiwan law and regulation and/or (iii) in such other manner as may be permitted or exempted in accordance with Taiwan laws and regulations.

For the purpose of the preceding paragraph, **Structured Covered Bonds** means combination products issued outside of Taiwan by means of securities that link fixed income products and underlying financial derivative products that derive from equities, interest rates, foreign exchange rates, indexes, commodities, credit events or other interests.

## General

These selling restrictions may be amended in relation to a specific Series or Tranche of Covered Bonds by agreement between the Issuer and the Relevant Dealer or, if more than one, the Lead Manager on behalf of the Relevant Dealers. These selling restrictions may also be modified by the agreement of the Issuer and the Dealers following a change in a relevant law, regulation or directive. Any such modification and any additional selling restrictions with which any Relevant Dealer will be required to comply will be set out in the Final Terms issued in respect of the issue of Covered Bonds to which it relates or in a supplement to the Offering Circular.

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that to the best of its knowledge and belief it will comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Covered Bonds or possesses or distributes the Offering Circular or any other offering material and that it will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Covered Bonds under the laws, regulations and directives in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Issuer, the Covered Bond Guarantor nor any of the other Dealers will have any responsibility therefor.

None of the Issuer, the Covered Bond Guarantor or any of the Dealers has represented that Covered Bonds may at any time lawfully be sold in compliance with any appropriate registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Series or Tranche of Covered Bonds, the relevant Dealer(s) will be required to comply with such other restrictions as the Issuer and the relevant Dealer(s) shall agree as a term of issue and purchase as indicated in the applicable Final Terms.

## **GENERAL INFORMATION**

### **Authorisation**

The Issuer has obtained all necessary consents, approvals and authorisations in connection with the establishment, implementation and operation of the Programme and the issue and performance of Covered Bonds issued by it. The establishment of the Programme and the issue of the Covered Bonds by it thereunder were authorised by the Group Treasurer of the Issuer.

The Covered Bond Guarantor has obtained all necessary consents, approvals and authorizations in connection with the issue and performance of the Covered Bond Guarantee issued by it.

### **Documents Available**

While any Covered Bonds are outstanding, the following documents will be available, during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), for inspection at the office of the U.S. Paying Agent and the Issuer:

- (i) the constitutive documents of the Issuer and the Covered Bond Guarantor;
- (ii) any Final Terms relating to Covered Bonds of the Issuer issued under this Offering Circular which are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system. (In the case of any Covered Bonds issued under this Offering Circular which are not admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system, copies of the applicable Final Terms will only be available for inspection by the relevant Covered Bondholders);
- (iii) each Programme Document (including the Servicing Deed and the Bond Trust Deed (which includes the Covered Bond Guarantee and the forms of the Registered Global Covered Bonds and the Definitive Covered Bonds) but excluding the Final Terms as set out in paragraph (ii));
- (iv) the auditors' reports and audited consolidated and non-consolidated annual financial statements for the financial years ended June 30, 2012 (contained in the 2012 Financial Report) and June 30, 2011 (contained in the 2011 Financial Report) of the Issuer;
- (v) when finalized, the audited financial statements of the Trust in respect of the period from the date of establishment of the Trust to June 30, 2012; and
- (vi) a copy of this Offering Circular, together with any supplement to this Offering Circular or further Offering Circular and any documents incorporated by reference.

### **Clearing Systems**

The Covered Bonds may be cleared through DTC, Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The Common Code and the International Securities Identification Number (ISIN) and (where applicable) the identification number for any other relevant clearing system for each Series of Covered Bonds will be set out in the applicable Final Terms. The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium, the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg, Luxembourg. The address of DTC is 55 Water Street, New York, New York 10041-0099.

If the Covered Bonds are to clear through an additional or alternative clearing system, the appropriate information will be specified in the applicable Final Terms.

### **Significant or Material Change**

Since June 30, 2012, there has been no significant change in the financial or trading position of the Issuer and its subsidiaries taken as a whole. Since June 30, 2012, there has been no material adverse change in the prospects of the Issuer and its subsidiaries taken as a whole.

There has been no significant change in the financial or trading position of the Covered Bond Guarantor or the Trust since the date of declaration of the Trust (being November 13, 2011). Since the date of declaration of the



Trust (being November 13, 2011), there has been no material adverse change in the prospects of the Covered Bond Guarantor or the Trust.

### **Litigation**

None of the Issuer or any of its subsidiaries is or has been involved in any governmental, legal or arbitration proceedings in the 12 months immediately preceding the date of this Offering 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, and, so far as the Issuer is aware, there are no such governmental, legal or arbitration proceedings pending or threatened involving it or any of its subsidiaries.

The Covered Bond Guarantor or the Trust are not and have not been involved in any governmental, legal or arbitration proceedings since the date on which the Trust was established which may have or have had in the recent past a significant effect on the financial position or profitability of the Covered Bond Guarantor or the Trust and, so far as the Covered Bond Guarantor or the Trust are aware, there are no such governmental, legal or arbitration proceedings pending or threatened involving them.

### **Reports**

The Bond Trust Deed provides that the Bond Trustee may rely on the advice, report, certificate or opinion of or any information obtained from any auditor, lawyer, valuer, accountant, surveyor, banker, professional adviser, broker, financial adviser, auctioneer or other expert in accordance with the provisions of the Bond Trust Deed, whether or not addressed to the Bond Trustee notwithstanding that such advice, report, certificate, opinion, information, or any engagement letter or any other document entered into by the Bond Trustee and the relevant person in connection therewith, contains any monetary or other limit on the liability of the relevant person and the Bond Trustee will not be responsible for any Liability occasioned by so acting or relying.

The Trust Manager will prepare monthly Asset Coverage Reports detailing, among other things, compliance with the Asset Coverage Test. Copies of the applicable Final Terms for each Series (including in relation to unlisted Covered Bonds of any Series) and the Asset Coverage Reports are available to Covered Bondholders during normal business hours at the registered office of the Issuer.

### **Contracts**

Other than as disclosed in the documents incorporated into this Offering Circular by reference, the Issuer is not aware of any material contracts having been entered into outside the ordinary course of the Issuer's business, and which could result in any member of the Group being under an obligation or entitlement that is material to its ability to meet its obligation to Covered Bondholders in respect of the Covered Bonds that may be issued.

The Issuer is not aware of any material contracts having been entered into by the Covered Bond Guarantor other than the Programme Documents and which could result in it being under an obligation or entitlement that is material to its ability to meet its obligation to Covered Bondholders in respect of the Covered Bonds that may be issued.

### **Post-issuance information**

Except as set out in the monthly Asset Coverage Reports and in the Final Terms relating to a particular Series of Covered Bonds, the Issuer does not intend to provide any post-issuance information in relation to any issue of Covered Bonds. The monthly Asset Coverage Reports are not and will not be incorporated by reference herein.

### **Disclosure for US tax purposes**

Any Person (and each employee, representative, or other agent of such Person) may disclose to any and all Persons, without limitation of any kind, the United States federal income tax treatment and the United States federal income tax structure of the Covered Bond and all materials of any kind (including opinions or other tax analyses) that are provided to such holder relating to such tax treatment and tax structure.

## **LEGAL MATTERS**

The validity of the Covered Bonds under English law will be passed upon for the Issuer and the Dealers by the Issuer's English counsel, Allen & Overy LLP, London, United Kingdom. This opinion will be conditioned upon, and subject to certain assumptions regarding future action required to be taken by the Issuer, the Bond Trustee, the Covered Bond Guarantor and the U.S. Paying Agent in connection with the issuance and sale of any particular Covered Bond, the specific terms of Covered Bonds and other matters which may affect the validity of Covered Bonds but which cannot be ascertained at the date of such opinion.

## **INDEPENDENT AUDITORS**

The consolidated financial statements of the Issuer as of June 30, 2012, 2011 and 2010 and for the years then ended, incorporated by reference herein, have been audited by PricewaterhouseCoopers, an Australian partnership (**PwC Australia**), as the independent accountants as stated in their reports incorporated by reference herein.

## GLOSSARY

**A\$ Register** means the register of holders of the A\$ Registered Covered Bonds maintained by the A\$ Registrar.

**A\$ Registered Covered Bonds** means covered bonds denominated in A\$ issued in registered form by entry in the A\$ Register maintained by the A\$ Registrar.

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

**A\$ Registry Agreement** means the agreement entered into on or about the Programme Date, between the Issuer, the A\$ Registrar, the Bond Trustee and the Covered Bond Guarantor.

**ABS** means the Australian Bureau of Statistics.

**Account Bank** means the Bank in its capacity as Account Bank pursuant to the Account Bank Agreement or such other account bank appointed pursuant to the Account Bank Agreement from time to time.

**Account Bank Agreement** means the account bank agreement entered into on or about the Programme Date between the Covered Bond Guarantor, the Trust Manager, the Account Bank and the Security Trustee.

**Accrued Interest Adjustment** in relation to a Mortgage Loan means the amount of interest accrued on that Mortgage Loan for, and any fees in relation to that Mortgage Loan falling due for payment during, the period commencing on (and including) the Mortgage Loan Scheduled Payment Date for that Mortgage Loan immediately prior to the Cut-Off Date and ending on (but excluding) the Closing Date and any accrued interest and fees due but unpaid in relation to that Mortgage Loan prior to that Mortgage Loan Scheduled Payment Date.

**Additional Business Centre** means, in relation to a Series of Covered Bonds, the Additional Business Centre as specified in the applicable Final Terms.

**ADI** has the meaning given to it in the section “*Description of the Covered Bonds provisions of the Australian Banking Act*” in this Offering Circular.

**Adjusted Aggregate Mortgage Loan Amount** has the meaning given to it in the section “*Summary of the Principal Documents – Establishment Deed – Asset Coverage Test*” in this Offering Circular.

**Adjusted Required Redemption Amount** has the meaning given to it in the section “*Summary of the Principal Documents – Mortgage Sale Agreement – Right of pre-emption*” in this Offering Circular.

**AFSL** means an Australian Financial Services Licence.

**Agency Agreements** means the Principal Agency Agreement, the Calculation Agency Agreement and/or the A\$ Registry Agreement, as applicable, and each, an **Agency Agreement**.

**Agents** means the Paying Agents, each Transfer Agent, each Exchange Agent, each Registrar, the A\$ Registrar, the U.S. Transfer Agent, the U.S. Registrar and the N Covered Bond Registrar and **Agent** means any one of them.

**Agreed Procedures** has the meaning given to it in the section “*Summary of the Principal Documents – Cover Pool Monitor Agreement*” in this Offering Circular.

**Alternative Clearing System** means a clearing system other than DTC, Euroclear or Clearstream, Luxembourg, specified in the applicable Final Terms or as may otherwise be approved by the Issuer, the Bond Trustee and the U.S. Paying Agent.

**Amortisation Test** has the meaning given to it in the section “*Summary of the Principal Documents – Establishment Deed – Amortisation Test*” in this Offering Circular.

**Amortisation Test Aggregate Mortgage Loan Amount** has the meaning given to it in the section “*Summary of the Principal Documents – Establishment Deed – Amortisation Test*” in this Offering Circular.

**Amortisation Test Current Principal Balance** has the meaning given to it in the section “*Summary of the Principal Documents – Establishment Deed – Amortisation Test*” in this Offering Circular.

**Annual Accounting Date** means in respect of the Trust:

- (a) 30 June in each year; or
- (b) if the Covered Bond Guarantor has adopted a substituted accounting period for income tax purposes ending on a different date, that different date,

or such other date as the Covered Bond Guarantor (acting on the directions of the Trust Manager) may determine.

**APM** means Australian Property Monitors.

**applicable Final Terms** means, in relation to a Series or Tranche of Covered Bonds, the Final Terms (or the relevant provisions) attached to or endorsed on the Covered Bonds comprising that Series or Tranche.

**APRA** means the Australian Prudential Regulation Authority.

**Arranger** has the meaning given to it in the section “*Programme Overview – The Parties*” in this Offering Circular.

**Asset Coverage Reports** means the monthly reports in the form agreed from time to time between the parties to the Management Agreement and each, an **Asset Coverage Report**.

**Asset Coverage Test** has the meaning given to it in the section “*Summary of the Principal Documents – Establishment Deed – Asset Coverage Test*” in this Offering Circular.

**Asset Coverage Test Breach Notice** means the notice required to be served by the Bond Trustee on the Covered Bond Guarantor pursuant to the Establishment Deed indicating that the Asset Coverage Test has not been satisfied on two consecutive Determination Dates.

**Asset Percentage** has the meaning given to it in the section “*Summary of the Principal Documents – Establishment Deed – Asset Coverage Test*” in this Offering Circular.

**Assets** in relation to the Trust means all assets and property, real and personal (including choses in action and other rights), tangible and intangible, present or future, held by the Covered Bond Guarantor as trustee of the Trust from time to time, including but not limited to:

- (a) the Mortgage Loan Rights;
- (b) Authorised Investments;
- (c) Substitution Assets;
- (d) the rights of the Covered Bond Guarantor in, to and under the Programme Documents and the Trust Accounts;
- (e) the proceeds of realisation or sale of any Assets of the Trust;
- (f) all additions or accretions (if any) to the Trust which arise by way of dividend, interest, premium or distribution, or which are otherwise received and are for the time being retained by the Covered Bond Guarantor in respect of the Trust;
- (g) all income from the Trust held pending distribution or reinvestment;
- (h) the benefit of all representations, warranties, undertakings, covenants, indemnities, promises and choses in action in favour of the Covered Bond Guarantor under the Programme Documents; and
- (i) amounts derived or accrued from any of the assets referred to in the preceding paragraphs of this definition.

**ASIC** means the Australian Securities and Investments Commission.

**Assessment Date** has the meaning given to it in the section “*Summary of the Principal Documents – Cover Pool Monitor Agreement*” in this Offering Circular.

**ATO** means the Australian Taxation Office.

**Auditors** means the auditors for the time being of the Issuer or, as the case may be, the Trust (or any replacement auditor of the Trust appointed in accordance with the Establishment Deed and each, an **Auditor**.

**Australian Banking Act** means the Banking Act 1959 (Cth).

**Australian Bureau of Statistics Index** means the quarterly index of increases or decreases in established house prices (determined on the basis of the weighted average of house prices in 8 capital cities), issued by the Australian Bureau of Statistics, Australia’s official statistical organisation, in relation to established house prices in Australia or, if this index is unavailable, a suitably widely recognised property price index selected by the Trust Manager (in its sole discretion).

**Australian Bureau of Statistics Indexed Valuation** means on any day in relation to any Land, the Latest Valuation of that Land as increased or decreased as appropriate by the increase or decrease in the Australian Bureau of Statistics Index since the date of that Latest Valuation.

**Australian Corporations Act** means the Corporations Act 2001 (Cth).

**Australian Corporations Regulations** means the Corporations Regulations 2001 (Cth).

**Australian Credit Licence** has the meaning given to it in the NCCP.

**Australian Dollar Equivalent** means in relation to an amount which is denominated in:

- (a) a currency other than Australian Dollars, the Australian Dollar equivalent of such amount ascertained using the relevant Swap Rate; and
- (b) Australian Dollars, the applicable amount in Australian Dollars.

**Australian Financial Services Licence** has the meaning given to it in section 9 of the Australian Corporations Act.

**Australian Reserve Bank Act** means the Reserve Bank Act 1959 (Cth).

**Authorised Investments** means Australian Dollar demand or time deposits, certificates of deposit and short-term debt obligations (including commercial paper) (which may include deposits into any account which earns a rate of interest related to the Bank Bill Rate) provided that in all cases such investments have a maturity date of 30 days or less and mature on or before the next following Distribution Date and the short-term unsecured, unguaranteed and unsubordinated debt obligations of the issuing or guaranteeing entity or the entity with which the demand or time deposits are made (being a bank) are rated at least P-1 by Moody's and A or F1 by Fitch (or, if Fitch has placed the relevant entity on ratings watch negative at the relevant time, below A+ or F1+ by Fitch) or which are otherwise acceptable to the Rating Agencies (if they are notified in advance) to maintain the then current rating of the Covered Bonds.

**Authorised Officer** in relation to a Transaction Party, means an officer of the Transaction Party, or such other person appointed by the Transaction Party to act as its authorised officer and notified to the other Transaction Parties.

**Available Income Amount** means on a Determination Date, an amount equal to the aggregate of:

- (a) the Finance Charge Collections in respect of the immediately preceding Collection Period;
- (b) all amounts received by the Covered Bond Guarantor pursuant to any Mortgage Insurance Policy in relation to any Mortgage Loan then forming part of the Assets of the Trust which the Trust Manager determines should be accounted for on that Determination Date in respect of an income loss;

- (c) in respect of any sale of Mortgage Loans during the immediately preceding Collection Period pursuant to the terms of the Establishment Deed or the Mortgage Sale Agreement:
  - (i) the proceeds of such sale to the extent the proceeds comprise accrued interest or arrears of interest (if any) that has been, or is to be, on the immediately following Distribution Date credited to the Income Ledger on the GIC Account; and
  - (ii) that are repurchased by the Seller in accordance with the Mortgage Sale Agreement, interest on the related amount that will be paid by the Seller on the immediately following Distribution Date as detailed in the section “*Summary of the Principal Documents – Mortgage Sale Agreement – Repurchase by the Seller following Breach of Representations and Warranties*” in this Offering Circular.
- (d) all amounts of interest received on the Trust Accounts (other than the OC Account), the Substitution Assets and Authorised Investments during the immediately preceding Collection Period and the amount to be paid to the Covered Bond Guarantor in accordance with the Servicing Deed on the immediately following Distribution Date;
- (e) all amounts receivable from the Interest Rate Swap Provider under the Interest Rate Swap on the immediately following Distribution Date;
- (f) prior to the service on the Covered Bond Guarantor of a Notice to Pay or an Asset Coverage Test Breach Notice, amounts standing to the credit of the Reserve Fund as at the Determination Date in excess of the Reserve Fund Required Amount;
- (g) following the service on the Covered Bond Guarantor of a Notice to Pay or an Asset Coverage Test Breach Notice, amounts standing to the credit of the Reserve Fund as at the Determination Date; and
- (h) any other income receipts not referred to in paragraphs (a) to (g) above (inclusive) received during any previous Collection Period and standing to the credit of the Income Ledger on the GIC Account, but excluding, subject to the Establishment Deed, any amount receivable by the Covered Bond Guarantor under the Covered Bond Swap Agreements,

but excluding:

- (i) Third Party Amounts, which will be applied in accordance with the Servicing Deed;
- (ii) Swap Collateral Excluded Amounts, which will be applied in accordance with the terms of the relevant Swap Agreements; and
- (iii) amounts standing to the credit of the OC Account.

**Available Principal Amount** means on a Determination Date, an amount equal to the aggregate of (without double counting):

- (a) the Principal Collections in respect of the immediately preceding Collection Period less any Principal Collections applied towards the reimbursement of Trust Further Advances during the immediately preceding Collection Period in accordance with the Servicing Deed;
- (b) the proceeds from any sale of Mortgage Loans during the immediately preceding Collection Period pursuant to the terms of the Establishment Deed or the Mortgage Sale Agreement (but not including any such proceeds that comprise accrued interest or arrears of interest) that have been, or are to be, on the immediately following Distribution Date, credited to the Principal Ledger on the GIC Account;
- (c) the proceeds of any Demand Loan Advance (where such proceeds have not been applied to acquire Mortgage Loan Rights from the Seller to invest in Substitution Assets or Authorised Investments or to be credited to the OC Account) and any Excess Proceeds;
- (d) any amounts transferred from the OC Account to the GIC Account in accordance with the Establishment Deed since the last Distribution Date;

- (e) the amount of any termination payment received from a Swap Provider which is not applied to acquire a replacement Swap for the relevant terminated Swap and the amount of any premium received from a replacement Swap Provider which is not applied to make a termination payment to a Swap Provider;
- (f) any amounts standing to the credit of the Pre-Maturity Ledger that are permitted to be applied in accordance with the Establishment Deed; and
- (g) any other principal receipts not referred to in paragraphs (a) to (f) above (inclusive) received during any previous Collection Period and standing to the credit of the Principal Ledger on the GIC Account, but excluding, subject to the Establishment Deed, any amount of principal received by the Covered Bond Guarantor under the Swap Agreements,

but excluding:

- (i) Swap Collateral Excluded Amounts, which must be applied in accordance with the terms of the relevant Swap Agreements; and
- (ii) amounts standing to the credit of the OC Account.

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

**Bank Bill Rate** in relation to any period means the rate appearing at approximately 10.00am Sydney time on the first day of that period on the Reuters Screen page “BBSW” as being the average of the mean buying and selling rates appearing on that page for a bill of exchange having a term approximately equal to that period and rounded upwards to four decimal places. If:

- (a) on the first day of that period fewer than four banks are quoted on the Reuters Screen page “BBSW”; or
- (b) for any other reason the rate for the first day of that period cannot be determined in accordance with the foregoing procedures,

then the **Bank Bill Rate** means such rate as is specified by the Trust Manager having regard to comparable indices then available.

**Beneficial Owner** means the actual purchaser of each DTC Covered Bond.

**Binding Provision** means any provision of the Code of Banking Practice 2004 any other code or agreement binding on the Seller or the Servicer and any laws applicable to banks or other lenders in the business of making retail home loans.

**Bond Trust Deed** means the trust deed entered into on or about the Programme Date between the Issuer, the Trust Manager, the Covered Bond Guarantor and the Bond Trustee, as amended and restated on June 27, 2012 and as otherwise amended, restated, supplemented, replaced or novated from time to time.

**Bond Trustee** means Deutsche Trustee Company Limited, in its capacity as bond trustee under the Bond Trust Deed together with any additional or replacement bond trustee appointed from time to time in accordance with the terms of the Bond Trust Deed.

**Borrower** in relation to a Mortgage Loan, means the person or persons to whom a loan or other financial accommodation has been provided under that Mortgage Loan and includes, where the context requires, the mortgagor under the corresponding Mortgage.

**Break Costs** in relation to a Determination Date means the total break costs, or amounts in respect of break costs, received by or on behalf of the Covered Bond Guarantor during the Collection Period ending on that Determination Date from a Borrower, the insurer under a Mortgage Insurance Policy or any other person in relation to a Mortgage Loan forming part of the Assets of the Trust (or was immediately prior to its being written off by the Servicer in accordance with the Servicing Guidelines or the date that it was assigned under a Mortgage Insurance Policy, an Asset of the Trust) arising from the early termination of that Mortgage Loan or the early termination of a fixed interest rate period under that Mortgage Loan.

**Business Day** has the meaning given to it in Condition 4.3 of the Programme Conditions.

**Calculation Agency Agreement** means an agreement in substantially the form set out in schedule 1 to the Principal Agency Agreement between the Issuer, the Covered Bond Guarantor, the Bond Trustee and a Calculation Agent.

**Calculation Agent** means in relation to all or any Series of the Covered Bonds, the person initially appointed as calculation agent in relation to such Covered Bonds by the Issuer and the Covered Bond Guarantor pursuant to the relevant Agency Agreement or such other person specified in the applicable Final Terms or, if applicable, any successor or separately appointed calculation agent in relation to all or any Series of the Covered Bonds.

**Calculation Management Services** has the meaning given to it in the section “*Summary of the Principal Documents – Management Agreement*” in this Offering Circular.

**Capital Unit** means a Unit in the Trust which is designated as a “Capital Unit” in the Unit Register.

**Capital Unitholder** means a person registered as the holder of a Capital Unit in the Trust in the Unit Register.

**Cash Management Services** has the meaning given to it in the section “*Summary of the Principal Documents – Management Agreement*” in this Offering Circular.

**CBA Trust** means the trust constituted in favour of the Seller in accordance with the Mortgage Sale Agreement.

**Certificate of Title** in relation to a Mortgaged Property means the certificate of title or other documents evidencing title to that Mortgaged Property (including, if applicable, the documents forming any abstract of that title) or where the certificate of title or other documents have been cancelled due to the computerisation of the register, any original registration confirmation, notification or statement which the Seller has in its files.

**Charge** means the charge created pursuant to the Security Deed.

**Charged Property** means all the Assets of Trust acquired by, or accruing to, the Covered Bond Guarantor as trustee of the Trust after the date of first execution of the Security Deed.

**Clearstream, Luxembourg** has the meaning given to it in Condition 1 of the Programme Conditions.

**Closing Date** means the date specified by the Seller to the Covered Bond Guarantor and the Trust Manager in a Sale Notice (if any) to be the Closing Date (or such other date as the Trust Manager may notify the Covered Bond Guarantor and the Seller in accordance with that Sale Notice).

**Code** means the Internal Revenue Code of 1986, as amended.

**Collateral Security** means in respect of a Mortgage Loan:

- (a) any:
  - (i) Security Interest; or
  - (ii) guarantee, indemnity or other assurance,  
which secures or otherwise provides for the repayment or payment of that Mortgage Loan but does not include the Mortgage relating to that Mortgage Loan; or
- (b) any Mortgage Insurance Policy or Insurance Policy in respect of the Mortgage relating to the Mortgage Loan or the Land secured by the Mortgage relating to that Mortgage Loan.

**Collections** means Finance Charge Collections and Principal Collections.

**Collection Period means:**

- (a) with respect to the first Determination Date, the period commencing on (and including) the first Closing Date and ending on the last day of the calendar month in which the first Closing Date occurs; and
- (b) with respect to each subsequent Determination Date, the calendar month immediately preceding that Determination Date.



**Companies Act** means the Companies Act 2006 (UK) (and, any regulations made pursuant to that Act).

**Competent Authorities** means a court, tribunal, authority, ombudsman or other entity whose decisions, findings, orders, judgment or determinations (howsoever reached) are binding on the Seller or the Servicer and each, a Competent Authority.

**Conditions** means the Programme Conditions and the N Covered Bond Conditions, as applicable.

**Consideration** means the aggregate Current Principal Balance of the Mortgage Loans assigned to the Covered Bond Guarantor as at the relevant Cut-Off Date.

**Consumer Credit Code** means the Consumer Credit Code set out in the Appendix to the Consumer Credit (Queensland) Act 1994 as in force or applied as a law of any Australian jurisdiction.

**Couponholders** means holders of the Coupons.

**Coupons** means interest coupons of Covered Bonds issued in definitive bearer form that may be issued outside of the United States pursuant to another offering document.

**Cover Pool Monitor** means PricewaterhouseCoopers or such replacement Cover Pool Monitor appointed from time to time in accordance with the terms of the Cover Pool Monitor Agreement.

**Cover Pool Monitor Agreement** means the Cover Pool Monitor Agreement entered into on or about the Programme Date, between the Cover Pool Monitor, the Covered Bond Guarantor, the Trust Manager, the Calculation Manager, the Seller, the Issuer, the Bond Trustee and the Security Trustee.

**Cover Pool Monitor Report** means the results of the agreed upon procedures conducted by the Cover Pool Monitor in accordance with the Cover Pool Monitor Agreement substantially in such form as may be agreed between the Issuer and the Cover Pool Monitor from time to time.

**Covered Bond Guarantee** means the unconditional and irrevocable guarantee by the Covered Bond Guarantor in the Bond Trust Deed for the payment of an amount equal to the Guaranteed Amounts in respect of the Covered Bonds when the same will become Due for Payment.

**Covered Bond Guarantee Acceleration Notice** has the meaning given to it in Condition 9.2 of the Programme Conditions.

**Covered Bond Guarantor** means Perpetual Corporate Trust Limited ABN 99 000 341 533, solely in its capacity as trustee of the Trust and any replacement trustee appointed from time to time in accordance with the terms of the Bond Trust Deed.

**Covered Bond Guarantor Event of Default** has the meaning given to it in Condition 9.2 of the Programme Conditions.

**Covered Bond Guarantor Termination Event** means each of the following events, upon the occurrence of which the Covered Bond Guarantor must retire as trustee of the Trust in accordance with the Establishment Deed:

- (a) having been required to do so by the Trust Manager by notice in writing, the Covered Bond Guarantor fails or neglects within 20 Business Days (or such longer period as the Trust Manager may agree to) after receipt of such notice to carry out or satisfy any material duty or obligation imposed on the Covered Bond Guarantor by any Programme Document;
- (b) an Insolvency Event occurs with respect to the Covered Bond Guarantor in its personal capacity;
- (c) the Covered Bond Guarantor ceases to carry on business;
- (d) the Covered Bond Guarantor merges or consolidates into another entity, unless approved by the Trust Manager, which approval will not be withheld if, in the Trust Manager's reasonable opinion, the commercial reputation and standing of the surviving entity will not be less than that of the Covered Bond Guarantor prior to such merger or consolidation, and unless the surviving entity assumes the obligations of the Covered Bond Guarantor under the Programme Documents;

- (e) there is a change in the ownership of 50% or more of the issued equity share capital of the Covered Bond Guarantor from the position as at the date of this document, or effective control of the Covered Bond Guarantor alters from the position as at the Programme Date, unless in either case approved by the Trust Manager, which approval will not be withheld if, in the Trust Manager's reasonable opinion, the change in ownership or control of the Covered Bond Guarantor will not result in a lessening of the commercial reputation and standing of the Covered Bond Guarantor; or
- (f)
  - (i) an Extraordinary Resolution requiring the removal of the Covered Bond Guarantor as trustee of the Trust is passed at a meeting of Covered Bondholders of all Series taken together as a single Series with the nominal amount of Covered Bonds not denominated in Australian Dollars converted into Australian Dollars at the relevant Swap Rate; and
  - (ii) such retirement is approved in writing by each Secured Creditor (such approval not to be unreasonably withheld or delayed).

**Covered Bond Swap** means each currency swap and/or interest rate transaction entered into with respect to a Series or Tranche of Covered Bonds as evidenced by a confirmation that supplements, forms part of and is subject to, a Covered Bond Swap Master Agreement and which, for the avoidance of doubt, does not include the Interest Rate Swap.

**Covered Bond Swap Agreement** means a Covered Bond Swap Master Agreement together with one or more confirmations thereunder, each evidencing a Covered Bond Swap.

**Covered Bond Swap Master Agreement** means a Swap Master Agreement entered into between the Covered Bond Guarantor, the Trust Manager, the Security Trustee and a Covered Bond Swap Provider, governing one or more Covered Bond Swaps.

**Covered Bond Swap Provider** means, in relation to a Covered Bond Swap, the entity appointed as covered bond swap provider from time to time under the relevant Covered Bond Swap Agreement together with any transferee, successor thereto or replacement Covered Bond Swap Provider.

**Covered Bondholders** has the meaning given to it in the relevant Programme Conditions and includes, for the avoidance of doubt, the N Covered Bondholders.

**Covered Bonds** means the covered bonds issued or to be issued pursuant to the Programme Agreements and which are or are to be constituted under the Bond Trust Deed (including any A\$ Registered Covered Bonds and including each N Covered Bond provided that the relevant N Covered Bondholder has entered into and delivered to the Issuer the related N Covered Bond Confirmation or agreed to be bound by the terms of the related N Covered Bond Confirmation by way of an N Covered Bond Assignment Agreement), which may be represented by a Registered Global Covered Bond or any Definitive Covered Bond and includes any replacements of a Covered Bond issued pursuant to Condition 11 of the Programme Conditions or Condition 10 of the N Covered Bond Conditions (as applicable), and each a **Covered Bond**.

**CRA Regulation** means Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of September 16, 2009 (as amended).

**Current Principal Balance** means in relation to any Mortgage Loan forming part of the Assets of the Trust as at any given date, the principal balance of that Mortgage Loan to which the Seller applies the relevant interest rate to and at which interest on that Mortgage Loan accrues interest, and is the aggregate (but avoiding double counting) of:

- (a) the original principal amount advanced to the relevant Borrower and any further amount advanced on or before any given date to the relevant Borrower under that Mortgage Loan secured or intended to be secured by the Collateral Security;
- (b) the amount of any Further Advances secured or purported to be secured by the Collateral Security; and
- (c) any interest or expenses that have been capitalised,

less any repayment or payment of any of the foregoing made on or before the end of the Local Business Day immediately preceding that given date.

**Custodian** means any custodian with whom the relevant Registered Global Covered Bonds have been deposited.

**Cut-Off Date** means the date specified by the Seller as such in a Sale Notice (or such other date as the Trust Manager may notify the Covered Bond Guarantor and the Seller in accordance with that Sale Notice)

**Dealer** and **Dealers** have the meanings given to them in the U.S. Distribution Agreement.

**Deed of Accession** means any deed of accession entered into between the Covered Bond Guarantor, a New Secured Creditor, and Security Trustee (on behalf of all Secured Creditors) substantially in the form set out in schedule 1 to the Security Deed.

**Defaulted Mortgage Loan** means a Mortgage Loan in respect of which:

- (a) the Borrower (as recognised by the Servicer's system) fails to pay on the due date any amount due pursuant to the corresponding Loan Agreement (including any amount not previously paid which remains outstanding) and the failure continues, without remedy, for a period of 90 days from the due date for the payment of such amount under the relevant Loan Agreement; or
- (b) an event of default, howsoever described, (other than an event of default referred to in paragraph (a)) occurs under any relevant Mortgage Document where the event of default continues unremedied for 90 days (or such shorter period as the Servicer may determine is appropriate in relation to a specific event of default) unless the Servicer reasonably determines that such event of default is of a minor or technical nature.

**Definitions Schedule** has the meaning given to it in the Conditions.

**Definitive Covered Bond** means a Registered Definitive Covered Bond.

**Definitive Rule 144A Covered Bond** means a Definitive Covered Bond sold in the United States to QIBs pursuant to Rule 144A.

**Demand Loan** means the aggregate principal amount of each Demand Loan Advance, as reduced by repayment under the Demand Loan Agreement.

**Demand Loan Advances** means advances made or to be made by the Demand Loan Provider to the Covered Bond Guarantor under the Demand Loan Facility, and each a **Demand Loan Advance**.

**Demand Loan Agreement** means the demand loan agreement entered into on or about the Programme Date between the Covered Bond Guarantor, the Trust Manager, the Demand Loan Provider, the Seller, the Issuer and the Security Trustee.

**Demand Loan Drawdown Request** means a request substantially in the form of schedule 1 to the Demand Loan Agreement.

**Demand Loan Facility** means an Australian Dollar revolving credit facility under which the Demand Loan Provider may make Demand Loan Advances to the Covered Bond Guarantor in accordance with the Demand Loan Agreement.

**Demand Loan Provider** means the Bank.

**Demand Loan Repayment Date** has the meaning given to it in the section "*Summary of the Principal Documents – Demand Loan Agreement – Repayment following a demand by the Demand Loan Provider*" in this Offering Circular.

**Determination Date** means the first day of each calendar month following the first Closing Date or, if any such day is not a Local Business Day, the following Local Business Day.

**Direct Participants** means participants that deposit securities with DTC.

**Distribution Compliance Period** means the period that ends 40 days after the later of the commencement of the offering and the Issue Date.

**Distribution Date** means:

- (a) the 20th day of each calendar month (or if such a day is not a Local Business Day, the next Local Business Day), provided that, the first Distribution Date will be the 20th day of the calendar month in which the first Determination Date occurs (or if that day is not a Local Business Day, the next Local Business Day); and
- (b) the Vesting Date.

**DTCC** means The Depository Trust Company, a wholly-owned subsidiary of DTCC.

**DTC Covered Bonds** means Covered Bonds that are accepted into the book-entry settlement system of DTC.

**DTCC** means The Depository Trust & Clearing Company.

**Due for Payment** means the requirement by the Covered Bond Guarantor to pay any Guaranteed Amount following the delivery of a Notice to Pay on the Covered Bond Guarantor:

- (a) prior to the occurrence of a Covered Bond Guarantor Event of Default and the service of a Covered Bond Guarantee Acceleration Notice on the Issuer and the Covered Bond Guarantor (copied to the Trust Manager) on the later of:
  - (i) the Original Due for Payment Date; and
  - (ii) in relation to any Guaranteed Amounts in respect of the Final Redemption Amount payable on the Final Maturity Date for a Series of Covered Bonds only, the Extended Due for Payment Date, but only (x) if in respect of the relevant Series of Covered Bonds the Covered Bond Guarantee is subject to an Extended Due for Payment Date pursuant to the terms of the applicable Final Terms and (y) to the extent that the Covered Bond Guarantor having received a Notice to Pay no later than the date falling one Business Day prior to the Extension Determination Date does not pay Guaranteed Amounts equal to the Final Redemption Amount in respect of such Series of Covered Bonds by the Extension Determination Date, as the Covered Bond Guarantor has insufficient moneys available under the Guarantee Priority of Payments to pay such Guaranteed Amounts in full on the earlier of (A) the date which falls two Business Days after service of such Notice to Pay on the Covered Bond Guarantor or, if later, the Final Maturity Date (or, in each case, after the expiry of the grace period set out in Condition 9.2(a) of the Programme Conditions) under the terms of the Covered Bond Guarantee or (B) the Extension Determination Date,

or if, in either case, such day is not a Business Day, the next following Business Day. For the avoidance of doubt, Due for Payment does not refer to any earlier date upon which payment of any Guaranteed Amounts may become due under the guaranteed obligations, by reason of prepayment, acceleration of maturity, mandatory or optional redemption or otherwise; or

- (b) following the occurrence of a Covered Bond Guarantor Event of Default, the date on which a Covered Bond Guarantee Acceleration Notice is served on the Issuer and the Covered Bond Guarantor (copied to the Trust Manager).

**Earliest Maturing Covered Bonds** means at any time, the Series of the Covered Bonds (other than any Series which is fully collateralised by amounts standing to the credit of the GIC Account) that has or have the earliest Final Maturity Date as specified in the applicable Final Terms (ignoring any acceleration of amounts due under the Covered Bonds prior to the occurrence of a Covered Bond Guarantor Event of Default).

**Early Redemption Amount** means, in relation to a Series of Covered Bonds, the early redemption amount determined in accordance with Condition 5.8 or 5.9 of the Programme Conditions and/or, in the case of an N Covered Bond, the meaning given in the relevant N Covered Bond Conditions (if applicable).

**Eligible Mortgage Loan** means, on any day, a Mortgage Loan which on that day satisfies the criteria set out in section “*Summary of the Principal Documents – Mortgage Sale Agreement – Eligible Mortgage Loans*” in this Offering Circular.

**Establishment Deed** means the deed entered into on or about the Programme Date, among the Covered Bond Guarantor, the Issuer, the Trust Manager, the Seller, and the Servicer

**Euroclear** has the meaning given to it in Condition 1 of the Programme Conditions.

**Excess Proceeds** means moneys received (following the occurrence of an Issuer Event of Default and delivery of an Issuer Acceleration Notice and a Notice to Pay) by the Bond Trustee from the Issuer or any administrator, receiver, manager, liquidator, controller, statutory manager or other similar official appointed in relation to the Issuer.

**Exchange Act** means the U.S. Securities Exchange Act of 1934, as amended.

**Exchange Agent** means Deutsche Bank AG, London Branch or any other person from time to time appointed to perform the role of exchange agent under the Principal Agency Agreement.

**Excluded Scheduled Interest Amounts** and **Excluded Scheduled Principal Amounts** have the meanings given to them in the definitions of “Scheduled Interest” and “Scheduled Principal” respectively.

**Excluded Swap Termination Amount** means in relation to a Swap Agreement, an amount equal to the amount of any termination payment due and payable (a) to the relevant Swap Provider as a result of a Swap Provider Default with respect to such Swap Provider or (b) to the relevant Swap Provider following a Swap Provider Downgrade Event with respect to such Swap Provider.

**Extended Due for Payment Date** has the meaning given to it in Condition 5.1 of the Programme Conditions and/or, in the case of an N Covered Bond and if applicable, as set out in the relevant N Covered Bond Confirmation (incorporating the N Covered Bond Confirmation Terms).

**Extension Determination Date** has the meaning given to it in Condition 5.1 of the Programme Conditions and/or, in the case of an N Covered Bond and if applicable, as set out in the relevant N Covered Bond Confirmation (incorporating the N Covered Bond Confirmation Terms).

**Extraordinary Resolution** means a resolution of the Covered Bondholders passed as such under the terms of the Bond Trust Deed.

**Final Maturity Date** means, in relation to a Series of Covered Bonds, the Interest Payment Date specified as such in the applicable Final Terms on which such Series of Covered Bonds is required to be redeemed in accordance with Condition 5 of the Programme Conditions and/or, in the case of an N Covered Bond, the N Covered Bond Conditions.

**Final Redemption Amount** means, in relation to a Series of Covered Bonds, the meaning given in the applicable Final Terms and/or, in the case of an N Covered Bond, Condition 4.1 of the N Covered Bond Conditions.

**Final Terms** means (i) the Final Terms prepared in relation to each Series or Tranche of Covered Bonds issued under the Programme (substantially in the form set out in the Offering Circular) and giving details of that Series or Tranche and, in relation to any particular Series or Tranche of Covered Bonds and which, as appropriate, will constitute final terms for the purposes of Article 5.4 of the Prospectus Directive and (ii) with respect to any N Covered Bond, means (taken together) the N Covered Bond Conditions applicable to the N Covered Bond and the related N Covered Bond Confirmation (incorporating the N Covered Bond Confirmation Terms).

**Finance Charge Collections** in relation to a Collection Period means the aggregate of the following amounts (without double counting) received by or on behalf of the Covered Bond Guarantor during that Collection Period in respect of the Mortgage Loans then forming part of the Assets of the Trust:

- (a) all amounts received under or in respect of the Mortgage Loans (including Liquidation Proceeds) in respect of interest, fees, Government Charges or other amounts due under the Mortgage Loans (less reversals made during the period in respect of interest or other charges in relation to any of the

accounts where the original debit entry (or part thereof) was in error) but excluding principal and any insurance premiums and related charges payable to the Seller; and

- (b) all amounts of interest received under or in respect of the Mortgage Loans and the Mortgage Loan Rights to the extent that the obligations to pay such amounts are discharged by the exercise during that Collection Period of a right of set-off or right to combine accounts,

but does not include:

- (i) any amounts recovered under a Mortgage Insurance Policy in respect of the Mortgage Loans then forming part of the Assets of the Trust; or
- (ii) any other amounts referred to in paragraphs (c) to (h) of the definition of Available Income Amount.

**Financial Reports** has the same meaning given to the term “financial statements” in section 9 of the Australian Corporations Act.

**Financial Year** means a period of 12 months ending on and including the next following Annual Accounting Date, except for the first Financial Year which is the period beginning on the Programme Date and ending on June 30, 2012.

**First Determination Date** has the meaning given to it in the section “*Summary of the Principal Documents – Establishment Deed – Asset Coverage Test*” in this Offering Circular.

**First Layer of Collateral Securities** in relation to a Mortgage Loan means:

- (a) the Collateral Securities (other than any Mortgage Insurance Policy relating to that Mortgage Loan or any related Insurance Policies) from time to time appearing in the records of the Seller in relation to that Mortgage Loan to be intended as security for that Mortgage Loan;
- (b) any Mortgage Insurance Policy relating to that Mortgage Loan; and
- (c) any related Insurance Policies,

notwithstanding that by their terms the Collateral Securities (other than the Mortgage Insurance Policies or any Insurance Policies) may also secure other liabilities to the Seller.

**Fitch** means Fitch Australia Pty Ltd ABN 93 081 339 184 and includes any successor to its ratings business.

**Fitch Specified Rating** means a credit rating of short-term unsecured, unsubordinated and unguaranteed debt obligations of at least F1+ by Fitch.

**Floating Rate** has the meaning given to it in Condition 4.2(d) of the Programme Conditions and/or, in the case of an N Covered Bond, the meaning set out in the relevant N Covered Bond Conditions (if applicable).

**Floating Rate Payer Spread** in relation to a Series or Tranche of Covered Bonds, has the meaning given to it in the applicable Covered Bond Swap Agreement entered into in respect of that Series or Tranche of Covered Bonds.

**Forward Starting Covered Bond Swap** has the meaning given to it in the section “*Summary of the Principal Documents – Swap Agreements - Covered Bond Swap Agreements*” in this Offering Circular.

**fraud** of the Covered Bond Guarantor or the Security Trustee means the fraud of the Covered Bond Guarantor or the Security Trustee, as the case may be, and of its officers, employees, agents and any other person where the Covered Bond Guarantor or the Security Trustee is liable for the acts or omissions of such other person under the terms of the relevant Programme Document.

**FSMA** means the United Kingdom Financial Services and Markets Act 2000, as amended.

**Further Advances** means in relation to a Mortgage Loan forming part of the Assets of the Trust any advances of further money by the Seller to the relevant Borrower which is recorded as a debit to the account in respect of that Mortgage Loan in the Seller’s records in accordance with the Mortgage Sale Agreement, and each a **Further Advance**.

**GDP** means gross domestic product.

**GIC Account** means the account in the name of the Covered Bond Guarantor held with the Account Bank and maintained subject to the terms of the Account Bank Agreement, the GIC Account Mandate and/or such additional or replacement account as may from time to time be in place pursuant to the terms of the Account Bank Agreement.

**GIC Account Mandate** means the resolutions, instructions and signature authorities relating to the GIC Account substantially in the form set out in schedule 1 to the Account Bank Agreement.

**Government Charge** means any amount debited to the accounts established in the Servicer's records for the Mortgage Loans representing bank accounts debits tax or similar tax or duty imposed by any Governmental Agency.

**Governmental Agency** means the Federal Government of the Commonwealth of Australia, the Government of any State or Territory of the Commonwealth of Australia, the Government of any other country or political subdivision thereof and any minister, department, office, commission, instrumentality, agency, board, authority or organ of any of the foregoing or any delegate or person deriving authority from any of the foregoing.

**Group** means the Bank and its subsidiaries.

**GST** means the goods and services tax imposed pursuant to the GST Act.

**GST Act** means A New Tax System (Goods and Services Tax) Act 1999.

**Guarantee Priority of Payments** has the meaning given to it in Condition 5.1 of the Programme Conditions.

**Guaranteed Amounts** means:

- (a) prior to the service of a Covered Bond Guarantee Acceleration Notice, with respect to any Original Due for Payment Date or, if applicable, any Extended Due for Payment Date, the sum of Scheduled Interest and Scheduled Principal, in each case, payable on that Original Due for Payment Date or, if applicable, any Extended Due for Payment Date; or
- (b) after service of a Covered Bond Guarantee Acceleration Notice, an amount equal to the relevant Early Redemption Amount as specified in the relevant Programme Conditions and/or, in the case of an N Covered Bond, the relevant N Covered Bond Conditions (if applicable) or, if applicable, the relevant Final Terms plus all accrued and unpaid interest and any other amounts due and payable in respect of the Covered Bonds, including all Excluded Scheduled Interest Amounts, all Excluded Scheduled Principal Amounts (whenever the same arose) and all amounts payable by the Covered Bond Guarantor under the Bond Trust Deed.

**Hard Bullet Covered Bonds** means a Series of Covered Bonds which is scheduled to be redeemed in full on the Final Maturity Date for such Covered Bonds and without any provision for scheduled redemption other than on the Final Maturity Date.

**Higher Redemption Amount** means the amount (if any) specified in the applicable Final Terms.

**In Specie Failure** means a failure (as determined by the Demand Loan Provider) for any reason whatsoever by the Covered Bond Guarantor (acting on the directions of the Trust Manager) or the Security Trustee to distribute Mortgage Loan Rights to the Demand Loan Provider as an in specie distribution in satisfaction of the principal amount then due in respect of the Demand Loan.

**In Specie Mortgage Loan Rights** means any Mortgage Loan Rights identified by the Trust Manager for the purposes of an in specie distribution to the Demand Loan Provider in accordance with the applicable Priorities of Payments.

**Income Ledger** means the ledger of such name maintained by the Trust Manager or the Security Trustee pursuant to the Management Agreement to record credits of certain items described in the definition of Available Income Amount and debits in accordance with the terms of the Establishment Deed.

**Income Unit** means the Unit in the Trust which is designated as the "Income Unit" in the Unit Register.

**Income Unitholder** means the person registered as the holder of the Income Unit in the Trust in the Unit Register.

**Index** in respect of an Index Linked Covered Bond means the index or indices specified to which that an Index Linked Covered Bond is linked, as specified in the relevant Final Terms.

**Index Linked Covered Bond** has the meaning given to it in Condition 1 of the Programme Conditions.

**Index Linked Interest Covered Bond** has the meaning given to it in Condition 1 of the Programme Conditions.

**Index Linked Redemption Covered Bond** has the meaning given to it in Condition 1 of the Programme Conditions.

**Indexed Valuation** means on any day in relation to any Land:

- (a) where the Latest Valuation of that Land is equal to or greater than the Australian Bureau of Statistics Indexed Valuation as at that date, the Australian Bureau of Statistics Indexed Valuation; or
- (b) where the Latest Valuation of that Land is less than the Australian Bureau of Statistics Indexed Valuation as at that date, the Latest Valuation plus 85% of the difference between the Latest Valuation and the Australian Bureau of Statistics Indexed Valuation.

**Indirect Participants** means securities brokers and dealers, banks, trust companies, clearing corporations and others that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly.

**Insolvency Event** in relation to a person (for the purposes of this definition the **Relevant Entity**), means any of the following events:

- (a) an order is made that the Relevant Entity be wound up;
- (b) a liquidator, provisional liquidator, controller (as defined in the Australian Corporations Act) or administrator is appointed in respect of the Relevant Entity or a substantial portion of its assets whether or not under an order;
- (c) except to reconstruct or amalgamate on terms reasonably approved by the Covered Bond Guarantor (or in the case of a reconstruction or amalgamation of the Covered Bond Guarantor, on terms reasonably approved by the Trust Manager), the Relevant Entity enters into, or resolves to enter into, a scheme of arrangement, deed of company arrangement or composition with, or assignment for the benefit of, all or any class of its creditors;
- (d) the Relevant Entity resolves to wind itself up, or otherwise dissolve itself, or gives notice of its intention to do so, except to reconstruct or amalgamate on terms reasonably approved by the Trustee (or in the case of a reconstruction or amalgamation of the Trustee, except on terms reasonably approved by the Manager) or is otherwise wound up or dissolved;
- (e) the Relevant Entity is or states that it is insolvent;
- (f) as a result of the operation of section 459F(1) of the Australian Corporations Act, the Relevant Entity is taken to have failed to comply with a statutory demand;
- (g) the Relevant Entity takes any step to obtain protection or is granted protection from its creditors, under any applicable legislation;
- (h) any writ of execution, attachment, distress or similar process is made, levied or issued against or in relation to a substantial portion of the body corporate's assets and is not satisfied or withdrawn or contested in good faith by the body corporate within 21 days; or
- (i) anything analogous or having a substantially similar effect to any of the events specified above happens under the law of any applicable jurisdiction.



**Insurance Policies** means any insurance policy (whether present or future) under which improvements on the Land the subject of a Mortgage or a Collateral Security are insured against destruction or damage by events which include fire.

**Insurance Proceeds** means the proceeds paid by an insurer pursuant to any Insurance Policy.

**Intercompany Loan Agreement** means the intercompany loan agreement dated on or about the Programme Date, between the Intercompany Loan Provider, the Covered Bond Guarantor, the Trust Manager, the Seller, the Issuer and the Security Trustee.

**Intercompany Loan Drawdown Date** means, in relation to a Term Advance, the date specified in the Intercompany Loan Drawdown Request for the making of the Term Advance, which must be a Local Business Day.

**Intercompany Loan Drawdown Request** means a request substantially in the form of schedule 2 to the Intercompany Loan Agreement.

**Intercompany Loan Interest Payment Date** means, in relation to a Term Advance, the date specified in the Term Advance Notice.

**Intercompany Loan Provider** means the Bank.

**Interest Commencement Date** in relation to a Series of Covered Bonds has the meaning given to it in the applicable Final Terms.

**Interest Off-Set Account** means any interest off-set account or deposit account maintained by a Borrower with the Bank under which interest that would otherwise be earned in respect of the account is off-set (to the extent thereof) against interest that would otherwise be payable on a Mortgage Loan provided by the Bank to the Borrower.

**Interest Payment Date** has the meaning given to it in the applicable Final Terms.

**Interest Rate Shortfall** has the meaning given to it in the section *“Summary of the Principal Documents – Servicing Deed – Interest Shortfall”* in this Offering Circular.

**Interest Rate Shortfall Test** has the meaning given to it in the section *“Summary of the Principal Documents – Servicing Deed – Interest Shortfall”* in this Offering Circular.

**Interest Rate Swap** means the interest rate swap transaction entered into on or about the Programme Date as evidenced by a confirmation that supplements, forms part of an is subject to, the Interest Rate Swap Master Agreement (and which, for the avoidance of doubt, is not a Covered Bond Swap).

**Interest Rate Swap Agreement** means the Interest Rate Swap Master Agreement together with the confirmations thereunder evidencing the Interest Rate Swap.

**Interest Rate Swap Master Agreement** means a Swap Master Agreement entered into on or about the Programme Date between the Covered Bond Guarantor, the Trust Manager, the Security Trustee and the Interest Rate Swap Provider, governing the Interest Rate Swaps

**Interest Rate Swap Provider** means the Bank in its capacity as interest rate swap provider under the Interest Rate Swap together with any transferee, successor thereto or replacement Interest Rate Swap Provider.

**ISDA** means the International Swaps and Derivatives Association, Inc.

**ISDA Definitions** means the 2006 ISDA Definitions as published by ISDA and as amended and updated as at the Issue Date of the first Tranche of the Covered Bonds.

**ISDA Master Agreement** means the 2002 ISDA master agreement, as published by ISDA.

**Issue Date** means, in relation to any Series or Tranche, the date on which such Series or Tranche has been issued or, if not yet issued, the date agreed between the Issuer and the Relevant Dealer or the Lead Manager, as the case may be, for the issue of such Series or Tranche.

**Issue Price** means, in relation to a Series or Tranche (as applicable) of Covered Bonds, the price, generally expressed as a percentage of the nominal amount of the Covered Bonds, at which the Covered Bonds will be issued and which is specified in the applicable Final Terms.

**Issuer** means the Bank.

**Issuer Acceleration Notice** has the meaning given to it in Condition 9.1 of the Programme Conditions.

**Issuer Event of Default** has the meaning given to it in Condition 9.1 of the Programme Conditions.

**Land** means:

- (a) land (including tenements and hereditaments corporeal and incorporeal and every estate and interest in it whether vested or contingent, freehold or Crown leasehold, the term of which lease is expressed to expire not earlier than five years after the maturity of the relevant Mortgage, and whether at law or in equity) wherever situated and including any fixtures to land; and
- (b) any parcel and any lot, common property and land comprising a parcel within the meaning of the Strata Schemes (Freehold Development) Act 1973 (NSW) or the Community Land Development Act 1989 (NSW) or any equivalent legislation in any other Australian jurisdiction.

**Latest Valuation** means, in relation to Land, the value given to the Land by the most recent valuation report obtained in accordance with the Servicing Guidelines and held on the applicable Loan Files or the purchase price of the Land (if there is no valuation report).

**Lead Manager** means, in relation to any Series or Tranche of Covered Bonds, the person named as the Lead Manager in the applicable Subscription Agreement or Terms Agreement.

**Ledger** means each of the following:

- (a) the Principal Ledger;
- (b) the Income Ledger;
- (c) the Pre-Maturity Ledger; and
- (d) the Reserve Ledger,

and references to **Ledgers** will be any two or more of such ledgers.

**Legislated Asset Amount** has the meaning given to it in the section “*Summary of the Principal Documents – Establishment Deed – Legislated Collateralisation Test*” in this Offering Circular.

**Legislated Collateralisation Test** has the meaning given to it in the section “*Summary of the Principal Documents – Establishment Deed – Legislated Collateralisation Test*” in this Offering Circular.

**Legislated Mortgage Loan Balance Amount** has the meaning given to it in the section “*Summary of the Principal Documents – Establishment Deed – Legislated Collateralisation Test*” in this Offering Circular.

**Liabilities** means, in respect of any person, any losses, damages, costs, charges, awards, claims, demands, expenses, judgments, actions, proceedings or other liabilities whatsoever including properly incurred legal fees and penalties incurred by that person, and **Liability** will be construed accordingly.

**Liquidation Proceeds** in relation to a Mortgage Loan means the amount received by or on behalf of the Covered Bond Guarantor in connection with the liquidation of such Mortgage Loan including:

- (a) proceeds arising from the enforcement of the relevant Mortgage and sale of the relevant mortgaged property;
- (b) proceeds arising from the enforcement of the relevant Mortgage Documents;
- (c) Insurance Proceeds under any relevant Insurance Policy; and

- (d) proceeds arising from any resumption or compulsory acquisition of the relevant Mortgaged Property by any Governmental Agency,

but does not include:

- (e) any amount required pursuant to the terms of any relevant Mortgage Document or any law to be paid to the Borrower, including any person having an interest in the mortgaged property as a mortgagee;
- (f) if the Interest Rate Swap is in effect in accordance with its terms, any Break Costs; and
- (g) any amounts recovered under a Mortgage Insurance Policy in respect of the Mortgage Loans then forming part of the Assets of the Trust.

**Loan Agreement** means, with respect to a Mortgage Loan, any agreement, schedule, terms and condition, letter, application, approval or other document (other than the relevant Mortgage) relating to the provision of financial accommodation by the Seller to the Borrower in connection with that Mortgage Loan.

**Loan Files** in relation to a Mortgage Loan, means the Mortgage Documents relating to the Mortgage Loan and all other books, records, paper and electronic files (whether originals or copies) relating to the Mortgage Loan.

**Local Business Day** means any day (other than a Saturday, Sunday or public holiday) on which banks are open for business in Sydney.

**LVR Adjusted Mortgage Loan Balance Amount** has the meaning given to it in the section “*Summary of the Principal Documents – Establishment Deed – Asset Coverage Test*” in this Offering Circular.

**Majority Secured Creditors** means Secured Creditors whose Secured Obligations amount in aggregate to more than 66 % of the total Secured Obligations.

**Management Agreement** means the management agreement entered into on or about the Programme Date, between the Seller, the Servicer, the Account Bank, the Covered Bond Guarantor, the Trust Manager, the Issuer and the Security Trustee.

**Margin** has the meaning given to it in the applicable Final Terms.

**Minimum Redemption Amount** means in respect of a Series or Tranche of Covered Bonds, the amount (if any) specified in the applicable Final Terms.

**Moody’s** means Moody’s Investors Service Pty Limited ABN 61 003 399 657 and includes any successor to its rating business.

**Moody’s Specified Rating** means a credit rating of short-term, unsecured, unsubordinated and unguaranteed debt obligations of at least P-1 by Moody’s.

**Mortgage** in relation to a Mortgage Loan means each registered mortgage over Land situated in any State or Territory of Australia and appearing on the Seller’s records as securing, amongst other things, the repayment of that Mortgage Loan and the payment of interest and all other moneys in respect of that Mortgage Loan notwithstanding that by its terms the mortgage may secure other liabilities to the Seller. If, at any time after the date of the corresponding Sale Notice a mortgage is substituted or added as security for an existing Mortgage then, with effect from the date of such addition or substitution the definition of Mortgage will mean the substituted mortgage or include the additional mortgage, as the case may be.

**Mortgage Documents** in relation to a Mortgage Loan means:

- (a) the Loan Agreement (other than the Mortgage) relating to that Mortgage Loan;
- (b) the original or duplicate Mortgage documents in relation to that Mortgage Loan (including any document evidencing any substituted or additional Mortgage);
- (c) the Certificate of Title or other indicia of title (if any) in respect of the Land the subject of the Mortgage in relation to that Mortgage Loan;

- (d) the original or duplicate of the First Layer of Collateral Securities documents (other than the Insurance Policies) in relation to that Mortgage Loan;
- (e) any Insurance Policy (or certificate of currency for the Insurance Policy) held by the Seller in respect of the Mortgage or the First Layer of Collateral Securities in relation to that Mortgage Loan;
- (f) any Priority Agreement or its equivalent in writing entered into in connection with the Mortgage or the First Layer of Collateral Securities in relation to that Mortgage Loan;
- (g) all other documents required to evidence the Seller's or the Covered Bond Guarantor's interest in the above Land, the above Mortgage and the above First Layer of Collateral Securities; and
- (h) any amendment or replacement of or to any of the foregoing such documents which is entered into, and under which rights arise, whether before or after the Cut-Off Date.

**Mortgage Insurance Policy** means any mortgage insurance policy in force in respect of a Mortgage Loan, an Other Loan, a Mortgage or a Collateral Security which forms part of the Assets of the Trust.

**Mortgage Loan** each mortgage loan assigned or to be assigned (as the case may be) to the Covered Bond Guarantor and referred to in a Sale Notice (if issued), and in relation to the Seller, means a Mortgage Loan assigned to the Covered Bond Guarantor by the Seller.

**Mortgage Loan Rights** means each of the following items (together with all rights, title and interest in each of those items) assigned, or which may be assigned, as the case may be, in accordance with the Mortgage Sale Agreement to the Covered Bond Guarantor as trustee of the Trust or the CBA Trust:

- (a) each Mortgage Loan identified in the schedule accompanying the Sale Notice;
- (b) all Other Loans in existence from time to time in relation to the above Mortgage Loans;
- (c) all Mortgages in existence from time to time in relation to the above Mortgage Loans;
- (d) all Collateral Securities in existence from time to time in relation to the above Mortgage Loans;
- (e) all Mortgage Insurance Policies in existence from time to time in relation to the above Mortgage Loans;
- (f) all Mortgage Receivables in existence from time to time in relation to the above Mortgage Loans; and
- (g) all Mortgage Documents in existence from time to time in relation to the above Mortgage Loans.

**Mortgage Loan Scheduled Payment** means in respect of a Mortgage Loan, the amount which the applicable Mortgage Documents require a Borrower to pay on a Mortgage Loan Scheduled Payment Date in respect of such Mortgage Loan.

**Mortgage Loan Scheduled Payment Date** means, in relation to any Mortgage Loan, the day on which a Borrower is required to make a payment of interest and, if applicable, principal in accordance with the Mortgage Documents applicable to such Mortgage Loan.

**Mortgage Loan System** means the electronic and manual reporting database and record keeping system used by the Servicer to monitor Mortgage Loans, as updated and amended or replaced from time to time.

**Mortgage Receivables** in relation to a Mortgage Loan means all moneys, present and future, actual or contingent, owing at any time in respect of or in connection with that Mortgage Loan under the corresponding Mortgage Documents, including all principal, interest, reimbursable costs and expenses and any other amounts incurred by or payable to the Seller (including any payments made by the Seller on behalf of the Borrower in relation to that Mortgage Loan) irrespective of whether:

- (a) such amounts become due and payable before or after the Cut-Off Date; and
- (b) such amounts relate to advances made or other financial accommodation provided by the Seller to the Borrower before or after the Cut-Off Date.

**Mortgage Sale Agreement** means the mortgage sale agreement entered into on or about the Programme Date, between the Issuer, the Seller, the Servicer, the Bank (as beneficiary of the CBA Trust), the Covered Bond Guarantor (in its capacity as trustee of the Trust and as trustee of the CBA Trust), the Trust Manager and the Security Trustee.

**Mortgage Transfer** in relation to a Mortgage means a duly executed land titles office transfer which, upon registration, is effective to transfer the legal title to the Mortgage to the Covered Bond Guarantor.

**N Covered Bond** means a Registered Covered Bond in definitive form made out in the name of a specified N Covered Bondholder issued or to be issued by the Issuer in accordance with the Principal Agency Agreement and in accordance with, and constituted by, the Bond Trust Deed, in the form of a German “Namensschuldverschreibung” substantially in the form set out in schedule 8 to the Bond Trust Deed with such modifications (if any) as may be agreed between the Issuer, the Covered Bond Guarantor, the Bond Trustee, the N Covered Bond Paying Agent, the N Covered Bond Registrar and the relevant N Covered Bondholder and having the N Covered Bond Conditions applicable to it annexed thereto and incorporating and subject to the provisions of the related N Covered Bond Confirmation (incorporating the N Covered Bond Confirmation Terms) relating thereto.

**N Covered Bond Assignment Agreement** means the assignment agreement attached to each N Covered Bond, substantially in the form set out in schedule 8 to the Bond Trust Deed.

**N Covered Bond Conditions** means the terms and conditions of each N Covered Bond annexed thereto, as set out in schedule 8 to the Bond Trust Deed, as modified and/or supplemented by the provisions of the relevant N Covered Bond Confirmation Terms.

**N Covered Bond Confirmation** means a confirmation incorporating the N Covered Bond Confirmation Terms and signed by the N Covered Bondholder, the Covered Bond Guarantor, the Issuer and the Bond Trustee substantially in the form set out in schedule 8 of the Bond Trust Deed.

**N Covered Bond Confirmation Terms** means the standard set of terms incorporated by the N Covered Bond Confirmation, substantially in the form set out in schedule 8 to the Bond Trust Deed as may be amended from time to time in accordance with the Bond Trust Deed.

**N Covered Bondholder** means the registered holder of an N Covered Bond.

**N Covered Bond Paying Agent** means Citibank, N.A., London Branch or any other person from time to time appointed to perform the role of the paying agent in relation to the N Covered Bonds under the Principal Agency Agreement, including any successor or additional paying agent, or, if so specified in the applicable N Covered Bond Conditions of a Series of N Covered Bonds, any other person appointed by the Issuer under a supplemental agency agreement to perform the duties of the paying agent in relation to such Series of N Covered Bonds.

**N Covered Bond Registrar** means Citibank, N.A., London Branch or any other person from time to time appointed to perform the role of the registrar in relation to the N Covered Bonds under the Principal Agency Agreement, including any successor registrar, or, if so specified in the applicable N Covered Bond Conditions of a Series of N Covered Bonds, any other person appointed by the Issuer under a supplemental agency agreement to perform the duties of the registrar in relation to such Series of N Covered Bonds.

**National Consumer Credit Protection Laws** means each of

- (a) the NCCP;
- (b) the National Consumer Credit Protection (Fees) Act 2009 (Cth);
- (c) the Transitional Act;
- (d) any acts or other legislation enacted in connection with any of the acts set out in paragraphs (a) to (c) above, the NCCP Regulations and any other regulations made under any of the acts set out in paragraphs (a) to (c) above; and

- (e) Division 2 of Part 2 of the Australian Securities and Investments Commission Act 2001, so far as it relates to the obligations in respect of an Australian Credit Licence issued under the NCCP or registration as a Registered Person under the Transitional Act.

**NCCP** means National Consumer Credit Protection Act 2009 (Cth) including the National Credit Code annexed to that Act.

**NCCP Regulations** means the National Consumer Credit Protection Regulations 2010 (Cth).

**Negative Carry Factor** has the meaning given to it in the section “*Summary of the Principal Documents – Establishment Deed – Asset Coverage Test*” in this Offering Circular.

**negligence** of the Covered Bond Guarantor or the Security Trustee means the negligence of the Covered Bond Guarantor or the Security Trustee, as the case may be, and of its officers, employees, agents and any other person where the Covered Bond Guarantor or the Security Trustee, as the case may be, is liable for the acts or omissions of such other person under the terms of the relevant Programme Document

**Net Trust Income** in relation to the Trust for a Financial Year means the amount calculated in accordance with the Establishment Deed for the Trust for the Financial Year.

**New Secured Creditor** means any person which becomes a Secured Creditor after the Programme Date pursuant to and in accordance with the Security Deed.

**Non-Forward Starting Covered Bond Swap** has the meaning given to it in the section “*Summary of the Principal Documents – Swap Agreements – Covered Bond Swap Agreements*” in this Offering Circular.

**Notice to Pay** means the notice to pay served by the Bond Trustee on the Covered Bond Guarantor (and copied to the Trust Manager and the Security Trustee) pursuant to the Covered Bond Guarantee and in accordance with the Bond Trust Deed which requires the Covered Bond Guarantor to make payments of Guaranteed Amounts when they become Due for Payment in accordance with the terms of the Covered Bond Guarantee.

**OC Account** means the account in the name of the Covered Bond Guarantor held with the Account Bank and maintained subject to the terms of the Account Bank Agreement, the OC Account Mandate and/or such additional or replacement account as may from time to time be in place pursuant to the terms of the Account Bank Agreement.

**OC Account Mandate** means the resolutions, instructions and signature authorities relating to the OC Account substantially in the form set out in schedule 3 to the Account Bank Agreement.

**Offering Circular** means, at any time, this offering circular, including any supplement thereto, issued by the Issuer in relation to the Programme.

**Omnibus Proxy** means the omnibus proxy sent by DTC to the Issuer as soon as possible after the record date in accordance with DTC’s usual procedures.

**Original Due for Payment Date** means the date on which the Scheduled Payment Date in respect of such Guaranteed Amount occurs or, if later, the day which is two Business Days following the date of service of a Notice to Pay on the Covered Bond Guarantor in respect of such Guaranteed Amount or if the applicable Final Terms specified that an Extended Due for Payment Date is applicable to the relevant Series of Covered Bonds, the Interest Payment Date that would have applied if the Final Maturity Date had been the Extended Due for Payment Date.

**Other Loan** in relation to a Mortgage Loan means any loans, credit and financial accommodation of whatever nature (other than that Mortgage Loan) the payment or repayment of which is secured by a Mortgage, or by a Collateral Security, which also secures that Mortgage Loan.

**Outstanding or outstanding** means, in relation to the Covered Bonds of all or any Series, all the Covered Bonds of such Series issued other than:

- (a) those Covered Bonds which have been redeemed in full and cancelled pursuant to the Bond Trust Deed and/or Condition 5 of the Programme Conditions and/or, in the case of an N Covered Bond, Condition 4 of the N Covered Bond Conditions;

- (b) those Covered Bonds in respect of which the date (including, where applicable, any deferred date) for redemption in accordance with Condition 5 of the Programme Conditions and/or, in the case of an N Covered Bond, the N Covered Bond Conditions (if applicable) has occurred and the redemption monies (including all interest payable thereon) have been duly paid to the Bond Trustee or (other than in the case of any A\$ Registered Covered Bonds) to the U.S. Paying Agent in the manner provided in the Principal Agency Agreement (and where appropriate notice to that effect has been given to the relative Covered Bondholders in accordance with Condition 12 of the Programme Conditions and/or Condition 9 of the N Covered Bond Conditions and remain available for payment against presentation of the relevant Covered Bonds;
- (c) those Covered Bonds which have been purchased and cancelled in accordance with Condition 5.10 of the Programme Conditions and any equivalent provision in the N Covered Bond Conditions;
- (d) those Covered Bonds which have become void or in respect of which claims have become prescribed, in each case under Condition 8 of the Programme Conditions and/or Condition 7 of the N Covered Bond Conditions;
- (e) those mutilated or defaced Covered Bonds which have been surrendered and cancelled and in respect of which replacements have been issued pursuant to Condition 11 of the Programme Conditions and/or, in the case of an N Covered Bond, Condition 10 of the N Covered Bond Conditions;
- (f) (for the purpose only of ascertaining the Principal Amount Outstanding of the Covered Bonds outstanding and without prejudice to the status for any other purpose of the relevant Covered Bonds) those Covered Bonds which are alleged to have been lost, stolen or destroyed and in respect of which replacements have been issued pursuant to Condition 11 of the Programme Conditions and/or, in the case of an N Covered Bond, Condition 10 of the N Covered Bond Conditions;
- (g) any Registered Global Covered Bond to the extent that it will have been exchanged for definitive Covered Bonds or another Registered Global Covered Bond pursuant to its provisions, the provisions of the Bond Trust Deed and the Principal Agency Agreement; and

provided that for each of the following purposes, namely:

- (h) the right to attend and vote at any meeting of the holders of the Covered Bonds of any Series, to give instruction or direction to the Bond Trustee and for the purposes of a resolution in writing as envisaged by paragraph 20 of schedule 6 to the Bond Trust Deed;
- (i) the determination of how many and which Covered Bonds of any Series are for the time being outstanding for the purposes of the provisions in the Bond Trust Deed relating to the taking of any action following an Issuer Event of Default or service of a Covered Bond Guarantee Acceleration Notice or directing the Security Trustee to take any action under the Security Deed, Conditions 9 and 10 of the Programme Conditions and paragraphs 2, 5, 6, and 9 of schedule 6 to the Bond Trust Deed;
- (j) any discretion, power or authority (whether contained in the Bond Trust Deed or vested by operation of law) which the Bond Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the holders of the Covered Bonds of any Series; and
- (k) the determination by the Bond Trustee whether any event, circumstance, matter or thing is, in its opinion, materially prejudicial to the interests of the holders of the Covered Bonds of any Series,

(A) those Covered Bonds of the relevant Series (if any) which are for the time being held by or on behalf of or for the benefit of the Issuer or the Covered Bond Guarantor, any Subsidiary or holding company of any of them or any other Subsidiary of any such holding company, in each case as beneficial owner; and (B) those N Covered Bonds held by an N Covered Bondholder who has not entered into and delivered to the Issuer the related N Covered Bond Confirmation (incorporating the N Covered Bond Confirmation Terms) or agreed to be bound by the related N Covered Bond Confirmation by way of an N Covered Bond Assignment Agreement, will (unless and until ceasing to be so held) be deemed not to remain outstanding except in the case of the Issuer or the Covered Bond Guarantor, any Subsidiary or holding company of any of them or any other Subsidiary of any such holding company (each a **Relevant Person**) holding, by itself or together with any other Relevant Person, all of the Covered Bonds then outstanding or, in respect of a Series of Covered Bonds holds all Covered Bond of such Series.

**Partial Portfolio** has the meaning given to it in the section “*Summary of the Principal Documents – Establishment Deed – Method of Sale of Selected Mortgage Loan Rights*” in this Offering Circular.

**Partly-Paid Covered Bonds** means Covered Bonds which are only partly paid up on issue, in respect of which interest will accrue in accordance with Condition 4 of the Programme Conditions on the paid-up nominal amount of such Covered Bonds or on such other basis as may be agreed between the Issuer and the relevant dealer(s) and indicated in the applicable Final Terms.

**Paying Agents** means the Principal Paying Agent, U.S. Paying Agent, the N Covered Bond Paying Agent (as the case may be) and any other paying agent appointed pursuant to the Principal Agency Agreement, including any additional or successor paying agents.

**Perfection of Title** means, in relation to a Mortgage or Mortgage Loan forming part of the Assets of the Trust, the date following the occurrence of a Perfection of Title Event on which the legal title to that Mortgage or Mortgage Loan, as the case may be, has been perfected in the name of the Covered Bond Guarantor in accordance with the Mortgage Sale Agreement.

**Perfection of Title Event** has the meaning given to it in the section “*Summary of the Principal Documents – Mortgage Sale Agreement - Transfer of Title to the Mortgage Loan Rights to the Covered Bond Guarantor*” in this Offering Circular.

**Post-Enforcement Priority of Payments** has the meaning given to it in the section “*Cashflows - Post-Enforcement Priority of Payments*” in this Offering Circular.

**Potential Covered Bond Guarantor Event of Default** means any condition, event or act which, with the lapse of time and/or the issue, making or giving of any notice, certification, declaration, demand, determination and/or request and/or the taking of any similar action and/or the fulfilment of any similar condition, would constitute a Covered Bond Guarantor Event of Default.

**Potential Issuer Event of Default** means any condition, event or act which, with the lapse of time and/or the issue, making or giving of any notice, certification, declaration, demand, determination and/or request and/or the taking of any similar action and/or the fulfilment of any similar condition, would constitute an Issuer Event of Default.

**PPSA** means the Personal Property Securities Act 2009 (Cth).

**PPSA Start Date** means, as at the date of this Offering Circular, January 30, 2012.

**Pre-Acceleration Income Priority of Payments** has the meaning given to it in the section “*Cashflows - Pre-Acceleration Income Priority of Payments*” in this Offering Circular.

**Pre-Acceleration Principal Priority of Payments** has the meaning given to it in the section “*Cashflows - Pre-Acceleration Principal Priority of Payments*” in this Offering Circular.

**Pre-Acceleration Priority of Payments** means the Pre-Acceleration Principal Priority of Payments and/or the Pre-Acceleration Income Priority of Payments, as the context requires.

**Pre-Maturity Demand Loan Advance** means a Demand Loan Advance requested by the Trust Manager in accordance with the Demand Loan Agreement to rectify a breach of the Pre-Maturity Test in accordance with the Establishment Deed.

**Pre-Maturity Ledger** means the ledger maintained by the Trust Manager pursuant to the Management Agreement to record the credits and debits of moneys available to repay any Series of Hard Bullet Covered Bonds on the Final Maturity Date thereof if the Pre-Maturity Test in respect of such Series of Hard Bullet Covered Bonds has been breached.

**Pre-Maturity Test** has the meaning given to it in the section “*Credit Structure –Pre-Maturity Test*” in this Offering Circular.

**Pre-Maturity Test Date** means each Local Business Day during the Pre-Maturity Test Period prior to the occurrence of an Issuer Event of Default and/or the occurrence of a Covered Bond Guarantor Event of Default.



**Pre-Maturity Test Period** means, in relation to a Series of Hard Bullet Covered Bonds, the period commencing on the day 12 months prior to the Final Maturity Date of the Series and ending on the Final Maturity Date of the Series.

**Principal Agency Agreement** means the agency agreement dated on or about the Programme Date (such agency agreement as amended and restated on June 27, 2012 and as otherwise amended and/or supplemented and/or restated from time to time) and made between the Issuer, the Trust Manager, the Covered Bond Guarantor, the Bond Trustee, the Principal Paying Agent, the U.S. Paying Agent, the N Covered Bond Paying Agent, the Transfer Agent, the U.S. Transfer Agent, the Exchange Agent, the Registrar, the U.S. Registrar and the N Covered Bond Registrar.

**Principal Amount Outstanding** in respect of a Covered Bond means the outstanding principal amount of that Covered Bond.

**Principal Collections** in relation to a Collection Period means the aggregate of the following amounts (without double counting) received by or on behalf of the Covered Bond Guarantor during that Collection Period in respect of the Mortgage Loans then forming part of the Assets of the Trust:

- (a) all amounts received under or in respect of the Mortgage Loans in respect of principal (less reversals made during the period in respect of interest or other charges in relation to any of the accounts where the original debit entry (or part thereof) was in error); and
- (b) all amounts of principal payable under or in respect of the Mortgage Loans and the Mortgage Loan Rights to the extent that the obligations to pay such amounts are discharged by the exercise during that Collection Period of a right of set-off or right to combine accounts,

but does not include any Available Income Amount or any other amounts which would fall within paragraphs (b) to (g) of the definition of Available Principal Amount.

**Principal Ledger** means the ledger of such name maintained by the Trust Manager pursuant to the Management Agreement to record the credits of certain items described in the definition of Available Principal Amount and debits in accordance with the terms of the Establishment Deed.

**Priorities of Payments** means the Pre-Acceleration Income Priority of Payments, the Pre-Acceleration Principal Priority of Payments, the Guarantee Priority of Payments and the Post-Enforcement Priority of Payments, and each a **Priority of Payments**.

**Priority Agreement** means any agreement between the Seller and a subsequent mortgagee of Land the subject of a Mortgage or Collateral Security:

- (a) under which the Seller and the subsequent mortgagee agree to a ranking of their respective securities over the said Land which provides for the Seller's security to be a first ranking security to an agreed amount and the subsequent mortgagee's security to be a second ranking security; and
- (b) whose sole subject matter is the agreement as to ranking referred to in paragraph (a) above and matters ordinarily incidental thereto.

**Privacy Act** means the Privacy Act 1988 (Cth).

**Programme** means the covered bond programme established by the Bank.

**Programme Agreements** means the Regulation S Programme Agreement and the U.S. Distribution Agreement and each, a **Programme Agreement**.

**Programme Conditions** means the terms and conditions of the Covered Bonds issued under this Offering Circular as set out in schedule 2 of the Bond Trust Deed (and as reproduced in "*Terms and Conditions of the Covered Bonds*" in this Offering Circular), the terms and conditions of the A\$ Registered Covered Bonds as set out in schedule 3 of the Bond Trust Deed, and the terms and conditions of the other Covered Bonds (excluding the N Covered Bonds) issued under the Programme as set out in schedule 1 of the Bond Trust Deed, in each case as modified and/or supplemented by the Final Terms in relation to a particular Series or Tranche of Covered Bonds, and as the same may be modified from time to time in accordance with the Bond Trust Deed.

References herein to the Programme Conditions are to each of such terms and conditions, or to the relevant terms and conditions, as the context requires.

**Programme Date** means on or about November 15, 2011.

**Programme Documents** means the following documents:

- (a) Mortgage Sale Agreement (and any documents entered into (including but not limited to any document setting out particulars of any Mortgage Loan Rights sold by the Seller to the Covered Bond Guarantor) pursuant to the Mortgage Sale Agreement);
- (b) Servicing Deed;
- (c) Cover Pool Monitor Agreement;
- (d) Intercompany Loan Agreement;
- (e) Demand Loan Agreement;
- (f) Establishment Deed;
- (g) Management Agreement;
- (h) Interest Rate Swap Agreement;
- (i) each Covered Bond Swap Agreement;
- (j) Account Bank Agreement;
- (k) Security Deed (and any documents entered into pursuant to the Security Deed, including each Deed of Accession);
- (l) Bond Trust Deed;
- (m) each Programme Agreement;
- (n) each Agency Agreement;
- (o) each Subscription Agreement (as defined in the Regulation S Programme Agreement and as applicable in the case of each issue of listed Covered Bonds subscribed pursuant to a subscription agreement);
- (p) each Terms Agreement (as defined in the U.S. Distribution Agreement and as applicable in the case of each issue of listed Covered Bonds subscribed pursuant to a terms agreement);
- (q) Seller Powers of Attorney; and
- (r) the Definitions Schedule,

and each document, agreement or deed ancillary or supplemental to any of such documents or any document, agreement or deed specified by the Issuer, the Trust Manager, the Covered Bond Guarantor and the Security Trustee as a Programme Document and each a **Programme Document**.

**Prospectus Directive** means Directive 2003/71/EC as amended (which includes the amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in a Member State of the European Economic Area).

**Purchaser** means the Seller or any third party to whom the Covered Bond Guarantor offers to sell Selected Mortgage Loan Rights.

**QIB** has the meaning given to it in Condition 2.10 of the Programme Conditions.

**Qualified Institution** means a bank:

- (a) which pays any relevant interest in the ordinary course of its business;

- (b) whose short term, unsecured, unsubordinated and unguaranteed debt obligations are rated at least P-1 by Moody's and F1 by Fitch (or, if Fitch has placed the bank on ratings watch negative at the relevant time, at least F1+ by Fitch); and
- (c) whose long term, unsecured, unsubordinated and unguaranteed debt obligations are rated at least A by Fitch (or, if Fitch has placed the bank on ratings watch negative at the relevant time, at least A+ by Fitch),

or, in the case of paragraphs (b) and (c), such other lower rating as Fitch and/or Moody's may require in order to maintain the then current ratings of the Covered Bonds

**Rating Affirmation Notice** in relation to an event or circumstance and a Rating Agency, means a notice in writing from the Issuer to the Covered Bond Guarantor and the Bond Trustee (copied to the Seller and each Rating Agency) confirming that it has notified that Rating Agency of the event or circumstance and that the Issuer is reasonably satisfied following discussions with that Rating Agency that the event or circumstance, as applicable, will not result in a reduction, qualification or withdrawal of the ratings then assigned by that Rating Agency to the Covered Bonds.

**Rating Agencies** means Moody's and Fitch or their successors, to the extent they provide ratings in respect of the Covered Bonds, and each a **Rating Agency**.

**RBA** means the Reserve Bank of Australia.

**Receiptholders** means holders of the Receipts.

**Receipts** means receipts for the payment of the instalments of principal (other than the final instalment) on Covered Bonds issued in definitive bearer form that may be issued outside of the United States pursuant to another offering document.

**Receiver** means any person or persons appointed (and any additional person or persons appointed or substituted pursuant thereto) by the Security Trustee as a receiver, manager, or receiver and manager of the property charged or secured under the Security Deed.

**Record Date** has the meaning given to it in Condition 6.2 of the Programme Conditions.

**Register** means the register of holders of the Registered Covered Bonds maintained by the U.S. Registrar or Registrar, as the case may be.

**Registered Covered Bonds** means Covered Bonds (other than the A\$ Registered Covered Bonds and the N Covered Bonds) issued in registered form (being Registered Global Covered Bonds and/or Registered Definitive Covered Bonds, as the case may be).

**Registered Definitive Covered Bond** means, as the context may require, a Regulation S Definitive Covered Bond or a Definitive Rule 144A Covered Bond.

**Registered Global Covered Bond** has the meaning given to it in Condition 2.1 of the Programme Conditions.

**Registered Person** has the meaning given to it in the Transitional Act.

**Registrar** means Deutsche Bank Luxembourg S.A. or any other person from time to time appointed to perform the role of registrar under the Principal Agency Agreement.

**Regulation S** means Regulation S under the Securities Act.

**Regulation S Covered Bond** means a Covered Bond represented by a Regulation S Global Covered Bond and/or a Regulation S Definitive Covered Bond, as the context may require.

**Regulation S Definitive Covered Bond** means a Definitive Covered Bond sold to non-U.S. persons outside the United States in reliance on Regulation S.

**Regulation S Global Covered Bond** means a Registered Global Covered Bond representing Covered Bonds sold to non-U.S. persons outside the United States in reliance on Regulation S and substantially in the form set out in part 7 of schedule 4 to the Bond Trust Deed with such modifications (if any) as may be agreed between

the Issuer, the U.S. Paying Agent, the Bond Trustee and the Relevant Dealer(s) or Lead Manager (in the case of syndicated issues).

**Regulation S Programme Agreement** means the agreement dated on or about the Programme Date, entered into by the Issuer, the Covered Bond Guarantor, the Seller, the Arranger and BNP Paribas and Commonwealth Bank of Australia, as dealers, as amended and restated on June 27, 2012 and as otherwise amended, restated, supplemented, replaced or novated from time to time, to agree a basis upon which any such dealers may from time to time agree to subscribe for, offer or place Covered Bonds (other than Rule 144A Covered Bonds).

**REIA** means the Real Estate Institute of Australia.

**Related Body Corporate** in relation to a body corporate means a body corporate which is related to the first mentioned body corporate by virtue of division 6 of part 1.2 of the Australian Corporations Act.

**Relevant Dealers** mean, in the case of an issue of Covered Bonds being, or intended to be, subscribed by more than one Dealer, all such Dealers.

**Relevant Spread** has the meaning given to it in the section “*Summary of the Principal Documents – Establishment Deed – Asset Coverage Test*” in this Offering Circular.

**Reporting Statement** means the statement (which may be in electronic form) prepared by the Servicer in accordance with the Servicing Deed in a form agreed by the Trust Manager, the Servicer and the Covered Bond Guarantor.

**Representations and Warranties** means the representations and warranties set out in the section “*Summary of the Principal Documents – Mortgage Sale Agreement – Representations and Warranties*” in this Offering Circular.

**Required Current Principal Balance Amount** has the meaning given to it in “*Summary of the Principal Documents – Establishment Deed – Method of Sale of Selected Mortgage Loan Rights*” in this Offering Circular.

**Required Redemption Amount** means, in respect of a Series of Covered Bonds, the amount calculated in accordance with the following formula:

$$A \times \left( 1 + \left( B \times \frac{C}{365} \right) \right)$$

where,

A = the Principal Amount Outstanding of the relevant Series of Covered Bonds;

B = the Negative Carry Factor; and

C = days to maturity of the relevant Series of Covered Bonds.

**Reserve Fund** means the reserve fund established by the Covered Bond Guarantor (or the Trust Manager on its behalf) in the GIC Account which will be credited with the proceeds of the Available Income Amount or a Term Advance or a Demand Loan Advance up to an amount equal to the Reserve Fund Required Amount in accordance with the applicable Priority of Payments.

**Reserve Fund Required Amount** means:

- (a) if, and for so long as, the Issuer's credit rating is equal to or higher than the Moody's Specified Rating and the Fitch Specified Rating, nil or such other amount as the Issuer will direct the Covered Bond Guarantor from time to time; or
- (b) if, and for so long as, the Issuer's credit rating is below the Moody's Specified Rating but is equal to or higher than the Fitch Specified Rating, an amount equal to the Australian Dollar Equivalent of amounts of: (i) in relation to each Series of Covered Bonds where a Covered Bond Swap is in place, the aggregate amounts due to each Covered Bond Swap Provider in the immediately following month; and/or (ii) in relation to each Series of Covered Bonds where a Covered Bond Swap is not in place, the aggregate amount of interest due in respect of each such Series of Covered Bonds in the immediately

following month; and (iii) an amount equal to one quarter of the anticipated aggregate annual amount payable in respect of the items specified in paragraphs (a) to (d) of the Pre-Acceleration Income Priority of Payments and, if applicable, paragraph (e) of the Pre-Acceleration Income Priority of Payments, provided that in determining the amount of the Reserve Fund Required Amount where any amount in respect of the Covered Bonds or the Covered Bond Swaps is by reference to a floating rate, the rate will be at the then current floating rate as at the date on which the amount is calculated; or

- (c) if, and for so long as, the Issuer's credit rating is below the Fitch Specified Rating but is equal to or higher than the Moody's Specified Rating, an amount equal to the Australian Dollar Equivalent of: (i) in relation to each Series of Covered Bonds where a Covered Bond Swap is in place and is provided by a party other than the Issuer (or a related party), the aggregate amounts due to each Covered Bond Swap Provider in the immediately following three months; and/or (ii) in relation to each Series of Covered Bonds where a Covered Bond Swap is not in place and/or a Covered Bond Swap is provided by the Issuer (or a related party), the aggregate amount of interest due in respect of each such Series of Covered Bonds in the immediately following three months; and (b) an amount equal to one quarter of the anticipated aggregate annual amount payable in respect of the items specified in paragraphs (a) to (d) of the Pre-Acceleration Income Priority of Payments and, if applicable, paragraph (e) of the Pre-Acceleration Income Priority of Payments provided that, in determining the amount of the Reserve Fund Required Amount where any amount in respect of the Covered Bonds or the Covered Bond Swaps is by reference to a floating rate, the rate will be at the then current floating rate as at the date on which the amount is calculated; or
- (d) if, and for so long as, the Issuer's credit rating is less than both the Moody's Specified Rating and the Fitch Specified Rating, the higher of the amounts determined in accordance with paragraphs (b) and (c) above.

**Reserve Ledger** means the ledger of such name maintained by the Trust Manager pursuant to the Management Agreement, to record the crediting of amounts to the Reserve Fund in accordance with the terms of the Establishment Deed and the debiting of such Reserve Fund in accordance with the terms of the Programme Documents.

**Rule 144A** means Rule 144A under the Securities Act.

**Rule 144A Covered Bond** means either a Covered Bond represented by a Rule 144A Global Covered Bond and/or a Definitive Rule 144A Covered Bond, as the context may require.

**Rule 144A Global Covered Bond** means a Registered Global Covered Bond representing Covered Bonds sold in the United States to QIBs pursuant to Rule 144A and substantially in the form set out in Part 7 of schedule 2 to the Bond Trust Deed with such modifications (if any) as may be agreed between the Issuer, the U.S. Paying Agent, the Bond Trustee and the Relevant Dealer(s) or the Lead Manager (in the case of syndicated issues).

**Sale Notice** means, a notice from the Seller to the Covered Bond Guarantor (and copied to the Bond Trustee) in or substantially in the form of schedule 4 to the Mortgage Sale Agreement (or in such other form agreed between the Seller, the Trust Manager and the Covered Bond Guarantor).

**Sale Proceeds** means the cash proceeds realised from the sale of Selected Mortgage Loan Rights.

**SASPL** means Securitisation Advisory Services Pty. Limited.

**Scheduled Balance** in relation to a Mortgage Loan means the amount that would be owing on that Mortgage Loan at the date of determination if the Borrower had made, prior to that date, the minimum payments required under the Mortgage Loan.

**Scheduled Interest** means an amount equal to the amount in respect of interest which would have been due and payable under the Covered Bonds on each Interest Payment Date as specified in Condition 4 of the Programme Conditions and Condition 3 of the N Covered Bond Conditions (but excluding any additional amounts relating to premiums, default interest or interest upon interest, the **Excluded Scheduled Interest Amounts**) payable by the Issuer following an Issuer Event of Default but including such amounts (whenever the same arose) following service of a Covered Bond Guarantee Acceleration Notice) as if the Covered Bonds had not become due and repayable prior to their Final Maturity Date or, if the Final Terms specify that an Extended Due for Payment Date is applicable to the relevant Covered Bonds, as if the maturity date of the Covered Bonds had been the Extended Due for Payment Date (but taking into account any principal repaid in respect of such Covered Bonds

or any Guaranteed Amounts paid in respect of such principal prior to the Extended Due for Payment Date), less any additional amounts the Issuer would be obliged to pay as a result of any gross-up in respect of any withholding or deduction made under the circumstances set out in Condition 7 of the Programme Conditions or Condition 6 of the N Covered Bond Conditions.

**Scheduled Payment Date** means in relation to payments under the Covered Bond Guarantee, each Interest Payment Date or the Final Maturity Date as if the Covered Bonds had not become due and repayable prior to their Final Maturity Date.

**Scheduled Principal** means an amount equal to the amount in respect of principal which would have been due and repayable under the Covered Bonds on each Interest Payment Date or the Final Maturity Date (as the case may be) as specified in Condition 5.1 of the Programme Conditions and Condition 4.1 of the N Covered Bond Conditions (but excluding any additional amounts relating to prepayments, early redemption, broken funding indemnities, penalties, premiums or default interest (the **Excluded Scheduled Principal Amounts**), payable by the Issuer following an Issuer Event of Default but including such amounts (whenever the same arose) following service of a Covered Bond Guarantee Acceleration Notice) as if the Covered Bonds had not become due and repayable prior to their Final Maturity Date or, if the Final Terms specify that an Extended Due for Payment Date is applicable to the relevant Covered Bonds, as if the maturity date of the Covered Bonds had been the Extended Due for Payment Date.

**Second Determination Date** has the meaning given to it in the section “*Summary of the Principal Documents – Establishment Deed – Asset Coverage Test*” in this Offering Circular.

**Second Layer of Collateral Securities** in relation to a Mortgage Loan means all Collateral Securities in respect of that Mortgage Loan which do not constitute the First Layer of Collateral Securities for that Mortgage Loan.

**Secured Creditors** means the Security Trustee (in its own capacity and on behalf of the other Secured Creditors), the Covered Bond Guarantor (in its own capacity), the Bond Trustee (in its own capacity and on behalf of the Covered Bondholders), the Covered Bondholders, the Receiptholders, the Couponholders, the Issuer, the Seller, the Servicer, the Intercompany Loan Provider, the Demand Loan Provider, the Account Bank, the Swap Providers, the Trust Manager, the Agents, the Cover Pool Monitor and any other person who becomes a Secured Creditor pursuant to the Security Deed, and each, a **Secured Creditor**.

**Secured Obligations** means all amounts (whether actual or contingent, present or future) which at any time for any reason or circumstance in connection with any Programme Document that relates to, or applies to, the Trust or the Security Deed or any transactions contemplated by any of them (insofar as such transactions relate to, or apply to, the Trust), whatsoever whether at law, in equity, under statute or otherwise:

- (a) are payable, are owing but not currently payable, are contingently owing, or remain unpaid by the Covered Bond Guarantor to the Security Trustee on its own account or for the account of the Secured Creditors or to any Secured Creditor or to any Receiver;
- (b) have been advanced or paid by the Security Trustee on its own account or for the account of the Secured Creditors or by any Secured Creditor:
  - (i) at the express request of the Covered Bond Guarantor; and
  - (ii) on behalf of the Covered Bond Guarantor;
- (c) which the Security Trustee on its own account or for the account of the Secured Creditors or any Secured Creditor is liable to pay by reason of any act or omission of the Covered Bond Guarantor or has paid or advanced in the protection or maintenance of the Charged Property or the Security and the charge created by the Security Deed following an act or omission by the Covered Bond Guarantor; or
- (d) are reasonably foreseeable as likely, after that time, to fall within any of paragraphs (a), (b) or (c) above,

and references to **Secured Obligations** includes references to any of them.

This definition applies:

- (i) irrespective of the capacity in which the Covered Bond Guarantor, the Security Trustee or any Secured Creditor became entitled or is liable in respect of the amount concerned;
- (ii) whether the Covered Bond Guarantor, the Security Trustee or any Secured Creditor is liable as principal debtor or surety or otherwise;
- (iii) whether the Covered Bond Guarantor is liable alone or jointly, or jointly and severally with another person;
- (iv) whether the Security Trustee or any Secured Creditor is the original obligee or an assignee or a transferee of the Secured Obligations and whether or not:
  - (A) the assignment or transfer took place before or after the delivery of the Security Deed; or
  - (B) the Covered Bond Guarantor consented to or was aware of the assignment or transfer; or
  - (C) the assigned or transferred obligation was secured; or
- (v) whether the Security Trustee or any Secured Creditor is the original Security Trustee or an original Secured Creditor or an assignee or a transferee of the original Security Trustee or an original Secured Creditor, and whether or not the Covered Bond Guarantor consented to or was aware of the assignment or transfer.

**Securities Act** means the United States Securities Act of 1933, as amended.

**Security** means the Security Interests over the Charged Property granted pursuant to the Security Deed.

**Security Deed** means the security deed dated on or about the Programme Date and made between the Bank (in various capacities, including as Issuer, Seller and Servicer), the Covered Bond Guarantor, the Trust Manager and the Security Trustee.

**Security Interest** means any mortgage, security interest, charge, encumbrance, pledge, lien, hypothecation, assignment by way of security or other security interest or title retention arrangement and any agreement, trust or arrangement having substantially the same economic or financial effect as any of the foregoing (other than a lien arising in the ordinary course of business or by operation of law).

**Security Trust** means the trust formed under the Security Deed.

**Security Trustee** means P.T. Limited ABN 67 004 454 666 in its capacity as security trustee of the Security Trust together with any additional security trustee appointed from time to time in accordance with the terms of the Security Deed.

**Selected Mortgage Loan Rights Offer Notice** means a notice substantially in the form of schedule 6 of the Mortgage Sale Agreement from the Covered Bond Guarantor served on the Seller offering to sell Selected Mortgage Loan Rights to the Seller.

**Selected Mortgage Loan Rights** means Mortgage Loan Rights to be sold by the Covered Bond Guarantor pursuant to the terms of the Establishment Deed having in aggregate the Required Current Principal Balance Amount.

**Seller** means the Bank in its capacity as seller pursuant to the Mortgage Sale Agreement.

**Seller Mortgage Loan Repurchase Notice** means the notice served on the Covered Bond Guarantor by the Seller offering to purchase certain Mortgage Loan Rights specified in the notice substantially in the form set out in schedule 5 to the Mortgage Sale Agreement.

**Seller Powers of Attorney** means the powers of attorney granted by the Seller in favour of the Covered Bond Guarantor in substantially the form set out at schedules 1, 2 and 3 to the Mortgage Sale Agreement.

**Series** means (i) with respect to N Covered Bonds, each N Covered Bond made out in the name of a specific N Covered Bondholder and (ii) in any other case, a Tranche of Covered Bonds together with any further Tranche or Tranches of Covered Bonds which are:

- (a) expressed to be consolidated and form a single series; and
- (b) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

**Series Reserved Matter** has the meaning given to it in Condition 10.4 of the Programme Conditions.

**Servicer** means the Bank in its capacity as servicer under the Servicing Deed or such other servicer appointed pursuant to the Servicing Deed from time to time.

**Servicer Default** has the meaning given to it in the section “*Summary of the Principal Documents – Servicing Deed – Removal or resignation of the Servicer*” in this Offering Circular.

**Services** means the services to be performed by the Servicer in accordance with the Servicing Deed.

**Servicing Deed** means the Servicing Deed entered into on or about the Programme Date, between the Covered Bond Guarantor (as trustee of the Trust and as trustee of the CBA Trust), the Bank (in its capacity as Servicer and Seller), the Trust Manager and the Security Trustee.

**Servicing Guidelines** means the relevant written guidelines policies and procedures established by the Servicer for servicing mortgage loans recorded on the Mortgage Loan System, including the Mortgages Loans, as amended or updated in writing from time to time.

**Servicing Standards** at any time means the relevant standards and practices set out in the then Servicing Guidelines and, to the extent that a servicing function is not covered by the Servicing Guidelines, the standards of a prudent lender in the business of making retail home loans.

**Settlement Amount** means A\$100.

**Settlement Date** in relation to a Mortgage Loan means the date on which an agreement between the Seller and a Borrower for the making of that Mortgage Loan was made.

**Specified Currency** means subject to any applicable legal or regulatory restrictions, Australian Dollars, euro, Sterling, U.S. Dollars and such other currency or currencies as may be agreed from time to time by the Issuer, the relevant Dealer(s), the U.S. Paying Agent and the Bond Trustee and specified in the applicable Final Terms.

**Specified Denomination** means, in relation to a Series or Tranche of Covered Bonds, the Specified Denomination as set out in the applicable Final Terms.

**Stock Exchange** means the London Stock Exchange or any other or further stock exchange(s) on which any Covered Bonds may from time to time be listed or admitted to trading and references to the relevant Stock Exchange will, in relation to any Covered Bonds, be references to the Stock Exchange on which such Covered Bonds are, from time to time, or are intended to be, listed or admitted to trading.

**Subscription Agreement** means an agreement supplemental to the Regulation S Programme Agreement (by whatever name called) in or substantially in the form set out in appendix 1 of the Regulation S Programme Agreement or in such other form as may be agreed between the Issuer and the Lead Manager or one or more Dealers (as the case may be).

**Subsidiary** has the meaning given to it in section 9 of the Australian Corporations Act.

**Substitute Servicer** at any given time means the entity then appointed as Servicer in accordance with the Servicing Deed.

**Substitute Trust Manager** at any given time means the entity then appointed as Trust Manager in accordance with the Management Agreement.

**Substitution Assets** means:

- (a) Australian Dollar bank accepted bills and certificates of deposit, with a remaining period to maturity of 100 days or less provided that such bank accepted bills and certificates of deposit are issued or guaranteed by a Qualified Institution (other than the Bank) and satisfy the RBA’s repurchase requirements for eligible assets that may collateralise covered bonds (if any);



- (b) Australian Dollar at call deposits held with an ADI (which is a Qualified Institution) and convertible into cash within two Local Business Days;
- (c) Australian Dollar denominated bonds, notes, debentures or other instruments issued or guaranteed by the Commonwealth of Australia or an Australian state or territory, provided that such investments have a remaining period to maturity of one year or less and which are rated at least Aaa by Moody's and F1+ by Fitch or their equivalents by two other internationally recognised rating agencies; and
- (d) any other asset of a kind prescribed in section 31(1) of the Australian Banking Act or by regulation for the purposes of section 31(1)(i) of the Australian Banking Act in respect of which the Issuer has issued a Rating Affirmation Notice,

and, for the avoidance of doubt, does not include any assets of a kind prescribed by regulation for the purposes of section 31(3) of the Australian Banking Act.

**Swap Agreement Credit Support Annex** means a credit support annex entered into between the Covered Bond Guarantor and a Swap Provider in the form of the 1995 ISDA Credit Support Annex (Transfer – English law) to the ISDA Master Agreement, as published by ISDA.

**Swap Collateral** means at any time, an amount of cash or securities which is paid or transferred by a Swap Provider to the Covered Bond Guarantor as collateral to secure the performance by such Swap Provider of its obligations under the relevant Swap Agreement together with any interest or other income received in respect of such asset and any equivalent of such cash or securities, as applicable.

**Swap Collateral Cash Account** means the account in the name of the Covered Bond Guarantor held with the Account Bank and maintained subject to the terms of the Account Bank Agreement and the relevant Swap Agreement Credit Support Annex into which cash is deposited by a Swap Provider as collateral to secure the performance by such Swap Provider of its obligations under the relevant Swap Agreement.

**Swap Collateral Excluded Amounts** means at any time, the amount of Swap Collateral which may not be applied under the terms of the relevant Swap Agreement at that time in satisfaction of the relevant Swap Provider's obligations to the Covered Bond Guarantor, including Swap Collateral which is to be returned or paid to the relevant Swap Provider from time to time in accordance with the terms of the relevant Swap Agreement and ultimately upon termination of the relevant Swap Agreement.

**Swap Master Agreement** means an agreement between the Covered Bond Guarantor, the Trust Manager, the Security Trustee and a Swap Provider governing Swaps entered into with such Swap Provider in the form of a 2002 Master Agreement, as published by ISDA, together with the schedule thereto and any relevant Swap Agreement Credit Support Annex.

**Swap Provider Default** means, in relation to a Swap Agreement, the occurrence of an Event of Default (as defined in such Swap Agreement) where the relevant Swap Provider is the Defaulting Party (as defined in such Swap Agreement), other than a Swap Provider Downgrade Event.

**Swap Providers** means the Interest Rate Swap Provider and the Covered Bond Swap Providers, and each a **Swap Provider**.

**Swap Rate** means in relation to a Covered Bond or Series of Covered Bonds, the exchange rate specified in the Covered Bond Swap Agreement as detailed in the section "*Summary of the Principal Documents – Swap Agreements – Covered Bond Swap Agreements*" in this Offering Circular relating to such Covered Bond or Series of Covered Bonds or, if the Covered Bond Swap Agreement has terminated, the applicable spot rate.

**Swaps** means the Interest Rate Swap and the Covered Bond Swaps.

**Tax** includes all income tax, withholding tax, stamp, registration and other duties, bank accounts debits tax, GST or other goods and services tax and other taxes, levies, imposts, deductions and charges whatsoever (including, in respect of any duty imposed on receipts or liabilities of financial institutions, any amounts paid in respect of them to another financial institution) together with interest on them and penalties with respect to them (if any) and charges, fees or other amounts made on or in respect of them and Taxes or Taxation will be construed accordingly.

**Tax Act** means the Income Tax Assessment Act 1936 (Cth) (**1936 Tax Act**) and the Income Tax Assessment Act 1997 (Cth) (**1997 Tax Act**).

**Tax Authority** means any government, state, municipal, local, federal or other fiscal, revenue, customs or excise authority, body or official anywhere in the world including the ATO.

**Term Advance Notice** means a term advance notice substantially in the form of schedule 2 to the Intercompany Loan Agreement.

**Term Advances** means advances made or to be made by the Intercompany Loan Provider to the Covered Bond Guarantor under the Intercompany Loan Agreement, and each a **Term Advance**.

**Terms Agreement** means an agreement supplemental to the U.S. Distribution Agreement (by whatever name called) in or substantially in the form set out in exhibit C of the U.S. Distribution Agreement or in such other form as may be agreed between the Issuer and the Lead Manager or one or more Dealers (as the case may be).

**Third Party Amounts** means each of:

- (a) payments by a Borrower of any fees (including Break Costs) and other charges which are due to the Seller (but not including interest payable on the Mortgage Loans); and
- (b) any amount received from a Borrower for the express purpose of payment being made to a third party for the provision of a service (including giving insurance cover) to any of that Borrower, the Seller or the Covered Bond Guarantor,

which amounts, if received by the Covered Bond Guarantor, may be paid daily from monies on deposit in the GIC Account.

**Tranche** means Covered Bonds (other than N Covered Bonds) which are identical in all respects (including as to listing).

**Transaction Party** means any person who is a party to a Programme Document and **Transaction Parties** means some or all of them.

**Transfer Agent** means Deutsche Bank AG, London Branch or any other person from time to time appointed to perform the role of transfer agent under the Principal Agency Agreement.

**Transitional Act** means the National Consumer Credit Protection (Transitional and Consequential Provisions) Act 2009 (Cth).

**Trust** means the trust known as the “CBA Covered Bond Trust” formed under the Establishment Deed.

**Trust Accounts** means the GIC Account, the Swap Collateral Cash Account and the OC Account, each a **Trust Account**.

**Trust Further Advance** has the meaning given to it in the section “*Summary of the Principal Documents – Mortgage Sale Agreement – Further Advances*” in this Offering Circular.

**Trust Manager** means SASPL, or any other person from time to time appointed to perform the role of trust manager under the Management Agreement.

**Trust Manager Default** means the occurrence of any of the following events:

- (a) an Insolvency Event occurs in relation to the Trust Manager;
- (b) the Trust Manager has breached its obligations as Trust Manager under a Programme Document to which it is expressed to be a party (other than an obligation which depends upon information provided by, or action taken by, the Servicer and the Trust Manager has not received the information, or the action has not been taken, which is necessary for the Trust Manager to perform the obligation) and such breach, as determined by the Security Trustee, acting on the directions of:

- (i) the Bond Trustee (subject to the provisions of the Bond Trust Deed), if any Covered Bonds are outstanding, is or, if continued, will be materially prejudicial to the Covered Bondholders; or
  - (ii) the Majority Secured Creditors, if no Covered Bonds are outstanding, is or, if continued, will be materially prejudicial to the Secured Creditors,
- and:
- (iii) that breach is not remedied to the Security Trustee's satisfaction within 20 Local Business Days after receipt by the Trust Manager of a notice in writing, from the Security Trustee, requiring it to be remedied; or
  - (iv) the Trust Manager has not paid compensation to the Covered Bond Guarantor for its loss from such breach in an amount satisfactory to the Security Trustee (acting reasonably);
- (c) the Trust Manager fails to direct the Covered Bond Guarantor to make any payment the Covered Bond Guarantor is required to make under this document or any other Programme Documents and such failure is not remedied within a period of 5 Local Business Days after the date on which the Trust Manager is notified, or otherwise becomes aware, of the failure; or
- (d) any representation, warranty, certification or statement made by the Trust Manager (in its capacity as Trust Manager) in a Programme Document to which it is expressed to be a party, or in any document provided by it in connection with a Programme Document, proves to have been incorrect when made, or is incorrect when repeated, in a manner which, as determined by the Security Trustee, acting on the directions of:
- (i) the Bond Trustee (subject to the provisions of the Bond Trust Deed), if there are Covered Bonds outstanding, is materially prejudicial to the Covered Bondholders; or
  - (ii) the Majority Secured Creditors, if there are no Covered Bonds outstanding, is materially prejudicial to the Secured Creditors,
- and that breach is not remedied to the Security Trustee's satisfaction (acting on the directions of the relevant instructing party referred to in paragraph (i) or (ii) above) within 60 Local Business Days after receipt by the Trust Manager of a notice in writing, from the Security Trustee, requiring it to do so.

**Trust Payment Period** means the period from (and including) a Distribution Date (or the first Settlement Date in the case of the first Trust Payment Period) to (but excluding) the next Distribution Date.

**Unit** means each Income Unit and each Capital Unit.

**Unit Register** means the register of Unitholders in the Trust maintained in accordance with the Establishment Deed.

**Unit Transfer** means a transfer of a Unit in the form as may be agreed from time to time between the Trust Manager and the Covered Bond Guarantor (acting reasonably).

**Unitholder** at any given time means the person then appearing in the Unit Register as a holder of a Unit.

**U.S. Distribution Agreement** means the amended and restated distribution agreement dated August 29, 2012 (as the same may be further amended and/or supplemented and/or restated from time to time), entered into by the Issuer, the Covered Bond Guarantor and the Dealers to agree a basis upon which the Dealer(s) or any of them may from time to time agree to subscribe for, offer or place Covered Bonds offered and sold under this Offering Circular.

**U.S. Paying Agent** means Deutsche Bank Trust Company Americas.

**U.S. Registrar** means Deutsche Bank Trust Company Americas.

**U.S. Transfer Agent** means Deutsche Bank Trust Company Americas.

**Vesting Date** means, in relation to the Trust, the earliest of:

- (a) the day preceding the 80th anniversary of the Programme Date;
- (b) the date upon which the Trust terminates by operation of law or in accordance with the Establishment Deed; and
- (c) following the occurrence of a Covered Bond Guarantor Event of Default, the date on which the Security Trustee has notified the Covered Bond Guarantor in writing that it has enforced the Security and has distributed all of the amounts which it is required to distribute under the Security Deed.

**wilful default** in relation to the Covered Bond Guarantor or the Security Trustee means any intentional failure to comply, or intentional breach, by the defaulting party of any of its obligations under the Programme Documents, other than a failure or breach which:

- (i) is in accordance with a lawful court order or direction or otherwise required by law; or
- (ii) is in accordance with a proper instruction or direction from any person (other than the defaulting party) permitted to give such instruction or direction to the defaulting party under the Programme Documents; or
- (iii) arose as a result of a breach by any person (other than the defaulting party) of any of its obligations under the Programme Documents and performance of the action (or non performance of which gave rise to such breach) is a precondition to the defaulting party performing its obligations under the Programme Documents.

**Yield Shortfall** has the meaning given to it in the section “*Summary of the Principal Documents – Servicing Deed – Yield Shortfall Test*” in this Offering Circular.

**Yield Shortfall Test** has the meaning given to it in the section “*Summary of the Principal Documents – Servicing Deed – Yield Shortfall Test*” in this Offering Circular.

**Zero Coupon Covered Bonds** means Covered Bonds which will be offered and sold at a discount to their nominal amount and which will not bear interest.

**EXECUTION VERSION**

**CBA COVERED BOND TRUST  
BOND TRUST DEED  
SECOND AMENDMENT AND RESTATEMENT DEED**

**COMMONWEALTH BANK OF AUSTRALIA**  
Issuer

**PERPETUAL CORPORATE TRUST LIMITED**  
Covered Bond Guarantor

**SECURITISATION ADVISORY SERVICES PTY. LIMITED**  
Trust Manager

**DEUTSCHE TRUSTEE COMPANY LIMITED**  
Bond Trustee

**ALLEN & OVERY**

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**THIS SECOND AMENDMENT AND RESTATEMENT DEED** is made on 16 November 2012

**BETWEEN:**

- (1) **COMMONWEALTH BANK OF AUSTRALIA ABN 48 123 123 124** in its capacity as Issuer, having an office at Ground Floor Tower 1, 201 Sussex Street, Sydney NSW 2000, Australia (in such capacity, the **Issuer**);
- (2) **PERPETUAL CORPORATE TRUST LIMITED ABN 99 000 341 533** in its capacities as trustee of the Trust, acting as Covered Bond Guarantor, having an office at Level 12, 123 Pitt Street, Sydney NSW 2000, Australia (**Covered Bond Guarantor**);
- (3) **SECURITISATION ADVISORY SERVICES PTY. LIMITED ABN 88 064 133 946** in its capacity as Trust Manager, having an office at Ground Floor Tower 1, 201 Sussex Street, Sydney NSW 2000, Australia (**Trust Manager**); and
- (4) **DEUTSCHE TRUSTEE COMPANY LIMITED** in its capacity as Bond Trustee, having an office at Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom (in such capacity, the **Bond Trustee** which expression, wherever the context so admits, include such company and all other persons or companies for the time being the bond trustee or bond trustees under this document).

**WHEREAS:**

- (A) On 15 November 2011 the Issuer, Covered Bond Guarantor, the Trust Manager and the Bond Trustee entered into the Principal Bond Trust Deed (as defined below) relating to the U.S\$30,000,000,000 Covered Bond Programme (the **Programme**) established by the Issuer.
- (B) Pursuant to Condition 10 (*Meetings of Covered Bondholders, Waiver, Substitution and Ratings Agencies*) of the Conditions and Clause 21.1 of the Principal Bond Trust Deed, the Bond Trustee may without the consent or sanction of any of the Covered Bondholders of any Series and without the consent or sanction of the other Secured Creditors (other than any Secured Creditor that is a party to the relevant documents), the related Couponholders at any time and from time to time concur with the Issuer and the Covered Bond Guarantor (acting on the direction of the Trust Manager) and any other party in making any modification to the Principal Bond Trust Deed which in the opinion of the Bond Trustee will not be materially prejudicial to the interests of any of the Covered Bondholders of any Series.
- (C) The Issuer and the Covered Bond Guarantor (acting on the direction of the Trust Manager) have requested the Bond Trustee to concur in making the amendments to the Principal Bond Trust Deed as referred to in Clause 3 below.
- (D) The Bond Trustee, pursuant to Clause 21.1 of the Principal Bond Trust Deed has concurred with the Issuer and the Covered Bond Guarantor (acting on the direction of the Trust Manager) in making the amendments referred to in Clause 3 below and to enter into this document.
- (E) Any Covered Bonds issued under the Programme on or after the date of this document shall be issued pursuant to this document. The amendments effected by this document do not affect any Covered Bonds issued under the Programme prior to the date of this document.

**IT IS AGREED:**

## **1. DEFINITIONS AND INTERPRETATION**

### **1.1 Definitions**

In this document:

**Principal Bond Trust Deed** means the CBA Covered Bond Trust Bond Trust Deed dated 15 November 2011, as amended and restated by the CBA Covered Bond Trust Bond Trust Deed First Amendment and Restatement Deed dated 27 June 2012, between the parties to this document.

**Effective Date** means the date of execution of this document.

### **1.2 Principal Bond Trust Deed**

Unless defined in this document, words and phrases defined in the Principal Bond Trust Deed have the same meaning in this document. Where there is any inconsistency in a definition between this document and the Principal Bond Trust Deed, this document shall prevail.

### **1.3 Rules of interpretation**

- (a) This document will be construed in accordance with the interpretation provisions set out in Clause 1 of the Principal Bond Trust Deed.
- (b) Annex 1 to this document forms part of this document.

## **2. PROGRAMME DOCUMENT**

This document is a "Programme Document" for the purposes of the Definitions Schedule.

## **3. AMENDMENTS**

### **3.1 Amendment and restatement**

With effect from the Effective Date, the Principal Bond Trust Deed is amended so that its terms are as stated in Annex 1 to this document. For the avoidance of doubt, the Principal Bond Trust Deed is amended by this document and a new Principal Bond Trust Deed is not created by this document.

### **3.2 Effect of amendments**

- (a) The amendments to the Principal Bond Trust Deed do not affect:
  - (i) the validity or enforceability of the Principal Bond Trust Deed; or
  - (ii) any accrued rights or liabilities of any party under the Principal Bond Trust Deed.
- (b) Each party is bound by the Principal Bond Trust Deed as amended by this document.

## **4. DIRECTION**

### **4.1 Direction**

- (a) The Trust Manager directs the Covered Bond Guarantor to enter into this document and the Covered Bond Guarantor enters into this document on the basis of that direction.
- (b) The Trust Manager instructs and confirms to the Covered Bond Guarantor that:



- (i) all consents, conditions and all other requirements under the Programme Documents for the Covered Bond Guarantor to enter into this document have been or will be satisfied, obtained or complied with on or before the Effective Date; and
- (ii) in connection with the amendments to be effected in accordance with this document, the Covered Bond Guarantor will not be in breach of any of its obligations under the Programme Documents by entering into or complying with its obligations under this document.

#### **4.2 Acknowledgement**

The parties acknowledge that the Covered Bond Guarantor enters into this document in reliance on the direction in Clause 4.1.

#### **4.3 Approval or consent**

Wherever, under the terms of the Principal Bond Trust Deed or any other document contemplated by this document or any transaction or action contemplated by this document requires the approval, consent or instruction of any party (acting in any capacity), then that party acting in any such capacity is taken, by its execution of this document, to have given such approval, consent or instruction.

### **5. MISCELLANEOUS**

#### **5.1 Limited recourse to the Covered Bond Guarantor**

The provisions of Clause 32 (*Limited Recourse*) of the Principal Bond Trust Deed shall be deemed to be incorporated by reference into this document *mutatis mutandis*.

#### **5.2 Capacity of the Covered Bond Guarantor**

It is acknowledged and agreed by all parties to this document that the Covered Bond Guarantor enters into this document solely in its capacity as trustee of the Trust and in no other capacity.

#### **5.3 Amendments**

This document may only be amended in writing and where such amendment is signed by all the parties.

#### **5.4 Execution in Counterparts and Severability**

- (a) This document may be executed in any number of counterparts and all of such counterparts taken together will be deemed to constitute one and the same instrument.
- (b) In the event that any provision of this document is prohibited or unenforceable in any jurisdiction such provision will, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this document affecting the validity or enforceability of such provision in any other jurisdiction.

#### **5.5 Governing Law and Jurisdiction**

- (a) This document and any non-contractual obligations arising out of or in connection with it, other than Clause 5.1, shall be governed by, and construed in accordance with, English law. Clause 5.1 will be governed by and construed in accordance with the law applying in the State of New South Wales, Australia.

- (b) Each party to this document hereby irrevocably submits to the exclusive jurisdiction of the English courts in any action or proceeding arising out of or relating to this document (including a dispute relating to any non-contractual obligations arising out of or relating to this document) and hereby irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined by such courts. Each party to this document hereby irrevocably waives, to the fullest extent it may possibly do so, any defence or claim that the English courts are an inconvenient forum for the maintenance or hearing of such action or proceeding. The Bond Trustee, the Covered Bondholders and the Couponholders may not take any suit, action or proceeding arising out of or in connection with this document (including any proceedings relating to any non-contractual obligations arising out of or in connection with this document) against any of the Issuer or the Covered Bond Guarantor in any other court of competent jurisdiction and concurrent proceedings in any number of jurisdictions.

**IN WITNESS** whereof this document has been executed as a deed by the Issuer, the Covered Bond Guarantor, the Trust Manager and the Bond Trustee and delivered on the date first stated on page 1.

## SIGNATORIES

### EXECUTED AS A DEED

EXECUTED for and on behalf of  
**COMMONWEALTH BANK OF AUSTRALIA**  
ABN 48 123 123 124 by its Attorney under a Power  
of Attorney dated 3 December 2003  
in the presence of:

H. [Signature]  
Signature of Witness

HARRIET FRANCESCA STEPHENSON  
Name of Witness in full

E. Freilikh  
Signature of Attorney  
**Edward Freilikh**  
Executive Manager,  
Group Funding

Name of Attorney in full

EXECUTED for and on behalf of **PERPETUAL**  
**CORPORATE TRUST LIMITED ABN 99 000**  
**341 533** by its Attorneys under a Power of Attorney  
dated 31/3/09  
in the presence of:

[Signature]  
Signature of Attorney

**Mark Dickenson**  
**Senior Manager**  
Name of Attorney in full

H. [Signature]  
Signature of Witness

HARRIET FRANCESCA STEPHENSON  
Name of Witness in full

[Signature]  
Signature of Attorney

**Hagbarth Strom**  
**Manager**  
Name of Attorney in full

[Signature]  
Signature of Witness

HARRIET FRANCESCA STEPHENSON  
Name of Witness in full

**EXECUTED** for and on behalf of  
**SECURITISATION ADVISORY SERVICES**  
**PTY. LIMITED ABN 88 064 133 946** by its  
Attorney under a Power of Attorney dated 13 November 2011  
in the presence of:

H. [Signature]  
Signature of Witness

HARRIET FRANCESKA STEPHENSON  
Name of Witness in full

E. Freilikh  
Signature of Attorney  
**Edward Freilikh**  
Executive Manager,  
Group Funding

\_\_\_\_\_  
Name of Attorney in full

**The COMMON SEAL of DEUTSCHE**  
**TRUSTEE COMPANY LIMITED** was affixed to  
this deed in the presence of:

\_\_\_\_\_  
Signature of Associate Director

\_\_\_\_\_  
Name of Associate Director in full

\_\_\_\_\_  
Signature of Associate Director

\_\_\_\_\_  
Name of Associate Director in full

EXECUTED for and on behalf of  
**SECURITISATION ADVISORY SERVICES  
PTY. LIMITED ABN 88 064 133 946** by its  
Attorney under a Power of Attorney dated  
in the presence of:

\_\_\_\_\_  
Signature of Witness

\_\_\_\_\_  
Signature of Attorney

\_\_\_\_\_  
Name of Witness in full

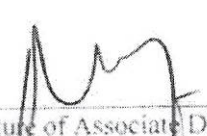
\_\_\_\_\_  
Name of Attorney in full

The **COMMON SEAL** of **DEUTSCHE  
TRUSTEE COMPANY LIMITED** was affixed to  
this deed in the presence of:

  
\_\_\_\_\_  
Signature of Associate Director

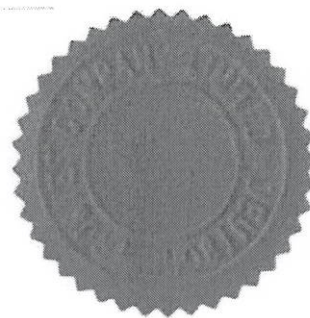
**Robert Bebb**  
**Associate Director**

\_\_\_\_\_  
Name of Associate Director in full

  
\_\_\_\_\_  
Signature of Associate Director

**Nick Rogivue**  
**Associate Director**

\_\_\_\_\_  
Name of Associate Director in full



**ANNEX 1**

**AMENDED AND RESTATED BOND TRUST DEED**

**EXECUTION VERSION**

**CBA COVERED BOND TRUST  
AMENDED AND RESTATED BOND TRUST DEED**

**COMMONWEALTH BANK OF AUSTRALIA**  
**Issuer**

**SECURITISATION ADVISORY SERVICES PTY. LIMITED**  
**Trust Manager**

**PERPETUAL CORPORATE TRUST LIMITED**  
**Covered Bond Guarantor**

**DEUTSCHE TRUSTEE COMPANY LIMITED**  
**Bond Trustee**

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**THIS BOND TRUST DEED** is made on 15 November 2011 as amended and restated on 27 June 2012 and as further amended and restated on 16 November 2012

**BETWEEN:**

- (1) **COMMONWEALTH BANK OF AUSTRALIA ABN 48 123 123 124** in its capacity as Issuer, having an office at Ground Floor Tower 1, 201 Sussex Street, Sydney NSW 2000, Australia (in such capacity, the **Issuer**);
- (2) **SECURITISATION ADVISORY SERVICES PTY. LIMITED ABN 88 064 133 946** in its capacity as Trust Manager, having an office at Ground Floor Tower 1, 201 Sussex Street, Sydney NSW 2000, Australia (**Trust Manager**);
- (3) **PERPETUAL CORPORATE TRUST LIMITED ABN 99 000 341 533** in its capacity as trustee of the Trust, acting as Covered Bond Guarantor, having an office at Level 12, 123 Pitt Street, Sydney NSW 2000, Australia (**Covered Bond Guarantor**); and
- (4) **DEUTSCHE TRUSTEE COMPANY LIMITED** in its capacity as the Bond Trustee for the Covered Bondholders and the Couponholders, having an office at Winchester House, 1 Great Winchester Street, London, EC2N 2DB, United Kingdom (in such capacity, the **Bond Trustee** which expression, wherever the context so admits, include such company and all other persons or companies for the time being the bond trustee or bond trustees under this document).

**INTRODUCTION:**

- (A) In accordance with authority granted to the Group Treasurer of the Issuer, the Issuer has been authorised to establish a Programme pursuant to which the Issuer may from time to time issue Covered Bonds as set out in this document. Covered Bonds up to a maximum nominal amount (calculated in accordance with clause 3 of the Programme Agreement (the **Programme Agreement**) and in accordance with the U.S. Distribution Agreement (the **U.S. Distribution Agreement** and, together with the Programme Agreement, the **Programme Agreements**)) from time to time outstanding of U.S.\$30,000,000,000 (subject to increase as provided in the Programme Agreements from time to time at the discretion of the Issuer) (the **Programme Limit**) pursuant to the Programme.
- (B) The Covered Bond Guarantor has agreed to guarantee all Covered Bonds issued under the Programme and certain other amounts payable by the Issuer under this document in the circumstances described in this document.
- (C) The Bond Trustee has agreed to act as bond trustee for the benefit of the Covered Bondholders and the Couponholders upon and subject to the terms and conditions of this document.

**NOW THIS BOND TRUST DEED WITNESSES AND IT IS AGREED AND DECLARED** as follows:

**1. DEFINITIONS AND INTERPRETATION**

**1.1**

- (a) All references in this document to principal and/or principal amount and/or interest in respect of the Covered Bonds or to any monies payable by the Issuer or the Covered Bond Guarantor under this document will, unless the context otherwise requires, be construed in accordance with Condition 6.10 of the Programme Conditions.

- (b) All references in this document to any action, remedy or method of proceeding for the enforcement of the rights of creditors will be deemed to include, in respect of any jurisdiction other than England, references to such action, remedy or method of proceeding for the enforcement of the rights of creditors available and reasonably appropriate in such jurisdiction as being most nearly approximate to such action, remedy or method of proceeding described or referred to in this document.
- (c) All references in this document to Euroclear and/or Clearstream, Luxembourg and/or Austraclear and/or DTC will, whenever the context so permits, be deemed to include references to any additional or alternative clearing system as is approved by the Issuer, the Principal Paying Agent (other than for A\$ Registered Covered Bonds), the U.S. Paying Agent (other than for the A\$ Registered Covered Bonds) (as the case may be) and the Bond Trustee or as may otherwise be specified in the applicable Final Terms.
- (d) Unless the context otherwise requires words or expressions used in this document and relating to or in respect of the Bond Trustee will bear the same meanings as in the Companies Act.
- (e) All references in this document to the **records** of Euroclear, Clearstream, Luxembourg, Austraclear, DTC or to any additional or alternative clearing system referred to in Clause 1.1(c) above will be to the records that each of Euroclear, Clearstream, Luxembourg, Austraclear, DTC or that additional or alternative clearing system, as applicable, holds for its customers which reflect the amount of such customers' interest in the Covered Bonds (and, in the case of Austraclear, includes any such records maintained by the A\$ Registrar).
- (f) In this document references to Schedules, Clauses, paragraphs and sub-paragraphs must be construed as references to the Schedules to this document and to the Clauses, paragraphs and sub-paragraphs of this document respectively.
- (g) A reference in this document or the Programme Documents to a **direction** or **directs** or **directed in writing** in respect of the holders of at least 25 per cent. in aggregate of the Principal Amount Outstanding of the Covered Bonds (except in relation to any matter which the relevant Conditions or the Programme Documents contemplate may be sanctioned or directed by a Programme Resolution) means:
  - (i) in relation to a matter which, in the opinion of the Bond Trustee affects the Covered Bonds of only one Series, a single direction of the holders of at least 25 per cent. in aggregate of the Principal Amount Outstanding of the Covered Bonds of that Series then outstanding;
  - (ii) in relation to a matter which, in the opinion of the Bond Trustee affects the Covered Bonds of more than one Series but does not give rise to a conflict of interest between the holders of Covered Bonds of any of the Series so affected, a single direction of the holders of at least 25 per cent. in aggregate of the Principal Amount Outstanding of the Covered Bonds of all the Series so affected then outstanding; and
  - (iii) in relation to a matter which, in the opinion of the Bond Trustee affects the Covered Bonds of more than one Series and gives or may give rise to a conflict of interest between the holders of the Covered Bonds of one Series or group of Series so affected and the holders of the Covered Bonds of another Series or group of Series so affected, directions of the holders of at least 25 per cent. in aggregate of the Principal Amount Outstanding of each Series or group of Series so affected then outstanding,

and, in each case for this purpose, if the nominal amount of the Covered Bonds is not denominated in Australian Dollars, the Principal Amount Outstanding is to be considered as if it were converted into Australian Dollars at the relevant Swap Rate.

- (h) A reference to **approval not to be unreasonably withheld or delayed** or like references mean, when used in this document, in relation to the Bond Trustee that, in determining whether to give consent, the Bond Trustee must have regard to the interests of Covered Bondholders and any determination as to whether or not its approval is unreasonably withheld or delayed must be made on that basis.
  - (i) A reference to **this document** means this bond trust deed and the schedules and any bond trust deed supplemental hereto and the schedules (if any), thereto, all as from time to time modified in accordance with the provisions herein or therein contained.
- 1.2 Unless defined in this document, words and phrases defined in the definitions schedule dated on or about the date of this document between, amongst others, the parties to this document, as amended from time to time (the **Definitions Schedule**) have the same meaning in this document. Where there is any inconsistency in a definition between this document and the Definitions Schedule, this document prevails.
  - 1.3 To the extent not defined in this document or the Definitions Schedule, capitalised terms in this document have the meanings given to them in the relevant Conditions.
  - 1.4 All references in this document to the relevant currency must be construed as references to the currency in which payments in respect of the Covered Bonds and/or Coupons of the relevant Series are to be made as indicated in the applicable Final Terms.
  - 1.5 All references in this document to Covered Bonds having a listing or being listed, and all related references, will, in relation to the London Stock Exchange, be construed to mean that such Covered Bonds have been admitted to the Official List by the UKLA and admitted to trading on the London Stock Exchange Regulated Markets and all references in this document to listing and listed will include references to quotation and quoted respectively.
  - 1.6 All references in this document to the: (a) **Principal Paying Agent** will mean, in relation to a Tranche or Series of Covered Bonds, the Principal Paying Agent or such other principal paying agent as the Final Terms for that Tranche or Series may specify; (b) **Registrar** will mean, in relation to a Tranche or Series of Registered Covered Bonds, the Registrar, or such other registrar as the Final Terms for that Tranche or Series may specify; (c) **A\$ Registrar**, will mean, the A\$ Registrar or such other registrar as the Final Terms for that Tranche or Series of A\$ Registered Covered Bonds may specify; (d) **Transfer Agent** will mean, in relation to a Tranche or Series of Covered Bonds, the Transfer Agent or such other transfer agent as the Final Terms for that Tranche or Series may specify; (e) **Exchange Agent** will mean, in relation to a Tranche or Series of Covered Bonds, the Exchange Agent or such other transfer agent as the Final Terms for that Tranche or Series may specify; (f) **N Covered Bond Paying Agent** will mean, in relation to a Series of N Covered Bonds, the N Covered Bond Paying Agent or such other paying agent as the N Covered Bond Conditions for that Series may specify and (g) **N Covered Bond Registrar** will mean, in relation to a Series of N Covered Bonds, the N Covered Bond Registrar or such other registrar as the N Covered Bond Conditions for that Series may specify.
  - 1.7 Save for the purposes of the proviso to the definition of **outstanding** (other than in relation to any A\$ Registered Covered Bond and any N Covered Bond), the Bond Trustee may rely on the records of Euroclear and Clearstream, Luxembourg and DTC and of any additional or alternative clearing system referred to in Clause 1.1(c) above.

- 1.8 Save for the purposes of the proviso to the definition of **outstanding**, in relation to any A\$ Registered Covered Bond, the Bond Trustee may rely on the records of Austraclear or any additional or alternative clearing system referred to in Clause 1.1(c) above and the A\$ Register and the records maintained by the A\$ Registrar.
- 1.9 Save for the purposes of the proviso to the definition of **outstanding** in relation to any N Covered Bond, the Bond Trustee may rely on the N Covered Bond Register maintained by the N Covered Bond Registrar.

## **2. AMOUNT AND ISSUE OF THE COVERED BONDS**

### **2.1 Amount of the Covered Bonds**

The Covered Bonds will be issued in Series in an aggregate nominal amount from time to time outstanding not exceeding the Programme Limit from time to time and for the purpose of determining such aggregate nominal amount clause 3 of the Programme Agreement and the U.S. Distribution Agreement will apply.

### **2.2 Conditions Precedent to Issue**

In the case of all Covered Bonds (other than N Covered Bonds), by not later than 2.00 p.m. (London time) on the second Business Day preceding each proposed Issue Date, the Issuer must:

- (a) deliver or cause to be delivered to the Bond Trustee and, (other than in the case of A\$ Registered Covered Bonds) the Principal Paying Agent a copy of the applicable Final Terms (with any amendments to the pro-forma Final Terms upon which the applicable Final Terms were based being brought to the attention of the Bond Trustee) and drafts of all (if any) legal opinions (such legal opinions being given only upon the issuance of the applicable Final Terms) to be given in relation to the relevant issue; and
- (b) notify the Bond Trustee in writing without delay of the relevant Issue Date and the nominal amount of the Covered Bonds proposed to be issued.

Upon the issue of the relevant Covered Bonds (other than A\$ Registered Covered Bonds and N Covered Bonds) such Covered Bonds will become constituted by this document without further formality. The A\$ Registered Covered Bonds will be issued in accordance with Clause 3.4 and upon entry in the A\$ Register, such A\$ Registered Covered Bonds will become constituted without further formality. The N Covered Bonds will be issued in accordance with Clause 3.4 and, following execution of an N Covered Bond Confirmation (incorporating the N Covered Bond Confirmation Terms), such N Covered Bonds will become constituted without further formality.

### **2.3 Legal Opinions**

Before the first issue of Covered Bonds, on the date of each annual update of the Base Prospectus and on such other occasions as the Bond Trustee so requests (on the basis that the Bond Trustee considers it necessary in view of a change (or proposed change) in English law or the laws of any relevant Australian jurisdiction materially affecting the Issuer or the Covered Bond Guarantor (as the case may be), this document, the Programme Agreements, the Principal Agency Agreement, the A\$ Registry Agreement or the Security Deed of which the Bond Trustee is aware or the Bond Trustee has other reasonable grounds for such request which must not include the mere lapse of time), the Issuer will procure that further legal opinion(s) (relating, if applicable, to any such change or proposed change) in such form and with such content as the Bond Trustee may reasonably require from the legal advisers specified in the Programme Agreements or such other legal advisers in the relevant jurisdiction as the Bond Trustee may approve is/are delivered to the Bond Trustee.

Whenever such a request is made with respect to any Covered Bonds to be issued, the receipt of such opinion(s) in a form satisfactory to the Bond Trustee will be a further condition precedent to the issue of those Covered Bonds.

## **2.4 Covenant to repay principal and to pay interest**

The Issuer covenants with the Bond Trustee and, in the case of A\$ Registered Covered Bonds, the relevant Covered Bondholders, that it will, as and when the Covered Bonds of any Series or any of them becomes due to be redeemed, or on such earlier date as the same or any part thereof may become due and repayable thereunder, in accordance with, and subject to, the relevant Conditions, unconditionally pay or procure to be paid to or to the order of the Bond Trustee in the relevant currency in immediately available funds the Principal Amount Outstanding in respect of the Covered Bonds of such Series becoming due for redemption on that date and will in the meantime and until redemption in full of the Covered Bonds of such Series (both before and after any decree, judgment or other order of a court of competent jurisdiction) unconditionally pay or procure to be paid to or to the order of the Bond Trustee as aforesaid interest (which will accrue from day to day) on the Principal Amount Outstanding of the Covered Bonds outstanding of such Series at rates and/or in amounts calculated from time to time in accordance with, or specified in, and on the dates provided for in, the relevant Conditions (subject to Clause 2.6 below), provided that:

- (a) subject to Clause 2.5(a)(ii), except for Excess Proceeds, every payment (whether by the Issuer or the Covered Bond Guarantor) of principal or interest or other sum due in respect of the Covered Bonds made to or to the order of:
  - (i) other than in the case of A\$ Registered Covered Bonds, the Principal Paying Agent or, in the case of N Covered Bonds, the N Covered Bond Paying Agent in the manner provided in the Principal Agency Agreement; or
  - (ii) in the case of A\$ Registered Covered Bonds, the relevant Covered Bondholders,will be in satisfaction *pro tanto* of the relevant covenant by the Issuer contained in this Clause 2.4 or the Covered Bond Guarantor under the Covered Bond Guarantee in relation to the Covered Bonds of such Series except to the extent that there is a default in the subsequent payment thereof in accordance with the relevant Conditions to the relevant Covered Bondholders or Couponholders (as the case may be);
- (b) every payment of Excess Proceeds in accordance with the Conditions and Clause 11.2 to or to the order of the Bond Trustee will be in satisfaction (for the benefit of the Issuer only and not the Covered Bond Guarantor) *pro tanto* of the relevant covenant by the Issuer in this Clause 2.4 in respect of the Excess Proceeds which are due and payable in relation to the Covered Bonds of such Series, subject to restitution of the same if such Excess Proceeds are required to be repaid by the Bond Trustee or by the Covered Bond Guarantor (but as provided in Clause 11.2, will be deemed not to have done so for the purposes of the subrogation rights of the Covered Bond Guarantor contemplated by Clause 7.9 and will not reduce or discharge any obligations of the Covered Bond Guarantor);
- (c) in the case of any payment of principal which is not made to the Bond Trustee, (other than in the case of the A\$ Registered Covered Bonds and N Covered Bonds) the Principal Paying Agent or, in the case of N Covered Bonds, the N Covered Bond Paying Agent or, in the case of the A\$ Registered Covered Bonds, the relevant Covered Bondholders on or before the due date or which is made on or after accelerated maturity following an Issuer Event of Default or Covered Bond Guarantor Event of Default, interest will continue to accrue on the Principal Amount Outstanding of the relevant Covered Bonds (both before and after any decree, judgment or other order of a court of competent jurisdiction) at the rates aforesaid up

to and including the date on which the whole of such principal amount, together with an amount equal to the interest which has accrued and is to accrue pursuant to this proviso up to and including that date, has been received by the Bond Trustee, (other than in the case of the A\$ Registered Covered Bonds and N Covered Bonds) the Principal Paying Agent or, in the case of N Covered Bonds, the N Covered Bond Paying Agent or, in the case of the A\$ Registered Covered Bonds, the relevant Covered Bondholders and notice to that effect has been given to the relevant Covered Bondholders in accordance with Condition 12 of the Programme Conditions except to the extent that there is failure on its subsequent payment to relevant Covered Bondholders and/or Couponholders as the case may be, under the Conditions;

- (d) in any case where payment of the whole or any part of the Principal Amount Outstanding of any Covered Bond (other than an A\$ Registered Covered Bond) is improperly withheld or refused upon due presentation thereof (other than in circumstances contemplated by Clause 2.4(c)) interest will accrue on the Principal Amount Outstanding of such Covered Bond payment of which has been so withheld or refused (both before and after any decree, judgment or other order of a court of competent jurisdiction) at the rates aforesaid from the date of such withholding or refusal until the date on which, upon further presentation of the relevant Covered Bond, payment of the full amount (including interest as aforesaid) in the relevant currency payable in respect of such Covered Bond is made or (if earlier) the seventh day after notice is given to the relevant Covered Bondholder(s) (whether individually or in accordance with Condition 12 of the Programme Conditions) that the full amount (including interest as aforesaid) in the relevant currency in respect of such Covered Bond is available for payment, provided that, upon further presentation thereof being duly made, such payment is made; and
- (e) if any payments of interest or principal are required to be made by the Covered Bond Guarantor under the terms of the Intercompany Loan Agreement or the Demand Loan Agreement on a date that is also an Interest Payment Date, then the validity of the Issuer's obligation to pay interest or repay principal, as the case may be, will not be affected by any delay in the distribution by the Covered Bond Guarantor of the Available Income Amount under the Pre-Acceleration Income Priority of Payments or any delay in the distribution of the Available Principal Amount under the Pre-Acceleration Principal Priority of Payments, respectively.

The Bond Trustee will hold the benefit of this covenant on trust for the Covered Bondholders and the Couponholders and itself in accordance with this document.

## **2.5 Bond Trustee's requirements following Issuer Event of Default, Potential Issuer Event of Default, Covered Bond Guarantor Event of Default or Potential Covered Bond Guarantor Event of Default**

- (a) At any time after an Issuer Event of Default or Potential Issuer Event of Default has occurred or the Bond Trustee has received any money from the Issuer or the Covered Bond Guarantor (except where Clause 2.5(b) below applies) which it proposes to pay under Clause 11 to the relevant Covered Bondholders and/or Couponholders, the Bond Trustee may:
  - (i) by notice in writing to the Issuer, the Trust Manager, the Covered Bond Guarantor, the Principal Paying Agent, the other Paying Agents, the Registrar, A\$ Registrar, the N Covered Bond Registrar, the Exchange Agent, the Calculation Agent and/or the Transfer Agent require the Principal Paying Agent, the other relevant Paying Agents, the Registrar, A\$ Registrar, the N Covered Bond Registrar, the Exchange Agent, the Calculation Agent and/or the Transfer Agent pursuant to the relevant Agency Agreements:

- (A) to act thereafter, until otherwise instructed by the Bond Trustee, as Principal Paying Agent, Paying Agent, Registrar, the A\$ Registrar, the N Covered Bond Registrar, Exchange Agent, Calculation Agent and/or Transfer Agent respectively of the Bond Trustee in relation to payments of such monies to be made by or on behalf of the Bond Trustee under the terms of this document *mutatis mutandis* on the terms provided in the relevant Agency Agreement (save that the Bond Trustee's liability under any provisions thereof for the indemnification, remuneration and payment of out-of-pocket expenses of the Principal Paying Agent, any other Paying Agent, the Registrar, the A\$ Registrar, the N Covered Bond Registrar, the Exchange Agent, the Calculation Agent and the Transfer Agent will be limited to the amounts for the time being held by the Bond Trustee on the trusts of this document relating to the Covered Bonds of the relevant Series and the related Coupons and Talons available for such purpose) and thereafter to hold all Covered Bonds, Coupons and Talons (other than in the case of A\$ Registered Covered Bonds) and all sums, documents and records held by them in respect of Covered Bonds, Coupons and Talons on behalf of the Bond Trustee; or
- (B) to deliver up all Covered Bonds Coupons and Talons and all sums, documents and records held by them in respect of the Covered Bonds Coupons and Talons (other than in the case of A\$ Registered Covered Bonds), to the Bond Trustee or as the Bond Trustee may direct in such notice provided that such notice will be deemed not to apply to any documents or records which the Principal Paying Agent, any other relevant Paying Agent, the Registrar, A\$ Registrar, the N Covered Bond Registrar, the Exchange Agent, the Calculation Agent and/or the Transfer Agent is obliged not to release by any law or regulation; and/or
- (ii) by notice in writing to the Issuer and the Covered Bond Guarantor require each of them to make all subsequent payments in respect of the Covered Bonds and Coupons to or to the order of the Bond Trustee and not to the Principal Paying Agent or, in the case of N Covered Bonds, the N Covered Bond Paying Agent or, in the case of the A\$ Registered Covered Bonds, the relevant Covered Bondholders, and with effect from the issue of any such notice to the Issuer and the Covered Bond Guarantor and until such notice is withdrawn, Clause 2.4(a) and the proviso to Clause 7.4 will cease to have effect in respect of the Issuer and the Covered Bond Guarantor; or
- (iii) in the case of A\$ Registered Covered Bonds, appoint a paying agent for the purposes of paying all sums due on any A\$ Registered Covered Bonds (which may, but is not required to, be the A\$ Registrar).
- (b) At any time after a Covered Bond Guarantor Event of Default or Potential Covered Bond Guarantor Event of Default has occurred or the Bond Trustee has received any money from the Covered Bond Guarantor which it proposes to pay under Clause 11 to the relevant Covered Bondholders and/or Couponholders, the Bond Trustee may:
  - (i) by notice in writing to the Issuer, the Trust Manager, the Covered Bond Guarantor, the Principal Paying Agent, the other Paying Agents, the Registrar, the A\$ Registrar, the N Covered Bond Registrar, the Exchange Agent, the Calculation Agent and/or the Transfer Agent, require the Principal Paying Agent, the other Paying Agents, the Registrar, the A\$ Registrar, the N Covered Bond Registrar, the Exchange Agent, the



Calculation Agent and/or the Transfer Agent pursuant to the relevant Agency Agreement:

- (A) to act thereafter, until otherwise instructed by the Bond Trustee, as Principal Paying Agent, Paying Agent, Registrar, A\$ Registrar, the N Covered Bond Registrar, Exchange Agent, Calculation Agent and/or Transfer Agent respectively of the Bond Trustee in relation to payments of such monies to be made by or on behalf of the Bond Trustee under the terms of this document *mutatis mutandis* on the terms provided in the relevant Agency Agreement (save that the Bond Trustee's liability under any provisions thereof for the indemnification, remuneration and payment of out-of pocket expenses of the Principal Paying Agent, the other Paying Agents, Registrar, Calculation Agent, A\$ Registrar, N Covered Bond Registrar, Exchange Agent and the Transfer Agent will be limited to the amounts for the time being held by the Bond Trustee on the trusts of this document relating to the Covered Bonds of the relevant Series and available for such purpose) and thereafter to hold all Covered Bonds and Coupons and Talons (other than in the case of the A\$ Registered Covered Bonds) and all sums, documents and records held by them in respect of Covered Bonds and Coupons and Talons on behalf of the Bond Trustee; or
- (B) to deliver up all Covered Bonds Coupons and Talons (other than in the case of the A\$ Registered Covered Bonds) all sums, documents and records held by them in respect of the Covered Bonds Coupons and Talons (other than in the case of A\$ Registered Covered Bonds) to the Bond Trustee or as the Bond Trustee may direct in such notice provided that such notice will be deemed not to apply to any documents or records which the Principal Paying Agent, any other relevant Paying Agent, the Registrar, the A\$ Registrar, the N Covered Bond Registrar, the Exchange Agent, the Calculation Agent and/or the Transfer Agent is obliged not to release by any law or regulation; and/or
- (ii) by notice in writing to the Covered Bond Guarantor require it to make all subsequent payments in respect of the Covered Bonds and Coupons to or to the order of the Bond Trustee and not, to the Principal Paying Agent or, in the case of N Covered Bonds, the N Covered Bond Paying Agent or, in the case of the A\$ Registered Covered Bonds, the relevant Covered Bondholders, and with effect from the issue of any such notice to the Covered Bond Guarantor and until such notice is withdrawn Clause 2.4(a) and the proviso to Clause 7.4 will cease to have effect; or
- (iii) in the case of A\$ Registered Covered Bonds, appoint a paying agent for the purposes of paying all sums due on any A\$ Registered Covered Bonds (which may, but is not required to, be the A\$ Registrar).
- (c) The Bond Trustee acknowledges and agrees it may only give a notice to the A\$ Registrar under clause 1.3 of Annexure 1 to the A\$ Registry Agreement in accordance with this Clause 2.5.
- (d) Any payment to be made by the Bond Trustee in respect of the Covered Bonds and Coupons may be made in accordance with the Conditions and the relevant Agency Agreements and any payment so made will, to the extent made, be a good discharge to the Bond Trustee.

## **2.6 Interest on Floating Rate Covered Bonds following Issuer Event of Default or Covered Bond Guarantor Event of Default**

If the Floating Rate Covered Bonds of any Series become immediately due and repayable following an Issuer Event of Default or a Covered Bond Guarantor Event of Default, the rate and/or amount of interest payable in respect of them will be calculated by the Principal Paying Agent or N Covered Bond Paying Agent or Calculation Agent, as the case may be, at the same intervals as if such Covered Bonds had not become due and repayable, the first of such periods will commence on the expiry of the Interest Period during which the Covered Bonds of the relevant Series become so due and repayable *mutatis mutandis* in accordance with the provisions of Condition 4 of the Programme Conditions except that the rates of interest need not be published.

## **2.7 Currency of payments**

All payments of any amounts due in respect of, under and in connection with this document and the Covered Bonds of any Series to the relevant Covered Bondholders and Couponholders must be made in the relevant currency in accordance with the relevant Conditions.

## **2.8 Further Covered Bonds**

The Issuer is at liberty from time to time (but subject always to the provisions of this document) without the consent of the Covered Bondholders or Couponholders to create and issue further Covered Bonds (whether in bearer or registered form) having terms and relevant conditions the same as the Covered Bonds of any Series or the same in all respects save for the amount and date of the first payment of interest thereon, issue date and/or purchase price and so that the same will be consolidated and form a single Series with the outstanding Covered Bonds of such Series.

## **2.9 Separate Series**

The Covered Bonds of each Series will form a separate Series of Covered Bonds and accordingly, except in relation to those provisions of this document which refer to the Covered Bonds or Covered Bondholders of any Series, the Covered Bonds or Covered Bondholders of the relevant one or more Series or the Covered Bonds or Covered Bondholders of all Series and subject as provided in paragraph 22 of Schedule 4 and unless for any purpose the Bond Trustee in its absolute discretion may otherwise determine, the provisions of this document will apply *mutatis mutandis* separately and independently to the Covered Bonds of each Series. The expressions Covered Bonds, Covered Bondholders, Coupons, Couponholders and Talons will be construed accordingly.

# **3. FORMS OF THE COVERED BONDS**

## **3.1 Bearer Global Covered Bonds**

- (a) Each Tranche of Bearer Covered Bonds will initially be represented by a single Temporary Bearer Global Covered Bond or a single Permanent Bearer Global Covered Bond, as indicated in the applicable Final Terms. Each Temporary Bearer Global Covered Bond is exchangeable, upon a request as described therein, for either Bearer Definitive Covered Bonds together with, where applicable, Coupons and, where applicable, Talons attached, or a Permanent Bearer Global Covered Bond, in each case in accordance with the provisions of such Temporary Bearer Global Covered Bond. Each Permanent Bearer Global Covered Bond is exchangeable for Definitive Covered Bonds together with, where applicable, Coupons and, where applicable, Talons attached, in accordance with the provisions of such Permanent Bearer Global Covered Bond. All Bearer Global Covered Bonds must be prepared, completed and delivered to a common depositary for Euroclear and Clearstream, Luxembourg in accordance with the provisions of the Programme Agreement or to another

appropriate depository as may be approved by the Bond Trustee in accordance with any other agreement between the Issuer and the relevant Dealer(s) and, in each case, the Principal Agency Agreement.

- (b) Each Temporary Bearer Global Covered Bond must be printed or typed in the form or substantially in the form set out in Part 1 of Schedule 2 and may be a facsimile. Each Temporary Bearer Global Covered Bond must have annexed thereto a copy of the applicable Final Terms and must be signed manually or in facsimile by an Authorised Officer of the Issuer on behalf of the Issuer and must be authenticated by or on behalf of the Principal Paying Agent. Each Temporary Bearer Global Covered Bond so executed and authenticated will be binding and valid obligations of the Issuer and the Covered Bond Guarantee in respect thereof will be binding and valid obligations of the Covered Bond Guarantor and title to such Temporary Bearer Global Covered Bond will pass by delivery.
- (c) Each Permanent Bearer Global Covered Bond must be printed or typed in the form or substantially in the form set out in Part 2 of Schedule 2 and may be a facsimile. Each Permanent Bearer Global Covered Bond must have annexed thereto a copy of the applicable Final Terms and must be signed manually or in facsimile by an Authorised Officer of the Issuer on behalf of the Issuer and must be authenticated by or on behalf of the Principal Paying Agent. Each Permanent Bearer Global Covered Bond so executed and authenticated will be binding and valid obligations of the Issuer and the Covered Bond Guarantee in respect thereof will be binding and valid obligations of the Covered Bond Guarantor and title to such Permanent Bearer Global Covered Bond will pass by delivery.

### **3.2 Registered Global Covered Bonds**

- (a) Unless otherwise set forth in the applicable Final Terms, Registered Global Covered Bonds of a Series that are initially offered and sold in the United States in reliance on Rule 144A as provided in the U.S. Distribution Agreement will be represented by a Rule 144A Global Covered Bond and Registered Global Covered Bonds of a Series that are initially offered and sold in offshore transactions in reliance on Regulation S as provided in the Programme Agreement will be represented by a Regulation S Global Covered Bond. The Registered Global Covered Bonds must be (i) deposited with a custodian for, and registered in the name of a nominee of, DTC or (ii) deposited with, and registered in the name of, a common depository for Euroclear and Clearstream, Luxembourg. Beneficial interests in the Registered Global Covered Bonds will be shown on, and exchanges and transfers thereof will be effected only through, records maintained by DTC and its participants or Euroclear and Clearstream, Luxembourg (as applicable). Until the expiration of the Distribution Compliance Period, beneficial interests in any Regulation S Global Covered Bond may be held only by or through agent members of Euroclear and/or Clearstream, Luxembourg, unless delivery is made in the form of a beneficial interest in a Rule 144A Global Covered Bond of the same Series in accordance with the certification requirements described in the Principal Agency Agreement. Title to the Registered Global Covered Bonds will pass upon registration of transfers in accordance with the provisions of the relevant Agency Agreement.
- (b) Registered Covered Bonds represented by the Registered Global Covered Bonds are exchangeable and transferable only in accordance with, and subject to, the provisions of the Registered Global Covered Bonds and the relevant Agency Agreements and the rules and operating procedures for the time being of DTC or Euroclear and Clearstream, Luxembourg, (as applicable), including the requirement that all Registered Definitive Covered Bonds issued in exchange for a Rule 144A Global Covered Bond must bear a legend in the same form *mutatis mutandis* as that set out on the Rule 144A Global Covered Bond.

- (c) Each Registered Global Covered Bond must be printed or typed in the form or substantially in the form set out in Part 7 of Schedule 2 and may be a facsimile. Each Registered Global Covered Bond must have annexed thereto a copy of the applicable Final Terms and must be signed manually or in facsimile by an Authorised Officer of the Issuer on behalf of the Issuer and must be authenticated by or on behalf of the Registrar. Each Registered Global Covered Bond so executed and authenticated will be binding and valid obligations of the Issuer and the Covered Bond Guarantee in respect thereof will be binding and valid obligations of the Covered Bond Guarantor.

### **3.3 Bearer Definitive Covered Bonds and Registered Definitive Covered Bonds**

- (a) The Bearer Definitive Covered Bonds, Coupons and Talons must be in bearer form and must be issued in the respective forms or substantially in the respective forms set out in Part 3, Part 4, Part 5 and Part 6, respectively, of Schedule 2. The Bearer Definitive Covered Bonds, the Coupons and the Talons must be serially numbered and, if listed or quoted, must be security printed in accordance with the requirements (if any) from time to time of the relevant Stock Exchange. The relevant Conditions may be incorporated by reference into such Bearer Definitive Covered Bonds or, if not so permitted by the relevant Stock Exchange (if any), the Bearer Definitive Covered Bonds must be endorsed with or have attached thereto the relevant Conditions, and, in either such case, the Bearer Definitive Covered Bonds must have endorsed thereon or attached thereto a copy of the applicable Final Terms (or the relevant provisions thereof). Title to the Bearer Definitive Covered Bonds, the Coupons and the Talons will pass by delivery.
- (b) The Registered Definitive Covered Bonds must be in registered form and must be issued in the form or substantially in the form set out in Part 8 of Schedule 2, must be serially numbered, must be endorsed with a legend substantially in the same form *mutatis mutandis* as that set out on the Rule 144A Global Covered Bond (in the case of those issued in exchange for the Rule 144A Global Covered Bond) and a Form of Transfer and, if listed or quoted, must be security printed in accordance with the requirements (if any) from time to time of the relevant Stock Exchange (if any). The relevant Conditions may be incorporated by reference (where applicable to this document) into such Registered Definitive Covered Bonds or, if not so permitted by the relevant Stock Exchange, the Registered Definitive Covered Bonds must be endorsed with or have attached thereto the relevant Conditions and, in either such case, the Registered Definitive Covered Bonds must have endorsed thereon or attached thereto a copy of the applicable Final Terms (or the relevant provisions thereof). Title to the Registered Definitive Covered Bonds will pass upon the registration of transfers in the Register kept by the Registrar in respect thereof in accordance with the provisions of the relevant Agency Agreement and this document.
- (c) The Definitive Covered Bonds must be signed manually or in facsimile by an Authorised Officer of the Issuer on behalf of the Issuer and must be authenticated by or on behalf of the Principal Paying Agent (in the case of the Bearer Definitive Covered Bonds) or the Registrar (in the case of Registered Definitive Covered Bonds). The Definitive Covered Bonds so executed and authenticated, and the Coupons and Talons, upon execution and authentication of the relevant Bearer Definitive Covered Bonds, will be binding and valid obligations of the Issuer and the Covered Bond Guarantee in respect thereof will be binding and valid obligations of the Covered Bond Guarantor. The Coupons and the Talons will not be signed. No Definitive Covered Bond and none of the Coupons or Talons appertaining to a Bearer Definitive Covered Bond will be binding or valid until the relevant Definitive Covered Bond has been executed and authenticated as aforesaid.

### **3.4 N Covered Bonds**

- (a) N Covered Bonds must be issued substantially in the form set out in Schedule 8 and with the applicable N Covered Bond Conditions and the form of the N Covered Bond Assignment Agreement attached. The N Covered Bond Certificates must be made out in the name of the relevant initial N Covered Bondholder and must be signed manually (and not only by facsimile) by an Authorised Officer of the Issuer on behalf of the Issuer. The N Covered Bond Registrar will authenticate and register each N Covered Bond on the N Covered Bond Register. Each issuance of N Covered Bonds must take the form of a separate Series of Covered Bonds which is issued separately to each N Covered Bondholder and not by way of uniform issue subdivided into identical N Covered Bonds.
- (b) In respect of each N Covered Bond, an N Covered Bond Confirmation (incorporating the N Covered Bond Confirmation Terms) relating to such N Covered Bond substantially in the form set out in Schedule 8 must be prepared, executed and delivered by each of the parties to this document. Each N Covered Bond will constitute a binding and valid obligation of the Issuer and, following execution of the related N Covered Bond Confirmation (incorporating the N Covered Bond Confirmation Terms), the Covered Bond Guarantee in respect of each N Covered Bond will be a binding and valid obligation of the Covered Bond Guarantor.
- (c) Each N Covered Bond will only be transferable, in accordance with the N Covered Bond Conditions, by way of assignment in the form of a duly completed and executed N Covered Bond Assignment Agreement executed by the transferor and the transferee relating to such N Covered Bond, in which the relevant transferee agrees to be bound by the N Covered Bond Confirmation (incorporating the N Covered Bond Confirmation Terms) relating to such N Covered Bond. Subject to the foregoing, the claims and rights under the N Covered Bond and the N Covered Bond Confirmation (incorporating the N Covered Bond Confirmation Terms) and title to the certificate representing the N Covered Bond will pass upon the entry of the new N Covered Bondholder in the N Covered Bond Register in respect thereof in accordance with the provisions of the Principal Agency Agreement and this document.

### **3.5 A\$ Registered Covered Bonds**

- (a) The A\$ Registered Covered Bonds are issued in registered form by an entry in the A\$ Register. No certificate will be issued in respect of the A\$ Registered Covered Bonds unless the Issuer determines that certificates should be available or it is required to do so pursuant to any applicable law or regulation.
- (b) An A\$ Registered Covered Bond is issued or redeemed when the A\$ Registrar enters the details of the issue or redemption in the A\$ Register.
- (c) The A\$ Registered Covered Bonds are issued subject to the Final Terms applicable to the relevant Series or Tranche thereof. The A\$ Registrar will enter the Final Terms applicable to each relevant Series or Tranche of A\$ Registered Covered Bonds in the A\$ Register.
- (d) Each A\$ Registered Covered Bond issued in accordance with this Clause 3.4 will be binding and valid obligations of the Issuer and the Covered Bond Guarantee in respect thereof will be binding and valid obligations of the Covered Bond Guarantor.
- (e) The entries in the A\$ Register in respect of the A\$ Registered Covered Bonds are conclusive evidence of the things to which they relate (including that the person entered as the Covered Bondholder of an A\$ Registered Covered Bond is the absolute owner of that A\$ Registered Covered Bond) subject to correction for fraud, error or omission.

- (f) All applications to transfer A\$ Registered Covered Bonds must be made by lodging with the A\$ Registrar a properly completed transfer and acceptance form (in such form as the Issuer and the A\$ Registrar approves in accordance with market practice at the relevant time) signed by the transferor and transferee. Each office of the A\$ Registrar will provide prompt marking and transfer services. The A\$ Registrar may also require evidence to prove the identity of the transferor or the transferor's right to transfer the relevant A\$ Registered Covered Bonds. The transfer takes effect when the transferee's name is entered on the A\$ Register.
- (g) Beneficial interests in A\$ Registered Covered Bonds lodged in a clearing system will be transferable only in accordance with the rules and regulations of that clearing system including, in the case of Austraclear, the Austraclear Regulations.
- (h) A\$ Registered Covered Bonds may be transferred in whole but not in part.
- (i) Where a Covered Bondholder executes a transfer of less than all A\$ Registered Covered Bonds registered in its name, and does not identify the specific A\$ Registered Covered Bonds to be transferred, the A\$ Registrar may choose which A\$ Registered Covered Bonds registered in the name of the Covered Bondholder to transfer as the A\$ Registrar thinks fit, provided the total Principal Amount Outstanding of the A\$ Registered Covered Bonds registered as having been transferred equals the total Principal Amount Outstanding of the A\$ Registered Covered Bonds expressed to be transferred in the transfer.
- (j) A transfer of an A\$ Registered Covered Bond will not be effective unless and until entered on the A\$ Register. The A\$ Register will be closed for the purpose of determining entitlements to payments of interest and repayments of any Principal Amount Outstanding at 5.00 pm in the place where the A\$ Register in relation to the A\$ Registered Covered Bonds is maintained on the eighth calendar day before the relevant due date or any other date specified in or determined in accordance with the Final Terms in respect of that A\$ Registered Covered Bond (the **A\$ Record Date**) prior to the relevant date for payment. Therefore, transfers must be received by the A\$ Registrar at the relevant office prior to that time.
- (k) If Austraclear Services Limited is the A\$ Registrar and A\$ Registered Covered Bonds are lodged in Austraclear, despite any other provision of the A\$ Registered Covered Bonds Conditions, the A\$ Registered Covered Bonds are not transferable on the A\$ Register, and the Issuer may not, and must procure that the A\$ Registrar does not, register any transfer of those A\$ Registered Covered Bonds issued by it and no member of Austraclear has the right to request any registration of any transfer of the relevant A\$ Registered Covered Bonds, except:
  - (i) for the purposes of any repurchase, redemption or cancellation (whether on or before the Final Maturity Date of the relevant A\$ Registered Covered Bonds) of the relevant A\$ Registered Covered Bonds, a transfer of the relevant A\$ Registered Covered Bonds from Austraclear to the Issuer may be entered in the A\$ Register; and
  - (ii) if Austraclear Ltd exercises or purports to exercise any power it may have under the Austraclear Regulations from time to time, to require the relevant A\$ Registered Covered Bonds to be transferred on the A\$ Register to a member of Austraclear, the relevant A\$ Registered Covered Bonds may be transferred on the A\$ Register from Austraclear to the member of Austraclear.

In the event of any of these cases, the relevant A\$ Registered Covered Bonds will cease to be held in Austraclear.

- (l) The Issuer undertakes that at all times while the A\$ Registered Covered Bonds are outstanding an A\$ Register is maintained by an A\$ Registrar.

### **3.6 Facsimile signatures**

The Issuer may use the facsimile signature of any person who at the date such signature is affixed to a Covered Bond is duly authorised by the Issuer notwithstanding that at the time of issue of any of the Covered Bonds the person may have ceased for any reason to be the holder of such office or be so authorised.

### **3.7 Persons to be treated as Covered Bondholders**

Except as ordered by a court of competent jurisdiction or as required by law or applicable regulations, the Issuer, the Covered Bond Guarantor, the Bond Trustee, the Principal Paying Agent, the other Paying Agents, the Registrar, the A\$ Registrar, the N Covered Bond Registrar, the Exchange Agent and/or the Transfer Agent (notwithstanding any notice to the contrary and whether or not it is overdue and notwithstanding any notation of ownership or writing thereon or notice of any previous loss or theft thereof) may:

- (a)
  - (i) for the purpose of making payment thereon or on account thereof deem and treat the bearer of any Bearer Global Covered Bond, Bearer Definitive Covered Bond, Coupon or Talon and the registered holder of any Registered Definitive Covered Bond or any N Covered Bond;
  - (ii) for the purpose of making payment thereon or on account thereof, voting, giving consents and making requests pursuant to this document and, with respect to a Registered Global Covered Bond held through DTC, deem and treat the registered holder of any Registered Global Covered Bond; and
  - (iii) for the purpose of making payment thereon or on account thereof, voting, giving consents and making requests pursuant to this document and, with respect to an A\$ Registered Covered Bond lodged in Austraclear, deem and treat the registered holder of any A\$ Registered Covered Bond,

as the absolute owner thereof and of all rights thereunder free from all encumbrances, and will not be required to obtain proof of such ownership or as to the identity of the bearer or, as the case may be, registered holder; and

- (b) for all other purposes deem and treat:
  - (i) the bearer of any Bearer Definitive Covered Bond, Coupon or Talon and the registered holder of any Registered Definitive Covered Bond or any N Covered Bond; and
  - (ii) each person for the time being shown in the records of Euroclear or Clearstream, Luxembourg or, as the case may be, DTC or Austraclear, or such other additional or alternative clearing system approved by the Issuer, the Bond Trustee and (other than in relation to the A\$ Registered Covered Bonds and the N Covered Bonds) the Principal Paying Agent, as having a particular nominal amount of Covered Bonds credited to his securities account,

as the absolute owner thereof free from all encumbrances and will not be required to obtain either (a) proof of such ownership, other than, in the case of any person for the time being so shown in such records, a certificate or letter of confirmation signed on behalf of Euroclear, Clearstream, Luxembourg, DTC or Austraclear (as the case may be) or any other form of record (including any certificate or other document which may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's Creation on-line system) in accordance with its usual procedures and in which the holder of a particular nominal amount of the Covered Bonds is clearly identified together with the amount of such holding) made by any of them or (b) proof of the identity of the bearer of any Bearer Global Covered Bond, Bearer Definitive Covered Bond, Coupon or Talon, the registered holder of any Registered Global Covered Bond or Registered Definitive Covered Bond or N Covered Bond or the registered holder of any A\$ Registered Covered Bonds.

### **3.8 Certificates of Euroclear and Clearstream, Luxembourg, DTC and Austraclear**

The Issuer, the Covered Bond Guarantor and the Bond Trustee may call for and, in the absence of manifest error, may accept and place full reliance on as sufficient evidence thereof a certificate or letter of confirmation issued on behalf of Euroclear, Clearstream, Luxembourg, DTC or, in the case of the A\$ Register, Austraclear or the A\$ Registrar or any form of record (including any certificate or other document which may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's Creation on-line system) in accordance with its usual procedures and in which the holder of a particular nominal amount of the Covered Bonds is clearly identified together with the amount of such holding) made by any of them or such other form of evidence and/or information and/or certification as it, in its absolute discretion, thinks fit to the effect that at any particular time or throughout any particular period any particular person is, was, or will be, shown in its records as the holder of a particular nominal amount of Covered Bonds and, if it does so rely, such letter of confirmation, form of record, evidence, information or certification will be conclusive and binding on all concerned.

## **4. FEES, DUTIES AND TAXES**

The Issuer must pay all stamp duties and other similar duties or taxes (if any) payable in the United Kingdom or Australia or any other jurisdiction on or arising out of or in consequence of:

- (a) the constitution and issue of the Covered Bonds, the Coupons and the Talons and the creation of the Security;
- (b) the initial delivery of the Covered Bonds to the Principal Paying Agent (if any) and by the Principal Paying Agent to the persons entitled thereto;
- (c) any action taken by the Bond Trustee (or any Covered Bondholder or Couponholder where permitted under this document so to do) to enforce the provisions of the Covered Bonds, the Coupons or this document; and
- (d) the execution of this document.

If in consequence of an Issuer Event of Default or Covered Bond Guarantor Event of Default, the Bond Trustee (or any Covered Bondholder or the Couponholder where permitted under this document to do so) takes any proceedings against the Issuer or the Covered Bond Guarantor in any jurisdiction and for the purposes of any such proceedings this document or any Covered Bonds, Coupons or Talons are taken into any such jurisdiction and any stamp duties or other duties or taxes



become payable thereon in any such jurisdiction, the Issuer must pay (or reimburse the person making payment of) such stamp duties or other duties or taxes (including penalties).

## **5. COVENANT OF COMPLIANCE**

Each of the Issuer and the Covered Bond Guarantor covenants with the Bond Trustee that it will comply with and perform and observe all the provisions of this document and the other Programme Documents which are expressed to be binding on it. The relevant Conditions will be binding on the Issuer, the Covered Bond Guarantor, the Covered Bondholders and the Couponholders. The Bond Trustee will be entitled to enforce the obligations of the Issuer and the Covered Bond Guarantor under the Covered Bonds and the Coupons as if the same were set out and contained in this document, which will be read and construed as one document with the Covered Bonds and the Coupons. The Bond Trustee must hold the benefit of this covenant upon trust for itself and the Covered Bondholders and the Couponholders according to its and their respective interests.

## **6. CANCELLATION OF COVERED BONDS AND RECORDS**

6.1 The Issuer must procure that all Covered Bonds issued by it which: (a) are redeemed or (b) are purchased by or on behalf of the Issuer or any of its subsidiaries or the Covered Bond Guarantor and (other than in the case of A\$ Registered Covered Bonds) surrendered for cancellation or (c) (other than in the case of A\$ Registered Covered Bonds) which, being mutilated or defaced, have been surrendered and replaced pursuant to Condition 11 of the Programme Conditions or Condition 10 of the N Covered Bond Conditions, or (d) (other than in the case of A\$ Registered Covered Bonds) are exchanged as provided in this document (together in each case, in the case of Bearer Definitive Covered Bonds, with all unmatured Coupons attached thereto or delivered therewith), and in the case of Bearer Definitive Covered Bonds, all relative Coupons paid in accordance with the relevant Conditions or (e) being mutilated or defaced, have been surrendered and replaced pursuant to Condition 11 of the Programme Conditions or Condition 10 of the N Covered Bond Conditions, will immediately be cancelled by or on behalf of the Issuer and a certificate stating:

- (a) the aggregate principal amount of Covered Bonds which have been redeemed and the amounts paid in respect thereof and, if applicable, the aggregate amounts in respect of Coupons which have been paid;
- (b) the serial numbers of such Covered Bonds in definitive form distinguishing between Bearer Covered Bonds and Registered Covered Bonds;
- (c) the total numbers (where applicable, of each denomination) by maturity date of such Coupons, if any;
- (d) the aggregate amount of interest paid (and the due dates of such payments) on Global Covered Bonds;
- (e) the aggregate nominal amount of Covered Bonds (if any) which have been purchased by or on behalf of the Issuer or any of its subsidiaries or the Covered Bond Guarantor and cancelled and the serial numbers of such Covered Bonds in definitive form and, in the case of Bearer Definitive Covered Bonds, the total number (where applicable, of each denomination) by maturity date of the Coupons and Talons attached thereto or surrendered therewith;
- (f) the aggregate nominal amounts of Covered Bonds and the aggregate amounts in respect of Coupons which have been so exchanged or surrendered and replaced and the serial numbers of such Covered Bonds in definitive form and the total number (where applicable, of each denomination) by maturity date of such Coupons;

- (g) the total number (where applicable, of each denomination) by maturity date of the unmatured Coupons missing from Bearer Definitive Covered Bonds bearing interest at a fixed rate which have been redeemed or exchanged or surrendered and replaced and the serial numbers of the Bearer Definitive Covered Bonds to which such missing unmatured Coupons appertained; and
- (h) the total number (where applicable, of each denomination) by maturity date of Talons which have been exchanged for further Coupons,

must be given to the Bond Trustee by or on behalf of the Issuer as soon as possible and in any event within four months after the date of such redemption, purchase, payment, exchange or replacement (as the case may be). The Bond Trustee may accept such certificate as conclusive evidence of redemption, purchase or replacement *pro tanto* of the Covered Bonds or payment of principal or interest (as the case may be) thereon or exchange of the relative Talons respectively and of cancellation of the relative Covered Bonds and Coupons.

- 6.2 Subject to the paragraph below, the Issuer must procure: (a) that the Principal Paying Agent keeps a full and complete record of all Covered Bonds, Coupons and Talons issued by it and of their redemption or purchase by or on behalf of the Issuer or any of its subsidiaries or the Covered Bond Guarantor, any cancellation or any payment or exchange (as the case may be) and of all replacement covered bonds, coupons or talons issued in substitution for lost, stolen, mutilated, defaced or destroyed Covered Bonds, Coupons or Talons, (b) that the Principal Paying Agent in respect of the Coupons of each maturity retains (in the case of Coupons other than Talons) until the expiry of ten years from the Relevant Date in respect of such Coupons and (in the case of Talons) indefinitely either all paid or exchanged Coupons of that maturity or a list of the serial numbers of Coupons of that maturity still remaining unpaid or unexchanged and (c) that such records and copies thereof are made available to the Bond Trustee at all reasonable times.

Notwithstanding the foregoing, the Issuer will not be required to procure the keeping of a record of serial numbers and maturity dates of Coupons except as regards unmatured Coupons not attached to or surrendered with Bearer Definitive Covered Bonds presented for redemption or purchased and presented for cancellation, matured Coupons that remain unpaid, Coupons in place of which replacement Coupons have been issued and replacement Coupons.

## **7. COVERED BOND GUARANTEE**

- 7.1 In consideration of the Term Advances and Demand Loan Advances to be made by the Issuer to the Covered Bond Guarantor pursuant to the Intercompany Loan Agreement and the Demand Loan Agreement, the Issuer's undertakings in clauses 7.4 to 7.6 of the Intercompany Loan Agreement and clause 9.3 of the Demand Loan Agreement and the payment of any Excess Proceeds to the Covered Bond Guarantor pursuant to Clause 11.2, the Covered Bond Guarantor, as principal obligor irrevocably and unconditionally guarantees to the Bond Trustee, for the benefit of the Covered Bondholders, the prompt performance by the Issuer of its obligations to pay Guaranteed Amounts as and when the same become Due for Payment.

- 7.2 The Covered Bond Guarantor must, as principal obligor:

- (a) following the occurrence of an Issuer Event of Default and the service by the Bond Trustee of an Issuer Acceleration Notice on the Issuer (copied to the Covered Bond Guarantor) and a Notice to Pay on the Covered Bond Guarantor (copied to the Trust Manager and the Security Trustee), pay or procure to be paid on each Scheduled Payment Date (or on such later date provided for in Clause 8.2) (in the manner described in Clause 8.1) irrevocably and unconditionally to or to the order of the Bond Trustee (for the benefit of the Covered Bondholders), an amount equal to those Guaranteed Amounts which have become Due for

Payment in accordance with the terms of this document (or which would have become Due for Payment but for any variation, release or discharge of the Guaranteed Amounts), but which have not been paid by the Issuer to the relevant Covered Bondholder and/or Couponholders on the relevant date for payment provided that no Notice to Pay may be so served on the Covered Bond Guarantor until an Issuer Acceleration Notice has been served by the Bond Trustee on the Issuer; and

- (b) following the occurrence of a Covered Bond Guarantor Event of Default and the service by the Bond Trustee of a Covered Bond Guarantee Acceleration Notice on the Issuer and the Covered Bond Guarantor (copied to the Trust Manager), in respect of the Covered Bonds of each Series which have become immediately due and repayable (or which would have become Due for Payment but for any variation, release or discharge of the Guaranteed Amounts), pay or procure to be paid to or to the order of the Bond Trustee (for the benefit of itself and the Covered Bondholders) in the manner described in Clause 8.1, the Guaranteed Amounts,

(the **Covered Bond Guarantee**).

Notwithstanding any provision of any Programme Document to the contrary, the Covered Bond Guarantor will make payments under the Covered Bond Guarantee in accordance with the applicable Priority of Payments.

7.3 In relation to the Covered Bonds of each Series, the Covered Bond Guarantee:

- (a) is a continuing guarantee;
- (b) extends to the ultimate balance of the Guaranteed Amounts due to be paid or which would have been due to be paid by the Issuer on the relevant Scheduled Payment Dates in accordance with the terms of this document, the Covered Bonds or the Coupons, regardless of any intermediate payment or discharge in whole or in part of any Guaranteed Amounts due to be paid on the relevant Scheduled Payment Date;
- (c) will not be discharged except by complete performance of the obligations in this document, is additional to, and not instead of, any security or other guarantee or indemnity at any time existing in favour of any person (whether from the Covered Bond Guarantor or otherwise);
- (d) will remain in force until all monies payable by the Covered Bond Guarantor pursuant to the terms of the Covered Bond Guarantee have been paid; and
- (e) is a guarantee of payment not collection.

7.4 The Covered Bond Guarantor will not in respect of any payment due to be made pursuant to this document be released from its obligations under or pursuant to this document in any circumstances (notwithstanding anything which but for this provision would release the Covered Bond Guarantor or would affect its liability under or pursuant to this document in respect of such payment) except upon the receipt by or for the account of the Bond Trustee of the full amount of such payment from the Issuer and the Covered Bond Guarantor, as applicable, in the currency, at the place and in the manner provided for in this document provided that (except in the case of Excess Proceeds) every payment of principal, premium or interest in respect of the Covered Bonds and/or Coupons made to the Principal Paying Agent or, in the case of N Covered Bonds, the N Covered Bond Paying Agent or, in the case of A\$ Registered Covered Bonds, to the A\$ Registrar will (subject to Clause 2.5(a)(ii)) be in satisfaction *pro tanto* of the liability of the Covered Bond Guarantor under this document and will be deemed for the purpose of this Clause 7.4 to have been paid to the order of the

Bond Trustee, except to the extent that the subsequent payment thereof to the Covered Bondholders or the Couponholders in accordance with the relevant Conditions is not made.

- 7.5 If any payment (whether in respect of the obligations of the Covered Bond Guarantor under the Covered Bond Guarantee or any security for those obligations or otherwise) (a **Payment**) or arrangement is made in whole or in part on the faith of any payment, security or other disposition received by the Bond Trustee, the Principal Paying Agent, the N Covered Bond Paying Agent, the A\$ Registrar or any Covered Bondholder or Couponholder which is avoided or set aside in whole or in part under any laws relating to the bankruptcy, sequestration, liquidation, insolvency, administration, corporate reorganisation or other such similar event of the Issuer or the Covered Bond Guarantor, such Payment or arrangement shall not be considered as having discharged the relevant liability of the Covered Bond Guarantor under the Covered Bond Guarantee (or any corresponding obligation of the Issuer) in respect thereof and that liability or obligation will continue or be reinstated as if the payment or arrangement had not occurred and the Covered Bond Guarantor must indemnify the Bond Trustee, the Principal Paying Agent, the N Covered Bond Paying Agent, the A\$ Registrar and the Covered Bondholders and/or Couponholders (as the case may be) in respect thereof.
- 7.6 Without prejudice to the generality of the foregoing provisions of this Clause 7, the Covered Bond Guarantor agrees that its obligations under this document will be as if it were principal debtor and not merely as surety or guarantor and will be absolute and (following service of an Issuer Acceleration Notice and Notice to Pay or a Covered Bond Guarantee Acceleration Notice) unconditional, irrespective of, and unaffected by, any invalidity, irregularity, illegality or unenforceability of, or defect in, any provisions of this document or any other Programme Document, or the absence of any action to enforce the same or the waiver, modification or consent by the Bond Trustee, any of the Covered Bondholders or Couponholders in respect of any provisions of the same or the obtaining of any judgment or decree against the Issuer or any action to enforce the same or any other circumstances which might otherwise constitute a legal or equitable discharge or defence of a guarantor. Accordingly, the validity of the Covered Bond Guarantee will not be affected by any invalidity, irregularity or unenforceability of all or any of the obligations of the Issuer under this document or any other Programme Document and the Covered Bond Guarantee will not be discharged nor will the liability of the Covered Bond Guarantor under this document be affected by any act, thing or omission or means whatsoever whereby its liability would not have been discharged if it had been the principal debtor.
- 7.7 The liability of the Covered Bond Guarantor under the Covered Bond Guarantee will not be lessened, affected, impaired or discharged by:
- (a) any time, waiver or indulgence granted to the Issuer by the Bond Trustee, any of the Covered Bondholders or Couponholders;
  - (b) any dealings or transactions between the Issuer and the Bond Trustee, any of the Covered Bondholders or Couponholders whether or not the Covered Bond Guarantor is a party to or cognisant of the same;
  - (c) the dissolution of the Issuer or any change in the status, functions, control or ownership of the Issuer or any consolidation, merger, conveyance or transfer by the Issuer;
  - (d) any composition or arrangement between the Issuer and its creditors or the release or variation of the obligations of the Issuer pursuant to such composition or arrangement;
  - (e) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, the Issuer or any other person or any non-presentation or non-observance of any formality or other

requirement in respect of any instrument or any failure to realise the full value of any security;

- (f) any incapacity or lack of powers, authority or legal personality of the Issuer or any other person;
- (g) any variation (however fundamental) or replacement of this document, the Covered Bonds or the Coupons;
- (h) any other guarantee or security now or subsequently held by any Secured Creditor, and the Covered Bond Guarantee is in addition to any such guarantee or security; or
- (i) any postponement, discharge, reduction, non-provability or other similar circumstance affecting any obligation of the Issuer under this document or any other Programme Document resulting from any insolvency, liquidation or dissolution proceedings or from any law, regulation or order so that each such obligation will for the purposes of the Covered Bond Guarantor's obligations under the Covered Bond Guarantee be construed as if there were no such circumstance.

7.8 Subject to its obligation to deliver a Notice to Pay to the Covered Bond Guarantor in respect of the Covered Bond Guarantee, the Bond Trustee may determine from time to time whether or not it will enforce the Covered Bond Guarantee, which it is entitled to enforce without making any demand or taking any proceedings against the Issuer. Subject to the provisions of this Clause 7 with regard to the service of a Notice to Pay on the Covered Bond Guarantor, the Covered Bond Guarantor hereby waives any right to require proceedings first against the Issuer with respect to this document, the Covered Bonds or Coupons, diligence, presentment, demand of payment, filing of claims with a court in the event of dissolution, liquidation, merger or bankruptcy of the Issuer, protest or notice and all demands whatsoever.

7.9 To the extent that the Covered Bond Guarantor makes, or there is made on its behalf, a payment under the Covered Bond Guarantee, the Issuer will on such payment being made become indebted to the Covered Bond Guarantor for an amount equal to such payment in accordance with the Intercompany Loan Agreement and the Demand Loan Agreement. Until all amounts which may be or become payable by the Issuer under this document, the Covered Bonds or Coupons have been irrevocably paid in full, the Covered Bond Guarantor hereby waives irrevocably and unconditionally:

- (a) all rights of subrogation, indemnity, contribution or otherwise (arising under common law, equity, statute or otherwise whatsoever) which it might otherwise have against the Issuer by virtue of any payment made by the Covered Bond Guarantor pursuant to the Covered Bond Guarantee; and
- (b) all rights to claim, rank, prove or vote as creditor of the Issuer or its estate in competition with the Bond Trustee (on behalf of the Covered Bondholders) or to claim a right of set-off,

subject always to the rights of the Covered Bond Guarantor to set-off amounts owing by the Issuer to the Covered Bond Guarantor in respect of amounts paid by the Covered Bond Guarantor under the Covered Bond Guarantee against any amounts repayable by the Covered Bond Guarantor under the terms of the Intercompany Loan Agreement and the Demand Loan Agreement, which will remain unaffected.

If notwithstanding the foregoing, upon the bankruptcy, insolvency, administration or liquidation of the Issuer, any payment or distribution of assets of the Issuer of any kind or character, whether in cash, property or securities, has been received by the Covered Bond Guarantor or if the Covered

Bond Guarantor is able to exercise any set-off rights against the Issuer (other than under the Intercompany Loan Agreement or the Demand Loan Agreement) before payment in full of all amounts payable under this document have been made to the Bond Trustee and/or the Covered Bondholders and the Couponholders, such payment or distribution and/or an amount equal to the amount received or so set-off must be held by the Covered Bond Guarantor on trust to pay the same over immediately to the Bond Trustee, the Covered Bondholders and the Couponholders as the case may be.

- 7.10 Any amounts from time to time received by the Bond Trustee under the Covered Bond Guarantee must be applied by the Bond Trustee in accordance with the provisions of Clause 11.1 provided that any Excess Proceeds received by the Bond Trustee must be applied by the Bond Trustee in accordance with the provisions of Clause 11.2.
- 7.11 As a separate, independent, alternative and primary obligation, the Covered Bond Guarantor unconditionally and irrevocably agrees that (following the service by the Bond Trustee of an Issuer Acceleration Notice on the Issuer and the service by the Bond Trustee of a Notice to Pay on the Covered Bond Guarantor) should any amount which, although expressed to be a Guaranteed Amount, for any reason (including any provisions of this document or the Programme Documents being or becoming void, voidable or unenforceable for any reason and whether or not now existing and whether or not now known or becoming known to the Issuer, the Covered Bond Guarantor, the Bond Trustee or any Covered Bondholder) is not recoverable from the Covered Bond Guarantor on the basis of a guarantee such amount will nevertheless be recoverable from the Covered Bond Guarantor on the basis of a full indemnity and will be paid by it to the Bond Trustee on demand provided that the Covered Bond Guarantor's obligation hereunder will in no circumstances exceed the relevant Guaranteed Amount.

## **8. PAYMENTS UNDER THE COVERED BOND GUARANTEE**

- 8.1 Where the Issuer has determined that on an Interest Payment Date or such other date in respect of which any principal or interest in relation to the Covered Bonds is due and payable by the Issuer (other than pursuant to Condition 9 of the Programme Conditions) (the **Due Date**) it will not have sufficient funds to meet the amount of such interest and/or principal due and payable on such Due Date (the difference being the **Shortfall**), it must notify the Bond Trustee in writing (copied to the Covered Bond Guarantor), no later than close of business on the fifth Business Day before such Due Date of the Shortfall amount in relation to the Covered Bonds which is due and payable by the Issuer. Following the occurrence of an Issuer Event of Default and service by the Bond Trustee of an Issuer Acceleration Notice on the Issuer pursuant to Condition 9.1 of the Programme Conditions, the Bond Trustee must promptly deliver a Notice to Pay to the Covered Bond Guarantor (copied to the Trust Manager and the Security Trustee) requiring the Covered Bond Guarantor to pay the Guaranteed Amounts as and when the same are Due for Payment in accordance with the terms of the Covered Bond Guarantee and this document.
- 8.2 Following the service by the Bond Trustee of an Issuer Acceleration Notice on the Issuer and the service by the Bond Trustee of a Notice to Pay on the Covered Bond Guarantor but prior to a Covered Bond Guarantor Event of Default and delivery by the Bond Trustee of a Covered Bond Guarantee Acceleration Notice, payment by the Covered Bond Guarantor of the Guaranteed Amounts pursuant to the Covered Bond Guarantee must be made in accordance with the Guarantee Priority of Payments by 12 noon (local time in the relevant financial centre of the payment or, in the case of a payment in euro, London time) on the Original Due for Payment Date or, if applicable, the Extended Due for Payment Date on which the relevant Guaranteed Amount is Due for Payment except that where the Covered Bond Guarantor is required to make a payment of a Guaranteed Amount in respect of the Final Redemption Amount payable on the Final Maturity Date of a Covered Bond to which an Extended Due for Payment Date applies, the Covered Bond Guarantor must make such payment no later than the Extension Determination Date provided always that the

Covered Bond Guarantor has received a Notice to Pay no later than one Business Day prior to such Extension Determination Date. In addition, where the Covered Bond Guarantor is required to make a payment of a Guaranteed Amount in respect of a Final Redemption Amount payable on the Final Maturity Date of the Covered Bond, to the extent that the Covered Bond Guarantor has insufficient monies available after payment of higher ranking amounts and taking into account amounts ranking *pari passu* therewith in the Guarantee Priority of Payments to pay such Guaranteed Amounts, it must make partial payment of such Guaranteed Amounts in accordance with the Guarantee Priority of Payments.

- 8.3 The Bond Trustee must direct the Covered Bond Guarantor to pay (or to procure the payment of) all sums payable under the Covered Bond Guarantee to the Principal Paying Agent or, in case of N Covered Bonds, the N Covered Bond Paying Agent or, in the case of the A\$ Registered Covered Bonds to the relevant Covered Bondholder subject always to the provisions of Clause 2.5. For the avoidance of doubt, any discharge of the Issuer as a result of the payment of Excess Proceeds to the Bond Trustee must be disregarded for the purposes of determining the amounts to be paid by the Covered Bond Guarantor under the Covered Bond Guarantee.
- 8.4 At least one Business Day before the date on which the Covered Bond Guarantor is obliged to make a payment under the Covered Bond Guarantee, the Trust Manager must notify or procure the notification of the Principal Paying Agent or, in relation to N Covered Bonds, the N Covered Bond Paying Agent or, in relation to the A\$ Registered Covered Bonds, the A\$ Registrar, of the irrevocable instructions to the Account Bank through which payment to the Principal Paying Agent or, in the case of N Covered Bonds, the N Bond Paying Agent or, in the case of the A\$ Registered Covered Bonds, the A\$ Registrar is to be made.
- 8.5 All payments of Guaranteed Amounts by or on behalf of the Covered Bond Guarantor must be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or other governmental charges of whatever nature imposed or levied by or on behalf of the Commonwealth of Australia or any political sub-division thereof or by any authority thereof or therein having power to tax, unless such taxes, duties, assessments or governmental charges are required by law to be withheld or deducted. If any such withholding or deduction is required, the Covered Bond Guarantor must pay the Guaranteed Amounts net of such withholding or deduction and must account to the appropriate Tax Authority for the amount required to be withheld or deducted. The Covered Bond Guarantor will not be obliged to pay any additional amount to the Bond Trustee or any holder of Covered Bonds and/or Coupons in respect of the amount of such withholding or deduction.
- 8.6 The Issuer will not be discharged from its obligations under the Covered Bonds or Coupons and this document by any payment made by the Covered Bond Guarantor under the Covered Bond Guarantee provided that this Clause 8.6 will operate only for the purpose of the subrogation rights of the Covered Bond Guarantor contemplated by Clause 7.9.
- 8.7 Except in relation to Excess Proceeds, any payment made by the Covered Bond Guarantor to the Covered Bondholders or the Couponholders in respect of the Covered Bonds or Coupons may be made in accordance with the relevant Conditions and the Agency Agreements, and any payments so made will be a good discharge *pro tanto* of the relative covenant by the Covered Bond Guarantor contained in Clauses 7 or 8 (as the case may be) save to the extent that there is default in the subsequent payment thereof in accordance with this document to the relevant Covered Bondholders or Couponholders (as the case may be).

## **9. NON-PAYMENT**

- 9.1 Proof that as regards any specified Covered Bond or Coupon the Issuer or, as the case may be, the Covered Bond Guarantor has made default in paying any amount due in respect of such Covered

Bond or Coupon will (unless the contrary be proved) be sufficient evidence that the same default has been made as regards all other Covered Bonds or Coupons (as the case may be) in respect of which the relevant amount is due and payable.

- 9.2 References in the provisos in Clauses 2.4(c) and 2.4(d) and any provisions of any trust deed supplemental to this document corresponding to the provisos in Clauses 2.4(c) and 2.4(d) and to the rates aforesaid will, in the event of the Covered Bonds having become due and repayable, with effect from the expiry of the Interest Period during which such Covered Bonds become due and repayable, be construed as references to rates of interest calculated *mutatis mutandis* in accordance with the relevant Conditions except that no notices need be published in respect thereof.

## **10. PROCEEDINGS, ACTION AND INDEMNIFICATION**

### **10.1 The Bond Trustee may:**

- (a) at any time after the occurrence of an Issuer Event of Default and the service of an Issuer Acceleration Notice (in the case of the Issuer) or, if earlier, following the occurrence of a Covered Bond Guarantor Event of Default and the service of a Covered Bond Guarantee Acceleration Notice (in the case of the Covered Bond Guarantor), in either case, in respect of any Series, at its discretion and without further notice, take such proceedings or other action or step as it may think fit against or in relation to the Issuer or, as the case may be, the Covered Bond Guarantor and/or any other person as it may think fit to enforce the provisions of this document, the Covered Bonds and the Coupons or any other Programme Document; and
- (b) at any time after the service of a Covered Bond Guarantee Acceleration Notice, give a direction to the Security Trustee to take such actions, steps or proceedings against the Covered Bond Guarantor and/or any other person as it may think fit to enforce the provisions of the Security Deed or any other Programme Document and may, at any time after the Security has become enforceable, direct the Security Trustee to take such steps as it may think fit to enforce the Security. Following the service of a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor, the Bond Trustee must provide a copy of such notice to the Security Trustee.

### **10.2 The Bond Trustee will not be bound to take, or give any direction to the Security Trustee to take, any such proceedings, steps or actions in relation to this document, the Covered Bond Guarantee, the Covered Bonds, the Coupons or any other Programme Document as referred to in Clause 10.1 or give any notice pursuant to Condition 9 of the Programme Conditions unless:**

- (a) directed to do so by an Extraordinary Resolution of the Covered Bondholders of all Series, then outstanding (with the Covered Bonds of all Series taken together as a single Series and converted into Australian Dollars at the relevant Swap Rate); or
- (b) requested to do so in writing by the holders of not less than twenty-five per cent. of the Principal Amount Outstanding of the Covered Bonds of all Series then outstanding (with the Covered Bonds of all Series taken together as a single Series and converted into Australian Dollars at the relevant Swap Rate),

and in either case then only if it is indemnified and/or secured and/or prefunded to its satisfaction.

### **10.3 Subject as provided above and in clause 14.5 of the Security Deed, the Bond Trustee will not be bound to take, or to give any direction to the Security Trustee to take, any other action, step or proceedings under or in connection with this document, the Covered Bonds or the Coupons or any other Programme Document unless:**



- (a) directed to do so by Extraordinary Resolution of the Covered Bondholders of the relevant one or more Series (as determined in accordance with the provisions of paragraph 22 of Schedule 6); or
- (b) requested to do so in writing by the holders of not less than twenty-five per cent. of the Principal Amount Outstanding of the Covered Bonds then outstanding of the relevant one or more Series (as determined in accordance with the provisions of paragraph 22 of Schedule 6),

and in either case then only if it is indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing.

- 10.4 Only the Bond Trustee may enforce the provisions of this document. No Covered Bondholder or Couponholder will be entitled to proceed directly against the Issuer or the Covered Bond Guarantor to enforce the performance of any of the provisions of this document or to directly enforce the provisions of any other Programme Document unless the Bond Trustee having become bound as aforesaid to so proceed fails to do so within a reasonable time and such failure is continuing, in which event any Covered Bondholder or Couponholder may itself institute such proceedings and/or prove in the winding up, administration or liquidation of the Issuer or the Covered Bond Guarantor to the same extent and in the same jurisdiction (but not further or otherwise than the Bond Trustee would have been entitled to do so in respect of the Covered Bonds and Coupons and/or this document).
- 10.5 In exercising any of its powers, trust authorities and discretions the Bond Trustee must only have regard to the interests of the Covered Bondholders of all Series equally or, if only applicable to one Series, the Covered Bondholders of the relevant Series, and must not have regard to the interests of any other Secured Creditor.

## **11. APPLICATION OF MONIES AND EXCESS PROCEEDS**

- 11.1 Prior to service of a Notice to Pay, all monies received by the Bond Trustee under this document from the Issuer pursuant to Clause 2.4 in respect of a payment of principal or interest to the Covered Bondholders and, after service of a Notice to Pay, all monies received by the Bond Trustee under this document from the Covered Bond Guarantor pursuant to Clause 7 in respect of a payment of Guaranteed Amounts to the Covered Bondholders will, unless and to the extent attributable to a particular Series of the Covered Bonds but despite any appropriation of all or any part of them by the Issuer or the Covered Bond Guarantor, be apportioned *pari passu* and rateably between each Series of the Covered Bonds, and to the extent attributable to a particular Series of the Covered Bonds or which are apportioned to such Series as aforesaid, must be applied:
  - (a) *first*: to the extent not already paid or provided for under the Pre-Acceleration Income Priority of Payments or the Guarantee Priority of Payments, as applicable, in payment or satisfaction of all amounts then due and unpaid under Clause 16 to the Bond Trustee and/or any Appointee of the Bond Trustee;
  - (b) *secondly*: in or towards payment *pari passu* and rateably of all principal and interest then due and unpaid in respect of the Covered Bonds of that Series;
  - (c) *thirdly*: in or towards payment *pari passu* and rateably of all principal and interest then due and unpaid in respect of the Covered Bonds of each other Series; and
  - (d) *fourthly*: in payment of the balance (if any) to the Issuer (to the extent received from the Issuer) or the Covered Bond Guarantor (to the extent received from the Covered Bond Guarantor).

- 11.2 Following the occurrence of an Issuer Event of Default and the delivery of an Issuer Acceleration Notice and Notice to Pay, any Excess Proceeds must be paid by the Bond Trustee on behalf of the Covered Bondholders of the relevant Series to the Covered Bond Guarantor, as soon as practicable, and must be held by the Covered Bond Guarantor in the GIC Account and the Excess Proceeds will thereafter form part of the Charged Property and must be used by the Covered Bond Guarantor in the same manner as all other monies from time to time standing to the credit of the GIC Account pursuant to the Security Deed and the Establishment Deed. Any Excess Proceeds received by the Bond Trustee and held by it or under its control will discharge *pro tanto* the obligations of the Issuer in respect of the Covered Bonds and Coupons (as applicable and to the extent of the amount so received and subject to restitution of the same if such Excess Proceeds are required to be repaid by the Bond Trustee or by the Covered Bond Guarantor) (but will be deemed not to have so discharged the Issuer's obligations for the purposes of subrogation rights of the Covered Bond Guarantor contemplated by Clause 7.9). However, the obligations of the Covered Bond Guarantor under the Covered Bond Guarantee are (following service of an Issuer Acceleration Notice and Notice to Pay or if earlier, service of a Covered Bond Guarantee Acceleration Notice) unconditional and irrevocable and the receipt by, or on behalf of, the Bond Trustee of any Excess Proceeds will not reduce or discharge any such obligations.
- 11.3 By subscribing for Covered Bond(s), each Covered Bondholder will be deemed to have irrevocably directed the Bond Trustee to pay the Excess Proceeds to the Covered Bond Guarantor in the manner as described above.
- 11.4 For the avoidance of doubt, any payments by the Covered Bond Guarantor to the Covered Bondholders out of the Excess Proceeds will reduce the Guaranteed Amounts *pro tanto*.

## **12. NOTICE OF PAYMENTS**

The Bond Trustee (at the expense and cost of the Covered Bond Guarantor) must give notice to the relevant Covered Bondholders in accordance with Condition 12 of the Programme Conditions (in the case of Covered Bonds which are not N Covered Bonds) and/or in accordance with Condition 9 of the N Covered Bond Conditions (in the case of N Covered Bonds) of the day fixed for any payment to them under Clause 11.1. Such payment may be made in accordance with Condition 6 of the Programme Conditions or, in the case of N Covered Bonds, Condition 5 of the N Covered Bond Conditions and any payment so made will be a good discharge to the Bond Trustee.

## **13. INVESTMENT BY BOND TRUSTEE**

- 13.1 Except in relation to any Excess Proceeds, the Bond Trustee may at its absolute discretion and pending payment as provided for in this document, invest monies at any time available for the payment of principal and interest on the Covered Bonds of any Series, in some or one of the Authorised Investments for such periods as it may consider expedient with power from time to time at the like discretion to vary such investments and to accumulate such investments and the resulting interest and other income derived therefrom. The accumulated investments must be applied under Clause 11. All interest and other income deriving from such investments must be applied first in payment or satisfaction of all amounts then due and unpaid under Clause 16 to the Bond Trustee and/or any Appointee of the Bond Trustee and otherwise held for the benefit of and paid to the Covered Bondholders of such Series and/or Couponholders, as the case may be.
- 13.2 Except in relation to any Excess Proceeds, any monies which under the trusts of this document may be invested by the Bond Trustee may be invested in the name or under the control of the Bond Trustee in any investments or other assets in any part of the world whether or not they produce income or by placing the same on deposit in the name or under the control of the Bond Trustee at such bank or other financial institution and in such currency as the Bond Trustee may think fit. If that bank or institution is the Bond Trustee or a Subsidiary, holding or associated company of the

Bond Trustee, it need only account for an amount of interest equal to the amount of standard interest which would, at then current rates, be payable by it on such a deposit to an independent customer. The Bond Trustee may at any time vary any such investments for or into other investments or convert any monies so deposited into any other currency and will not be responsible for any loss resulting from any such investments or deposits, whether due to depreciation in value, fluctuations in exchange rates or otherwise.

- 13.3 Notwithstanding anything in this document to the contrary, the Bond Trustee may not do, or be authorised or required to do, anything which in its sole opinion might constitute a regulated activity for the purpose of the FSMA, unless it is authorised under the FSMA to do so.

In respect of any of the duties and/or responsibilities to be performed by the Bond Trustee, the Bond Trustee will have the discretion at any time: (i) to delegate any of the functions which fall to be performed by an authorised person under the FSMA to any agent or person which has the necessary authorisations and licences and (ii) to apply for authorisation under the FSMA and perform any or all such functions itself if, in its absolute discretion, it considers it necessary, desirable or appropriate to do so.

#### **14. PARTIAL PAYMENTS**

Upon any payment under Clause 11.1 (other than payment in full and, other than in the case of A\$ Registered Covered Bonds, against surrender of a Covered Bond or Coupon) the Covered Bond or Coupon in respect of which such payment is made must be produced to the Bond Trustee, the Registrar, the N Covered Bond Registrar, or the relevant Paying Agent by or through whom such payment is made and the Bond Trustee must or must cause the Registrar or, as the case may be, the relevant Paying Agent to enface thereon a memorandum of the amount and the date of payment but the Bond Trustee may in any particular case or generally in relation to Registered Covered Bonds and the A\$ Registered Covered Bonds dispense with such production and enfacement upon such indemnity being given to the Bond Trustee and the Issuer as such parties think sufficient.

#### **15. COVENANTS BY THE ISSUER, THE COVERED BOND GUARANTOR AND THE TRUST MANAGER**

- 15.1 Each of the Issuer, the Covered Bond Guarantor and, in relation to Clauses 15.1(a), 15.1(d), 15.1(h), 15.1(k), 15.1(u), 15.1(y) and 15.1(z) only, the Trust Manager, hereby severally covenants with the Bond Trustee that, so long as any of the Covered Bonds remains outstanding, it will:
- (a) give or procure to be given to the Bond Trustee (within a time reasonable in the Bond Trustee's opinion) such information, certificates and evidence, and in such form, as it may reasonably require for the purpose of the discharge or exercise of the duties, trusts, powers, authorities and discretions vested in it under this document or by operation of law provided that the foregoing will not oblige the Issuer, the Covered Bond Guarantor or the Trust Manager, as applicable, to give any information the non-disclosure of which is required by any applicable law;
  - (b) cause to be prepared and/or delivered (as applicable) in respect of each financial year, accounts in such form and at such time as will comply with the laws of Australia and the United Kingdom, as the case may be, applicable to it (including the reports thereon by the Auditors in accordance with such laws) and any undertaking to the UKLA or the London Stock Exchange by which it is from time to time bound;
  - (c) at all times keep proper books of account, and permit to the extent permitted by applicable law the Bond Trustee and any persons appointed by the Bond Trustee to whom the Issuer or the Covered Bond Guarantor has no reasonable objection free access to such books of

account at all reasonable times during normal working hours provided that nothing in this clause 15.1(c) will oblige the Issuer or the Covered Bond Guarantor to disclose confidential information concerning customers of the Issuer or regarding any matters for which the Issuer or the Covered Bond Guarantor would be entitled to claim exemption from disclosure;

- (d) in the case of the Trust Manager only, at all times keep proper books of account in relation to the Trust, and permit to the extent permitted by applicable law the Bond Trustee and any persons appointed by the Bond Trustee to whom the Trust Manager has no reasonable objection free access to such books of account at all reasonable times during normal working hours provided that nothing in this paragraph will oblige the Trust Manager to disclose confidential information concerning customers of the Trust Manager or regarding any matters for which the Trust Manager would be entitled to claim exemption from disclosure;
- (e) in the case of the Issuer only, send to the Bond Trustee (in addition to any copies to which it may be entitled as a holder of any of the Issuer's securities) four copies in English of every balance sheet, profit and loss account, report and notice of general meeting and every document issued or sent to holders of its quoted or listed debt or equity securities in their capacity as such (including the Covered Bondholders) as soon as practicable after the issue or publication thereof;
- (f) promptly give notice in writing to the Bond Trustee of the occurrence of any Issuer Event of Default or Covered Bond Guarantor Event of Default or any Potential Issuer Event of Default or Potential Covered Bond Guarantor Event of Default;
- (g) in the case of the Issuer and the Covered Bond Guarantor only, give to the Bond Trustee within seven days after demand by the Bond Trustee therefor a certificate signed by an Authorised Officer of the Issuer or two Authorised Officers of the Covered Bond Guarantor, as the case may be, to the effect that, to the best of its knowledge, information and belief, (A) during the period between the date as of which the last certificate was given (or in the case of the first such certificate the date hereof) and the date as of which such certificate is given, the Issuer or, as the case may be, the Covered Bond Guarantor has complied with its obligations under this document and under the other Programme Documents or (if such is not the case) giving details of the circumstances of such non-compliance and (B) as at a date not more than seven days before delivering such certificate (the **relevant date**) there did not exist and had not existed since the relevant date of the previous certificate (or in the case of the first such certificate the date hereof), in the case of the Issuer, any Issuer Event of Default or Potential Issuer Event of Default (as applicable) (or if such exists or existed specifying the same) or in the case of the Covered Bond Guarantor, any Covered Bond Guarantor Event or Potential Covered Bond Guarantor Event of Default (as applicable) (or if such exists or existed specifying the same);
- (h) so far as permitted by law at all times execute all such further documents and do all such further acts and things as may be necessary at any time or times in the reasonable opinion of the Bond Trustee to give effect to the terms and conditions of this document and the other Transaction Documents;
- (i) maintain a Principal Paying Agent, Paying Agents, a Registrar, an Exchange Agent, a Transfer Agent and, so long as any of the A\$ Registered Covered Bonds remain outstanding, an A\$ Registrar and, so long as any of N Covered Bonds remain outstanding an N Covered Bond Registrar and an N Covered Bond Paying Agent, in accordance and in compliance with the relevant Conditions and at all times maintain other agents required by the relevant Conditions;

- (j) in the case of the Issuer only, procure that the Principal Paying Agent (other than in the case of the A\$ Registered Covered Bonds) or, in the case of N Covered Bonds, the N Covered Bond Paying Agent notifies the Bond Trustee promptly in the event that it does not, on or before the due date for payment in respect of the Covered Bonds or any of them or in respect of the and/or the Coupons (if any), receive unconditionally in the manner provided by the relevant Agency Agreement the full amount of the moneys payable on such due date on all such Covered Bonds or Coupons, as the case may be, and it is not satisfied in its reasonable opinion that such payment will be made within one business day in London of such due date;
- (k) in the event of the unconditional payment to the Principal Paying Agent or, in the case of N Covered Bonds, the N Covered Bond Paying Agent of any sum due in respect of the Covered Bonds or Coupons or any of them being made after notice has been given under Clause 15.1(j), promptly give or procure to be given notice to the relevant Covered Bondholders in accordance with Condition 12 of the Programme Conditions (in the case of Covered Bonds which are not N Covered Bonds) and/or in accordance with Condition 9 of the N Covered Bond Conditions (in the case of N Covered Bonds) relating to notices and communications that such payment has been made;
- (l) in the case of the Issuer only, use its best endeavours to maintain the listing of Covered Bonds (excluding N Covered Bonds) listed on the London Stock Exchange or such other stock exchange on which they are listed or quoted and to pay all such fees and supply all such further documents, information and undertakings as may be necessary for such purpose. If the Issuer, in its sole discretion, determines that the requirements for maintaining such listing or quotation have become or will become unduly burdensome, the Issuer may cease to maintain such listing or quotation but shall use its best endeavours to obtain and maintain a listing or quotation of Covered Bonds (excluding N Covered Bonds) to be listed on such other stock exchange or exchanges or securities market or markets as the Issuer may (with the approval of the Bond Trustee) decide and shall also use all reasonable endeavours to procure that there will at all times be furnished to any such stock exchange or securities market such information as such stock exchange or securities market may require to be furnished in accordance with its requirements and shall also upon obtaining a listing or quotation of Covered Bonds (excluding N Covered Bonds) to be listed on such other stock exchange or exchanges or securities market or markets enter into a deed supplemental hereto to effect such consequential amendments to this document as the Bond Trustee may reasonably require or as shall be requisite to comply with the requirements of any such stock exchange or securities market;
- (m) give or procure the giving of notice to the Covered Bondholders in accordance with Condition 12 of the Programme Conditions or Condition 9 of the N Covered Bond Conditions of any appointment, resignation or removal of any Agent (other than the appointment of the initial Agents) or change of any Agent's specified office as shown on the Covered Bonds and Coupons or as previously notified to the Covered Bondholders, as soon as practicable after having obtained the approval of the Bond Trustee thereto (if such approval is required by the relevant Conditions or the Principal Agency Agreement), at least 30 days prior to such event taking effect provided that in the case of the termination of the appointment of an Agent no such termination shall take effect until a new Agent has been appointed on terms approved by the Bond Trustee (such approval not to be unreasonably withheld);
- (n) in the case of the Issuer, ensure that a copy of every notice given by it to the Covered Bondholders is promptly provided to the Bond Trustee as and when the same is given to the Covered Bondholders;

- (o) observe and comply with all its obligations under the Agency Agreements and use all reasonable endeavours (in the case of the Covered Bond Guarantor, acting at the direction of the Trust Manager) to procure that the Paying Agents, the Registrar, the A\$ Registrar, the N Covered Bond Registrar, the Exchange Agent and the Transfer Agent observe and comply with and perform all their respective obligations under the Agency Agreements and A\$ Registry Agreement, and not make any amendment or modification to such agreement without the prior written approval of the Bond Trustee;
- (p) send to the Bond Trustee, not less than 14 days prior to which any such notice is to be given, by the Issuer or the Covered Bond Guarantor (as the case may be), for the Bond Trustee's prior approval a copy of the form of any notice to be given by the Issuer or the Covered Bond Guarantor (as the case may be) to the Covered Bondholders in accordance with Condition 12 of the Programme Conditions (in the case of Covered Bonds which are not N Covered Bonds) and/or in accordance with Condition 9 of the N Covered Bond Conditions (in the case of N Covered Bonds) relating to notices and communications and, upon publication, two copies of such notice, such notice being in the form approved by the Bond Trustee (such approval not to be unreasonably withheld or delayed) and, unless so expressed, not to constitute approval for the purposes of section 21 of the FSMA of a communication within the meaning of section 21);
- (q) in the case of the Issuer only, give prior notice to the Bond Trustee of any proposed redemption pursuant to Condition 5.2, Condition 5.3 or Condition 5.5 of the Programme Conditions, and, if it has given notice to the relevant Covered Bondholders in accordance with the Conditions of its intention, duly proceed to redeem any relevant Covered Bonds accordingly;
- (r) in the case of the Issuer only, if while any of the Covered Bonds remains outstanding payments by the Issuer become subject generally to the taxing jurisdiction of any territory or any authority or political sub-division therein or thereof having power to tax other than or in addition to the Taxing Jurisdiction or any political sub-division thereof or by any authority therein or thereof having power to tax, unless the Bond Trustee otherwise agrees, the Issuer must give to the Bond Trustee notice immediately upon becoming aware thereof and, as soon as practicable thereafter, an undertaking or covenant in form and substance and manner satisfactory to the Bond Trustee in terms corresponding to the relevant Condition 7 of the Programme Conditions and Condition 6 of the N Covered Bond Conditions with the substitution for (or, as the case may be, addition to) the references therein to the Taxing Jurisdiction or any political sub-division thereof or by any authority therein or thereof having power to tax of references to that other or additional territory or any authority or political sub-division therein or thereof having power to tax to whose taxing jurisdiction the Issuer has become subject as aforesaid and, where such undertaking or covenant is provided, references in Condition 5.2 of the Programme Conditions to the Taxing Jurisdiction or any political sub-division thereof or by any authority therein or thereof having power to tax will be deemed to be amended accordingly;
- (s) other than in the case of the Covered Bond Guarantor, use all reasonable endeavours to procure that Euroclear and/or Clearstream, Luxembourg and/or Austraclear and/or the A\$ Registrar and/or the N Covered Bond Registrar and/or DTC (as the case may be) issue(s) any record, certificate or other document requested by the Bond Trustee under Clause 3.7 or otherwise as soon as practicable after such request;
- (t) in the case of the Issuer only, notify or cause the Bond Trustee to be notified promptly upon the occurrence of a breach of the Asset Coverage Test or the Pre-Maturity Test or the Amortisation Test;

- (u) notify or cause the Bond Trustee to be notified (in the case of the Covered Bond Guarantor, on the directions of the Trust Manager) promptly of any change in the ratings assigned by the Rating Agencies to the Covered Bonds or any Series of Covered Bonds upon becoming aware thereof;
- (v) conduct its affairs in a proper and efficient manner;
- (w) in the case of the Issuer and the Covered Bond Guarantor only, in order to enable the Bond Trustee to ascertain the Principal Amount Outstanding of Covered Bonds of each Series for the time being outstanding (other than for the purpose of ascertaining the amount of Covered Bonds of each Series for the time being outstanding for the purpose of the Programme Limit), deliver to the Bond Trustee forthwith after being so requested in writing by the Bond Trustee a certificate in writing signed by an Authorised Officer of the Issuer or, as the case may be, two Authorised Officers of the Covered Bond Guarantor setting out the total number and Principal Amount Outstanding of the Covered Bonds of each Series which up to and including the date of such certificate are held by or for the account of or the benefit of the Issuer or the Covered Bond Guarantor, any Subsidiary or holding company of any of them or any other Subsidiary of any such holding company, in each case held by them as beneficial owner, and the Principal Amount Outstanding of the Covered Bonds of each Series purchased which have been cancelled;
- (x) without prejudice to the provisions of Clause 2.3, procure the delivery of legal opinions addressed to the Bond Trustee dated the date of such delivery, in form and content reasonably acceptable to the Bond Trustee from the Issuer's or the Covered Bond Guarantor's counsel on the date of any amendment to this document;
- (y) comply with its obligations under all Programme Documents to which it is a party; and
- (z) comply with any obligations imposed upon it by the Australian Banking Act.

15.2 The validity of the obligations set out in this Clause 15 will not be affected by the timing of any distribution the Available Income Amount under the Pre-Acceleration Income Priority of Payments.

## **16. REMUNERATION AND INDEMNIFICATION OF BOND TRUSTEE**

16.1 The Issuer (and, (i) if the Issuer fails to pay any sum required to be paid by it to the Bond Trustee or (ii) following an Issuer Event of Default and service of a Notice to Pay on the Covered Bond Guarantor or, if earlier, following a Covered Bond Guarantor Event of Default, the Covered Bond Guarantor), must pay to the Bond Trustee, by way of remuneration for its services as Bond Trustee of this document, such amount as may be agreed from time to time by the Issuer and the Bond Trustee. Such remuneration will accrue from day to day and be payable (in priority to payments to Covered Bondholders and Couponholders and any other Secured Creditors) up to and including the date when, all the Covered Bonds having become due for redemption, the redemption monies and interest thereon to the date of redemption have been paid to the Principal Paying Agent or the Bond Trustee, or in the case of the A\$ Registered Bonds, to the A\$ Registrar, or, in the case of N Covered Bonds, the N Covered Bond Paying Agent provided that if upon due presentation of any Covered Bond or Coupon or any cheque payment of the monies due in respect thereof is improperly withheld or refused, remuneration will be deemed not to have ceased to accrue and will continue to accrue until payment to such Covered Bondholder or Couponholder is duly made.

16.2 In the event of the occurrence of an Issuer Event of Default, Covered Bond Guarantor Event of Default, Potential Issuer Event of Default or Potential Covered Bond Guarantor Event of Default and the Bond Trustee becoming required to undertake additional work as a direct result of such occurrence, the Issuer and Covered Bond Guarantor hereby agree that the Bond Trustee will be

entitled to be paid additional remuneration calculated at its normal hourly rates in force from time to time. In any other case, if the Bond Trustee considers it expedient or necessary or being requested by the Issuer or the Covered Bond Guarantor (as the case may be) to undertake duties which the Bond Trustee and the Issuer or the Covered Bond Guarantor agree to be of an exceptional nature or otherwise outside the scope of the normal duties of the Bond Trustee under this document, the Issuer or the Covered Bond Guarantor must pay to the Bond Trustee such additional remuneration as may be agreed between them (and which may be calculated by reference to the Bond Trustee's normal hourly rates in force from time to time).

- 16.3 The Issuer and, (i) if the Issuer fails to pay any sum required to be paid by it to the Bond Trustee or (ii) following an Issuer Event of Default and service of a Notice to Pay on the Covered Bond Guarantor or, if earlier, following a Covered Bond Guarantor Event of Default, the Covered Bond Guarantor) must in addition pay to the Bond Trustee an amount equal to the amount of any GST or similar value added tax chargeable in respect of its remuneration under this document subject to receipt of a valid tax invoice.
- 16.4 In the event of the Bond Trustee, the Issuer and the Covered Bond Guarantor failing to agree:
- (a) (in a case to which Clause 16.1 above applies) upon the amount of the remuneration; or
  - (b) (in a case to which Clause 16.2 above applies) upon whether such duties will be of an exceptional nature or otherwise outside the scope of the normal duties of the Bond Trustee under this document, or upon such additional remuneration,

such matters must be determined by a financial institution or person (acting as an expert and not as an arbitrator) selected by the Bond Trustee and approved by the Issuer, (or the Covered Bond Guarantor) or, failing such approval, nominated (on the application of the Bond Trustee) by the President for the time being of The Law Society of England and Wales (the expenses involved in such nomination and the fees of such financial institution or person being payable by the Issuer or the Covered Bond Guarantor) and the determination of any such financial institution or person will be final and binding upon the Bond Trustee and the Issuer and the Covered Bond Guarantor.

- 16.5 The Issuer (and (i) if the Issuer fails to pay any sum required to be paid by it to the Bond Trustee or (ii) following any Issuer Event of Default and service of a Notice to Pay on the Covered Bond Guarantor or, if earlier, following a Covered Bond Guarantor Event of Default, the Covered Bond Guarantor) must also on written request, pay or discharge all Liabilities properly incurred by the Bond Trustee in relation to the negotiation, preparation and execution of this document and the exercise of its powers and the performance of its duties under, and in any other manner in relation to, this document, including but not limited to legal and travelling expenses and any stamp, issue, registration, documentary and other taxes or duties paid or payable by the Bond Trustee in connection with any action taken or contemplated by or on behalf of the Bond Trustee against the Issuer and/or the Covered Bond Guarantor for enforcing or resolving any doubt concerning, or for any other purpose in relation to, this document (except to the extent that such Liability arises from the Bond Trustee's fraud, gross negligence, wilful default or breach of trust).
- 16.6 Without prejudice to the right of indemnity by law given to trustees, each of the Issuer and the Covered Bond Guarantor must indemnify the Bond Trustee and every Appointee and keep the Bond Trustee and every such Appointee indemnified against all Liabilities to which it may be or become subject or which may be incurred by it in the preparation and execution or purported execution of any of its trusts, powers, authorities and discretions under this document (including directing the Security Trustee) or its functions under any such appointment or in respect of any other matter or thing done or omitted in any way relating to this document or any such appointment (including all Liabilities in disputing or defending any of the foregoing). However, the Bond Trustee or Appointee



(as the case may be) will not be indemnified where such Liability arises from the Bond Trustee's or Appointee's fraud, gross negligence, wilful default or breach of trust.

- 16.7 All amounts due and payable pursuant to Clause 16.5 and 16.6 above will be payable on the date specified (which must be a Business Day in London) on written demand by the Bond Trustee and in the case of payments actually made by the Bond Trustee prior to such demand will carry interest at a rate per annum which is equal to two per cent. above the base rate for the time being in force of National Westminster Bank plc from the date such demand is made and in all other cases will (if not paid within 30 days after the date of such demand, or if such demand specifies that payment is to be made on an earlier date, on such earlier date) carry interest at such rate from such thirtieth day or such other date specified in such demand.
- 16.8 Each of the Issuer and the Covered Bond Guarantor hereby further undertakes to the Bond Trustee that all monies payable by the Issuer or the Covered Bond Guarantor to the Bond Trustee under this Clause 16 must be made without set-off, counterclaim, deduction or withholding unless compelled by law in which event such Issuer or the Covered Bond Guarantor will pay such additional amounts as will result in the receipt by the Bond Trustee of the amounts which would otherwise have been payable by such Issuer or the Covered Bond Guarantor to the Bond Trustee under this Clause in the absence of any such set-off, counterclaim, deduction or withholding.
- 16.9 Unless otherwise specifically stated in any discharge of this document the provisions of this Clause 16 will continue in full force and effect notwithstanding such discharge.
- 16.10 The Bond Trustee will be entitled in its absolute discretion to determine in respect of which Series of Covered Bonds any Liabilities incurred under this document have been incurred or to allocate any such Liabilities between the Covered Bonds of any Series.
- 16.11 Notwithstanding any other provision of this document, the parties hereto acknowledge and agree that all such remuneration and any other amount or sum payable to the Bond Trustee by the Covered Bond Guarantor hereunder (unless otherwise paid to the Bond Trustee) will be payable in accordance with the applicable Priorities of Payments.

## **17. SUPPLEMENT TO TRUSTEE ACTS**

Section 1 of the Trustee Act 2000 will not apply to the duties of the Bond Trustee in relation to the trusts constituted by this document. Where there are any inconsistencies between the Trustee Acts and the provisions of this document, the provisions of this document will, to the extent allowed by law, prevail and, in the case of any such inconsistency with the Trustee Act 2000, the provisions of this document will constitute a restriction or exclusion for the purposes of that Act. The Bond Trustee will have all the powers conferred upon trustees by the Trustee Acts and by way of supplement thereto it is expressly declared as follows:

- (a) The Bond Trustee may in relation to this document and the other Programme Documents rely and/or act on the advice or report or certificate or opinion of or any information obtained from any auditor, lawyer, valuer, accountant, surveyor, banker, professional adviser, broker, financial adviser, auctioneer or other expert whether obtained by the Issuer, the Covered Bond Guarantor, a Paying Agent, the Security Trustee, the Bond Trustee or otherwise and whether or not addressed to the Bond Trustee notwithstanding that such advice, report, certificate, opinion, information, or any engagement letter or any other document entered into by the Bond Trustee and the relevant person in connection therewith, contains any monetary or other limit on the liability of the relevant person and the Bond Trustee will not be responsible for any Liability occasioned by so acting or relying.

- (b) Any such advice, report, opinion, certificate, information, engagement letter or other document may be sent or obtained by letter, email or facsimile transmission and the Bond Trustee will not be liable for acting on any advice, report, opinion, certificate, information, engagement letter or other document purporting to be conveyed by any such letter, email or facsimile transmission although the same may contain some error or may not be authentic.
- (c) The Bond Trustee may call for and will be at liberty to accept as sufficient evidence of any fact or matter or the expediency of any transaction or thing a certificate signed by an Authorised Officer of the Issuer or two Authorised Officers of the Covered Bond Guarantor and the Bond Trustee will not be bound in any such case to call for further evidence or be responsible for any Liability that may be occasioned by it or any other person acting on such certificate.
- (d) The Bond Trustee will be at liberty to hold this document and any other documents relating thereto or to deposit them in any part of the world with any banker or banking company or company whose business includes undertaking the safe custody of documents or lawyer or firm of lawyers considered by the Bond Trustee to be of good repute and the Bond Trustee will not be responsible for or required to insure against any Liability incurred in connection with any such holding or deposit and may pay all sums required to be paid on account of or in respect of any such deposit.
- (e) The Bond Trustee will not be responsible for the receipt or application of the proceeds of the issue of any of the Covered Bonds by the Issuer, the exchange of any Global Covered Bond for another Global Covered Bond or Definitive Covered Bonds or the delivery of any Global Covered Bond or Definitive Covered Bonds to the person(s) entitled to it or them.
- (f) The Bond Trustee will not be bound to give notice to any person of the execution of any documents comprised or referred to in this document or to take any steps to ascertain whether any Issuer Event of Default, Potential Issuer Event of Default, Covered Bond Guarantor Event of Default or Potential Covered Bond Guarantor Event of Default or any breach of the Asset Coverage Test, Pre-Maturity Test or Amortisation Test has occurred and, until it has actual knowledge or express notice pursuant to this document to the contrary, the Bond Trustee will be entitled to assume that no Issuer Event of Default, Potential Issuer Event of Default, Covered Bond Guarantor Event of Default, Potential Covered Bond Guarantor Event of Default, breach of the Asset Coverage Test, Pre-Maturity Test or Amortisation Test has occurred and that any of the Issuer and the Covered Bond Guarantor and each of the other parties to the Programme Documents (other than the Bond Trustee) is observing and performing all its obligations under this document and the other Programme Documents.
- (g) Save as expressly otherwise provided in this document, the Bond Trustee will have absolute and uncontrolled discretion as to the exercise or non-exercise of its trusts, powers, authorities and discretions under this document (including directing the Security Trustee) (the exercise or non-exercise of which as between the Bond Trustee and the Covered Bondholders and the Couponholders will be conclusive and binding on the Covered Bondholders and the Couponholders) and will not be responsible for any Liabilities which may result from their exercise or non-exercise and in particular the Bond Trustee will not be bound to act at the request or direction of the Covered Bondholders or otherwise under any provision of this document or to take at such request or direction or otherwise any other action under any provision of this document, without prejudice to the generality of Clause 10, unless it is first indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may render itself liable or which it may incur by so doing.

- (h) The Bond Trustee will not be liable to any person by reason of having acted upon any Extraordinary Resolution in writing or any Extraordinary Resolution or other resolution purporting to have been passed at any meeting of Covered Bondholders of all or any Series in respect whereof minutes have been made and signed or any direction or request of the Covered Bondholders of all or any Series even though subsequent to its acting it may be found that there was some defect in the constitution of the meeting or the passing of the resolution, (in the case of an Extraordinary Resolution in writing) that not all such Covered Bondholders had signed the Extraordinary Resolution or (in the case of a direction or request) it was not signed by the requisite number of Covered Bondholders or that for any reason the resolution, direction or request was not valid or binding upon such Covered Bondholders and the relative and Couponholders.
- (i) The Bond Trustee will not be liable to any person by reason of having accepted as valid or not having rejected any Covered Bond or Coupon purporting to be such and subsequently found to be forged or not authentic.
- (j) Any consent or approval given by the Bond Trustee for the purposes of this document may be given on such terms and subject to such conditions (if any) as the Bond Trustee thinks fit and notwithstanding anything to the contrary in this document may be given retrospectively.
- (k) The Bond Trustee will not (unless and to the extent required to do so by law or ordered so to do by a court of competent jurisdiction) be required to disclose to any Covered Bondholder, Couponholder or any other Secured Creditor any information (including information of a confidential, financial or price sensitive nature) made available to the Bond Trustee by the Issuer, the Covered Bond Guarantor or any other person in connection with this document and no Covered Bondholder, Couponholder or other Secured Creditor will be entitled to take any action to obtain from the Bond Trustee any such information.
- (l) Where it is necessary or desirable for any purpose in connection with this document to convert any sum from one currency to another it must (unless otherwise provided by this document or required by law) be converted at such rate or rates, in accordance with such method and as at such date for the determination of such rate of exchange, as may be agreed by the Bond Trustee in consultation with the Issuer or the Covered Bond Guarantor (as the case may be) and any rate, method and date so agreed will be binding on the Issuer, the Covered Bond Guarantor, the Covered Bondholders and the Couponholders.
- (m) The Bond Trustee may certify whether or not any of the conditions, events and acts set out in Condition 9.1(b) or (c) and Condition 9.2(b) or (e) of the Programme Conditions (each of which conditions, events and acts will, unless in any case the Bond Trustee in its absolute discretion determines otherwise, for all the purposes of this document be deemed to include the circumstances resulting therein and the consequences resulting there from) is in its opinion materially prejudicial to the interests of the Covered Bondholders of any Series and any such certificate will be conclusive and binding upon the Issuer, the Covered Bond Guarantor, the Covered Bondholders and the Couponholders.
- (n) The Bond Trustee as between itself and the Covered Bondholders and the Couponholders may determine all questions and doubts arising in relation to any of the provisions of this document (including directing the Security Trustee). Every such determination, whether or not relating in whole or in part to the acts or proceedings of the Bond Trustee, will be conclusive and will bind the Bond Trustee and the Covered Bondholders and the Couponholders.
- (o) In connection with the exercise by it of any of its trusts, powers, authorities or discretions under this document (including any modification, waiver, authorisation or determination),

the Bond Trustee must have regard to the interests of the Covered Bondholders of each Series as a class (but must not have regard to any interests arising from circumstances particular to individual Covered Bondholders or Couponholders whatever their number) and, in particular but without limitation, must not have regard to the consequences of any such exercise for individual Covered Bondholders and Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Bond Trustee will not be entitled to require, nor will any Covered Bondholder or Couponholder be entitled to claim, from the Issuer, the Covered Bond Guarantor, the Bond Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Covered Bondholders and/or Couponholders, except to the extent already provided for in Condition 7 of the Programme Conditions and Condition 6 of the N Covered Bond Conditions and/or in any undertaking or covenant given in addition thereto or in substitution therefor under this document.

- (p) Any trustee appointed under this document being a lawyer, accountant, broker or other person engaged in any profession or business will be entitled to charge and be paid all usual and proper professional and other charges for business transacted and acts done by it or its firm in connection with the trusts under this document or any other of the Programme Documents to which the Bond Trustee is a party and also any properly incurred charges in addition to disbursements for all other work and business done and all time spent by it or its firm in connection with matters arising in connection with this document including any matters which might or should have been attended to in person by a trustee not being a lawyer, accountant, banker or other professional person.
- (q) The Bond Trustee may whenever it thinks fit delegate by power of attorney or otherwise to any person or persons or fluctuating body of persons (whether being a joint trustee of the trust established under this document or not) all or any of its trusts, powers, authorities and discretions under this document. Such delegation may be made upon such terms (including power to sub-delegate) and subject to such conditions and regulations as the Bond Trustee may in the interests of the Covered Bondholders think fit. Provided the Bond Trustee has exercised reasonable care in the selection of any such delegate, the Bond Trustee will not be under any obligation to supervise the proceedings or acts of any such delegate or sub-delegate or be in any way responsible for any Liability incurred by reason of any misconduct or default on the part of any such delegate or sub-delegate. The Bond Trustee must within a reasonable time after any such delegation or sub-delegation or any renewal, extension or termination thereof give notice thereof to the Issuer.
- (r) The Bond Trustee may in the conduct of the trusts established under this document instead of acting personally employ and pay an agent (whether being a lawyer or other professional person) to transact or conduct, or concur in transacting or conducting, any business and to do, or concur in doing, all acts required to be done in connection with this document (including the receipt and payment of money). Provided the Bond Trustee has exercised reasonable care in the selection of any such agent, the Bond Trustee will not be in any way responsible for any Liability incurred by reason of any misconduct or default on the part of any such agent or be bound to supervise the proceedings or acts of any such agent.
- (s) The Bond Trustee will not be responsible to any person for failing to request, require or receive any legal opinion relating to the Covered Bonds or for checking or commenting upon the content of any such legal opinion and will not be responsible for any Liability incurred thereby.
- (t) The Bond Trustee will not be responsible for the execution, delivery, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence of this document

and the Programme Documents or any other document relating or expressed to be supplemental thereto and will not be liable for any failure to obtain any licence, consent or other authority for the execution, delivery, legality, effectiveness, adequacy, genuineness, validity, performance, enforceability or admissibility in evidence of this document and the Programme Documents or any other document relating or expressed to be supplemental thereto.

- (u) The Bond Trustee will not be bound to take any action in connection with this document or any obligations arising pursuant thereto, including, without prejudice to the generality of the foregoing, forming any opinion or employing any financial adviser, where it is not reasonably satisfied that the Issuer and/or the Covered Bond Guarantor will be able to indemnify it against all Liabilities which may be incurred in connection with such action and may demand prior to taking any such action that there be paid to it in advance such sums as it reasonably considers (without prejudice to any further demand) sufficient so to indemnify it and on such demand being made the Issuer (and following an Issuer Event of Default and the service of an Issuer Acceleration Notice and a Notice to Pay on the Covered Bond Guarantor or, if earlier, following a Covered Bond Guarantor Event of Default and the service of a Covered Bond Guarantee Acceleration Notice, the Covered Bond Guarantor) will be obliged to make payment of all such sums in full.
- (v) No provision of this document may require the Bond Trustee to do anything which may (i) in its reasonable opinion be illegal or contrary to applicable law or regulation or (ii) cause it to expend or risk its own funds or otherwise incur any Liability in the performance of any of its duties or in the exercise of any of its rights, powers or discretions, if it has reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or Liability is not assured to it.
- (w) The Bond Trustee may appoint and pay any person to act as a custodian or nominee on any terms in relation to such assets of the trusts constituted by this document as the Bond Trustee may determine, including for the purpose of depositing with a custodian this document or any document relating to the trusts constituted by this document. Provided the Bond Trustee exercised reasonable care in the selection of such custodian or nominee, the Bond Trustee will not be responsible for any Liability incurred by reason of the misconduct, omission or default on the part of any such person appointed by it hereunder or be bound to supervise the proceedings or acts of such person. The Bond Trustee is not obliged to appoint a custodian if the Bond Trustee invests in securities payable to bearer.
- (x) Any corporation into which the Bond Trustee may be merged or with which it may be consolidated or any company resulting from any such merger or consolidation and any corporation to which the Bond Trustee may sell or otherwise transfer all or substantially all of its assets or any corporation to which the Bond Trustee may sell or otherwise transfer all or substantially all of its corporate trust business will be a party hereto and will be the Bond Trustee under this document without executing or filing any paper or document or any further act on the part of the parties thereto.
- (y) Unless expressly notified to the contrary, the Bond Trustee will be entitled to assume without enquiry (other than requesting a certificate pursuant to Clause 15.1(w)) that no Covered Bonds are held by, for the benefit of, or on behalf of, the Issuer, the Covered Bond Guarantor, any Subsidiary of any of them or any holding company of any of them or any other Subsidiary of any such holding company, in each case as beneficial owner.
- (z) The Bond Trustee will have no responsibility whatsoever to the Issuer, the Covered Bond Guarantor, any Covered Bondholder or Couponholder or any other person for the

maintenance of or failure to maintain any rating of any of the Covered Bonds by any Rating Agency.

- (aa) The Bond Trustee will not be responsible for, or for investigating any matter which is the subject of, any recital, statement, representation, warranty or covenant of any person contained in this document, or any other agreement or document relating to the transactions contemplated in this document or under such other agreement or document.
- (bb) The Bond Trustee will not be liable or responsible for any Liabilities or inconvenience which may result from anything done or omitted to be done by it in accordance with the provisions of this document.
- (cc) The Bond Trustee will not be responsible for any loss, expense or liability, which may be suffered as a result of any Mortgage Loan Rights or any Charged Property, or any deeds or documents of title thereto, being uninsured or inadequately insured or being held by clearing organisations or their operators or by intermediaries such as banks, brokers or other similar persons on behalf of the Bond Trustee. The Bond Trustee will not be responsible for: (i) monitoring or supervising the performance by the Issuer, the Covered Bond Guarantor or any other party to the Programme Documents of its respective obligations under the Programme Documents and the Bond Trustee will be entitled to assume, until it has received written notice to the contrary, that all such persons are properly performing their duties; (ii) considering the basis on which approvals or consents are granted by the Issuer or any other party to the Programme Documents under the Programme Documents; (iii) monitoring the Mortgage Loan Rights then forming part of the Assets of the Trust, including whether the Asset Coverage Test is satisfied or otherwise or the Legislated Collateralisation Test is satisfied or otherwise or the Amortisation Test is satisfied or otherwise or whether the Issuer is in breach of the Pre-Maturity Test; or (iv) monitoring whether Mortgage Loans are Eligible Mortgage Loans. The Bond Trustee will not be liable to any Covered Bondholder or other Secured Creditor for any failure to make or to cause to be made on their behalf the searches, investigations and enquiries which would normally be made by a prudent chargee in relation to the Security and have no responsibility in relation to the legality, validity, sufficiency and enforceability of the Security and the Programme Documents.
- (dd) Where under this document, the Bond Trustee or the Security Trustee is required to consider whether any event or the exercise by it of any of its powers, authorities or discretions is or will be materially prejudicial to the interests of the Covered Bondholders of one or more Series, the Bond Trustee will be entitled to call for and rely and act upon the advice or opinion of any reputable financial or other adviser (whether or not such financial adviser is a Secured Creditor or otherwise party to any Programme Document) and if relied upon by the Bond Trustee will be binding on the Covered Bondholders and Couponholders of all Series and the Bond Trustee will not incur any Liability by reason of so acting or relying.
- (ee) The Bond Trustee will not be bound to take any step or action in connection with this document or the Covered Bonds or obligations arising pursuant thereto, including, without prejudice to the generality of the foregoing, forming an opinion or employing any financial adviser, where it is not reasonably satisfied that it is indemnified and/or secured and/or prefunded against all its liabilities and costs incurred in connection with such step or action and may demand prior to taking any such step or action that there be paid to it in advance such sums as it reasonably considers (without prejudice to any further demand) is sufficient so to indemnify, secure or prefund it.
- (ff) In exercising or performing any of its discretions, rights, powers, trusts or duties under or in relation to this document or any other Programme Document (including any consent, approval, modification, waiver, authorisation or determination referred to in Clauses 20 and

21), the Bond Trustee may have regard to and rely, without liability on any Rating Affirmation Notice and whether or not any such notice is addressed to, or provides that it may be relied on by, the Bond Trustee and irrespective of the method by which such confirmation is conveyed.

In the event that the Bond Trustee is:

- (i) requested by the Security Trustee;
- (ii) required by the holders of the Covered Bonds,

to provide the Security Trustee with instructions, the Bond Trustee may do so (save where expressly provided otherwise):

- (iii) in the case of paragraph (i) above only, in its absolute discretion subject to and in accordance with this document; or
- (iv) in the case of both paragraph (i) and (ii) above, if so requested in writing by the holders of not less than 25 per cent. in aggregate of the Principal Amount Outstanding of the Covered Bonds then outstanding (with the Covered Bonds of all Series taken together as a single Series and, if the nominal amount of the Covered Bonds is not denominated in Australian Dollars, converted into Australian Dollars at the relevant Swap Rate) or directed by an Extraordinary Resolution of the holders of the Covered Bonds then outstanding (with the Covered Bonds of all Series taken together as a single Series and, if the nominal amount of the Covered Bonds is not denominated in Australian Dollars, converted into Australian Dollars at the relevant Swap Rate),

subject in each case to the Bond Trustee being indemnified and/or secured and/or prefunded to its satisfaction prior to it giving any instructions to the Security Trustee. The Bond Trustee will be entitled to request the Covered Bondholders (voting as aforesaid) to direct it in relation to any matter in relation to which the Security Trustee has requested instructions. The Bond Trustee will have no obligation to monitor the performance of the Security Trustee and will have no liability to any person for the performance or non-performance of the Security Trustee. In no circumstances will the Bond Trustee be required to indemnify, secure or prefund the Security Trustee.

If, in connection with the exercise of its powers, trusts, authorities or discretions (including directing the Security Trustee) the Bond Trustee is of the opinion that the interests of the Covered Bondholders of any one or more Series would be materially prejudiced thereby, the Bond Trustee must not exercise such power, trust, authority or discretion without the approval of such Covered Bondholders of the relevant Series by Extraordinary Resolution or by a direction in writing of such Covered Bondholders of at least 25 per cent. of the Principal Amount Outstanding of Covered Bonds of the relevant Series then outstanding or as otherwise required under the Programme Documents.

- (gg) Notwithstanding any provision of this document or any other Programme Document, the Bond Trustee will have no responsibility for the adequacy or sufficiency of, or any deterioration in the value, of the Mortgage Loan Rights forming part of the Assets of the Trust, neither will it be obliged to monitor the performance of those Mortgage Loan Rights or be responsible for monitoring whether or not the best price has been achieved for the sale of any Mortgage Loan Rights (including Selected Mortgage Loan Rights) by or on behalf of the Covered Bond Guarantor or otherwise pursuant to the Programme Documents or whether or not any such sale has been effected on terms commercially available in the market or

effected in a timely manner. The Bond Trustee will not be liable to any Transaction Party or Secured Creditor, including the Covered Bondholders, or any other person for any loss occasioned thereby.

- (hh) The Bond Trustee will be entitled to rely on any certificate as to any matter certified therein given by a person reasonably believed by the Bond Trustee to have the requisite knowledge to give the same.
- (ii) When determining, pursuant to any Programme Document, whether a circumstance is materially prejudicial to the interests of the Covered Bondholders for the purpose of clause 15.1 of the Servicing Deed or clause 10.1 of the Management Agreement, the Bond Trustee may obtain such directions from Covered Bondholders and/or expert advice as it considers appropriate and rely thereon, without any responsibility for delay occasioned by so doing.
- (jj) When determining, whether to direct the Security Trustee to terminate the appointment of the Cover Pool Monitor pursuant to clause 5.4 of the Cover Pool Monitor Agreement or whether to direct the Security Trustee to accept an offer of the Seller to purchase Mortgage Loan Rights in accordance with clause 13.8 of the Security Deed, the Bond Trustee may obtain such directions from Covered Bondholders and/or expert advice as it considers appropriate and rely thereon, without any responsibility for delay occasioned by so doing.
- (kk) Neither the Servicer, the Cover Pool Monitor nor the Trust Manager is the agent of the Bond Trustee and the Bond Trustee has no obligation to assume the role or responsibilities of the Servicer, the Cover Pool Monitor or the Trust Manager or to take any action to find a replacement Servicer, Cover Pool Monitor or Trust Manager and will in no circumstances be bound to provide any kind of indemnity, prefunding or security to any Servicer, Substitute Servicer, any Trust Manager or Substitute Trust Manager or any Cover Pool Monitor or substitute Cover Pool Monitor.
- (ll) For the avoidance of doubt, and notwithstanding anything to the contrary in the other Programme Documents any reference herein and/or in any other Programme Document to the Bond Trustee directing and/or instructing the Security Trustee will refer to the Bond Trustee acting pursuant to the provisions of this document and having the protections set out herein.
- (mm) The Bond Trustee acknowledges and agrees to be bound by and has the benefit of the terms of the Establishment Deed and the Security Deed as if it were a party to those documents.

## **18. BOND TRUSTEE'S LIABILITY**

Nothing in this document will in any case in which the Bond Trustee has failed to show the degree of care and diligence required of it as trustee having regard to the provisions of this document conferring on it any trusts, powers, authorities or discretions relieve or indemnify the Bond Trustee against any Liabilities which by virtue of any rule of law would otherwise attach to it in respect of any gross negligence, bad faith, wilful default or breach of trust which it may have committed in relation to its duties under this document.

## **19. BOND TRUSTEE CONTRACTING WITH THE ISSUER AND THE COVERED BOND GUARANTOR**

Neither the Bond Trustee nor any director or officer or holding company, Subsidiary or associated company of a corporation acting as a trustee under this document will by reason of its or his fiduciary position be in any way precluded from:



- (a) entering into or being interested in any contract or financial or other transaction or arrangement with the Issuer or the Covered Bond Guarantor or any of their respective Subsidiaries and affiliates (including any contract, transaction or arrangement of a banking or insurance nature or any contract, transaction or arrangement in relation to the making of loans or the provision of financial facilities or financial advice to, or the purchase, placing or underwriting of or the subscribing or procuring subscriptions for or otherwise acquiring, holding or dealing with, or acting as paying agent in respect of, the Covered Bonds or any other covered bonds, bonds, stocks, shares, debenture stock, debentures or other securities of, the Issuer, the Covered Bond Guarantor or any of their respective Subsidiaries or affiliates); or
- (b) accepting or holding the trusteeship of any other trust deed constituting or securing any other securities issued by or guaranteed by, or relating to the Issuer or the Covered Bond Guarantor or any of their respective Subsidiaries or affiliates, or any other office of profit under the Issuer or the Covered Bond Guarantor or any of their respective Subsidiaries or affiliates,

and will be entitled to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such contract, transaction or arrangement as is referred to in Clause 19 (a) above or, as the case may be, any such trusteeship or office of profit as is referred to in this Clause 19(b) above without regard to the interests of, or consequences for the Covered Bondholders or Couponholders and notwithstanding that the same may be contrary or prejudicial to the interests of the Covered Bondholders and will not be responsible for any Liability occasioned to the Covered Bondholders or Couponholders or any other person thereby and will be entitled to retain and will not be in any way liable to account for any profit made or share of brokerage or commission or remuneration or other amount or benefit received thereby or in connection therewith.

Where any holding company, Subsidiary or associated company of the Bond Trustee or any director or officer of the Bond Trustee acting other than in his capacity as such a director or officer has any information, the Bond Trustee will not thereby be deemed also to have knowledge of such information and, unless it has actual knowledge of such information, will not be responsible for any loss suffered by Covered Bondholders resulting from the Bond Trustee's failing to take such information into account in acting or refraining from acting under or in relation to this document.

## **20. WAIVER, AUTHORISATION AND DETERMINATION**

- 20.1 The Bond Trustee may without the consent of any of the Covered Bondholders of any Series, the related Couponholders or any other Secured Creditor and without prejudice to its rights in respect of any subsequent breach, Issuer Event of Default, Potential Issuer Event of Default, Covered Bond Guarantor Event of Default or Potential Covered Bond Guarantor Event of Default from time to time and at any time but only if and insofar as in its opinion the interests of the Covered Bondholders of any Series will not be materially prejudiced thereby, waive or authorise, or direct the Security Trustee to waive or authorise, any breach or proposed breach by the Issuer and/or the Covered Bond Guarantor or any other person of any of the covenants or provisions contained in this document or the other Programme Documents or the relevant Conditions or determine that any Issuer Event of Default, Potential Issuer Event of Default, Covered Bond Guarantor Event of Default or Potential Covered Bond Guarantor Event of Default will not be treated as such for the purposes of this document PROVIDED ALWAYS THAT the Bond Trustee must not exercise any powers conferred on it by this Clause 20 in contravention of any express direction given by Extraordinary Resolution or by a request under Condition 9 of the Programme Conditions but so that no such direction or request will affect any waiver, authorisation or determination previously given or made. Any such waiver, authorisation or determination may be given or made on such terms and subject to such conditions (if any) as the Bond Trustee may determine, will be binding on the Covered Bondholders, the related Couponholders and, if, but only if, the Bond Trustee so requires, must be notified by the

Issuer or the Trust Manager (on behalf of the Covered Bond Guarantor) to the Covered Bondholders in accordance with Condition 12 of the Programme Conditions (in the case of Covered Bonds which are not N Covered Bonds) and/or in accordance with Condition 9 of the N Covered Bond Conditions (in the case of N Covered Bonds) relating to notices and communications and each Rating Agency as soon as practicable thereafter.

- 20.2 Subject as provided below, the Bond Trustee will be bound to waive or authorise, or direct the Security Trustee to waive or authorise, any breach or proposed breach by the Issuer or the Covered Bond Guarantor or any other person of any of the covenants or provisions contained in this document or the other Programme Documents or the relevant Conditions or determine that any Issuer Event of Default, Potential Issuer Event of Default, Covered Bond Guarantor Event of Default or Potential Covered Bond Guarantor Event of Default will not be treated as such for the purposes of this document if it is: (i) in the case of any such waiver or authorisation, (a) so directed by Extraordinary Resolution of the Covered Bondholders of the relevant one or more Series with the Covered Bonds of all such Series taken together as a single Series (as determined in accordance with the provisions of paragraph 22 of Schedule 6 and, if applicable, converted into Australian Dollars at the relevant Swap Rate) or (b) requested to do so in writing by the holders of not less than 25 per cent. of the Principal Amount Outstanding of the Covered Bonds of the relevant one or more Series (with the Covered Bonds of all such Series taken together as a single Series as determined in accordance with paragraph 22 of Schedule 6 and, if applicable, converted into Australian Dollars at the relevant Swap Rate) or (ii), in the case of any such determination, (a) so directed by an Extraordinary Resolution (of the Covered Bondholders of all Series then outstanding with the Covered Bonds of all Series as a single Series and, if applicable, converted into Australian Dollars at the relevant Swap Rate) or (b) requested to do so in writing by the holders of not less than 25 per cent. of the Principal Amount Outstanding of the Covered Bonds then outstanding (with the Covered Bonds of all Series taken together as a single Series and, if applicable, converted into Australian Dollars as aforesaid), and at all times then only if it is indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing.

## **21. MODIFICATION**

- 21.1 Subject to Clause 21.2 the Bond Trustee may, without the consent or sanction of any of the Covered Bondholders of any Series, the related Couponholders and without the consent or sanction of the other Secured Creditors (other than any Secured Creditor who is party to the relevant document) at any time and from time to time concur with the Issuer, the Covered Bond Guarantor (acting on the direction of the Trust Manager) and any other party, and/or direct the Security Trustee to concur with the Issuer, the Covered Bond Guarantor (acting on the directions of the Trust Manager) and any other party in making:
- (a) any modification (other than in relation to a Series Reserved Matter) to the Covered Bonds of one or more Series, the related Coupons or any Programme Document provided that in the opinion of the Bond Trustee such modification is not materially prejudicial to the interests of the Covered Bondholders of any Series; or
  - (b) any modification to the Covered Bonds of any one or more Series, the related Coupons or any Programme Document which is, in the opinion of the Bond Trustee:
    - (i) of a formal, minor or technical nature; or
    - (ii) made to correct a manifest error; or

- (iii) made to comply with mandatory provisions of law (and for this purpose the Bond Trustee may disregard whether any such modification relates to a Series Reserved Matter).

In forming an opinion as to whether the Covered Bonds of any one or more Series, the related Coupons or any Programme Document is subject to a manifest error, the Bond Trustee may have regard to any evidence which the Bond Trustee considers reasonable to rely on, including:

- (iv) a certificate from the Issuer:
  - (A) stating the intention of the parties to the relevant Programme Documents;
  - (B) confirming that nothing has been said to, or by, investors or any other parties which is in any way inconsistent with the stated intention; and
  - (C) stating that the relevant modification to the relevant Programme Documents is required to reflect such intention; and
- (v) a Rating Affirmation Notice issued by the Issuer.

Any such modification may be made on such terms and subject to such conditions (if any) as the Bond Trustee may determine, will be binding upon the Covered Bondholders, the related the Couponholders and, unless the Bond Trustee otherwise agrees, must be notified by the Issuer or the Covered Bond Guarantor (acting at the direction of the Trust Manager) (as the case may be) to the Covered Bondholders in accordance with Condition 12 of the Programme Conditions (in the case of Covered Bonds which are not N Covered Bonds) and/or in accordance with Condition 9 of the N Covered Bond Conditions (in the case of N Covered Bonds) relating to notices and communications and to the Rating Agencies as soon as practicable thereafter.

- 21.2 Subject to Clause 21.3, the Bond Trustee will be bound to concur with the Issuer and the Covered Bond Guarantor (acting at the direction of the Trust Manager) and any other party in making any of the above-mentioned modifications and/or direct the Security Trustee to make any of the above mentioned modifications if it is (a) so directed by an Extraordinary Resolution of the Covered Bondholders of the relevant one or more Series with the Covered Bonds of all such Series taken together as a single Series (as determined in accordance with the provisions of paragraph 22 of Schedule 6 and, if applicable, converted into Australian Dollars at the relevant Swap Rate) or (b) requested to do so in writing by Covered Bondholders holding not less than 25 per cent. of the Principal Amount Outstanding of the Covered Bonds of the relevant one or more Series (with the Covered Bonds of all such Series taken together as a single Series as determined in accordance with the provisions of paragraph 22 of Schedule 6 and, if applicable, converted into Australian Dollars at the relevant Swap Rate) then outstanding and at all times then only if it is first indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing.
- 21.3 The Bond Trustee will not be obliged to agree to any modification which, in the sole opinion of the Bond Trustee would have the effect of (a) exposing the Bond Trustee to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction or (b) increasing the obligations or duties, or decreasing the protections, of the Bond Trustee in the Programme Documents and/or the relevant Conditions.
- 21.4 Subject to Clause 21.3, the Bond Trustee is obliged to concur in and to effect any modifications to the Programme Documents that are requested by the Issuer, Covered Bond Guarantor or the Trust Manager to:

- (a) accommodate the accession of a new Servicer, new Swap Provider, new Trust Manager, new Agent, new Account Bank or new Cover Pool Monitor to the Programme provided that:
  - (i) each of the Swap Providers provide written confirmation to the Security Trustee and Bond Trustee consenting to such modification of those documents to which they are a party (such consent not to be unreasonably withheld);
  - (ii) the Trust Manager has certified to the Bond Trustee and Security Trustee in writing that such modifications are required in order to accommodate the addition of the new Servicer, new Swap Provider, new Trust Manager, new Agent, new Account Bank or new Cover Pool Monitor to the Programme; and
  - (iii) the Trust Manager has certified to the Bond Trustee and Security Trustee in writing that all other conditions precedent to the accession of the new Servicer, new Swap Provider, new Trust Manager, new Agent, new Account Bank or new Cover Pool Monitor to the Programme set out in the Programme Documents have been satisfied at the time of the accession;
- (b) take into account any changes in the covered bonds ratings criteria of the Rating Agencies where, absent such modifications, the Issuer is reasonably satisfied following discussions with the relevant Rating Agency (and has provided a certificate in writing to the Bond Trustee to that effect) that the rating assigned by the relevant Rating Agency to one or more Series of Covered Bonds may be subject to a downgrade, qualification or withdrawal and even if such changes are, or may be, prejudicial or materially prejudicial to the interests of the Covered Bondholders of any Series;
- (c) allow a Swap Provider to transfer securities as Swap Collateral under a relevant Swap Agreement Credit Support Annex, including to appoint a custodian to hold such securities in a custody account pursuant to a custody agreement; or
- (d) ensure compliance of the Programme or the Issuer, as applicable, with, or ensure that the Issuer may benefit from, any existing, new or amended legislation, regulation, directive, prudential standard or prudential guidance note of any regulatory body (including APRA) in relation to covered bonds provided that the Issuer or the Trust Manager has certified to the Bond Trustee and the Security Trustee in writing that such modifications are required in order to comply with or benefit from such legislation, regulation, directive, prudential standard or prudential guidance note, as the case may be.

21.5 Subject to Clause 21.3, in the event that the Issuer elects to issue a Series or Tranche of Covered Bonds in a Specified Currency which requires amendments to be made to the Programme Documents in order that such Series or Tranche of Covered Bonds may be issued in that Specified Currency, the Bond Trustee is obliged to concur in and to effect any modifications to the Programme Documents that are requested by the Issuer to accommodate the issue of a Series or Tranche of Covered Bonds in such Specified Currency, provided that the Issuer has certified to the Bond Trustee and the Security Trustee in writing that such modifications are required in order to enable the issue of a Series or Tranche of Covered Bonds in such Specified Currency.

## 22. SUBSTITUTION

22.1 The Bond Trustee may without the consent or sanction of the Covered Bondholders or Couponholders at any time agree to the substitution in place of the Issuer (or of the previous substitute under this Clause 22.1) as the principal debtor under the Covered Bonds, Coupons and this document of any other corporation (such substituted company being hereinafter called the **Substituted Company**) provided that:

- (a) a trust deed is executed or some other written form of undertaking is given by the Substituted Company to the Bond Trustee in a form and manner satisfactory to the Bond Trustee to be bound by the provisions of this document (with any consequential amendments which the Bond Trustee may deem appropriate) as fully as if the Substituted Company had been named in this document as the principal debtor in respect of the Covered Bonds in place of the Issuer (or of the previous substitute under this Clause 22.1);
- (b) without prejudice to the generality of paragraph (a) of this clause, where the Substituted Company is incorporated, domiciled or resident in, or subject generally to the taxing jurisdiction of Australia, undertakings or covenants in form and manner satisfactory to the Bond Trustee must, unless the Bond Trustee otherwise agrees, be given by the Substituted Company in terms corresponding to the provisions of Condition 7 of the Programme Conditions and Condition 6 of the N Covered Bond Conditions with the substitution for (or, as the case may be, the addition to) the references to that other or additional territory in which the Substituted Company is incorporated, domiciled or resident or to whose taxing jurisdiction it is subject and (where applicable) Condition 5.2 of the Programme Conditions and Condition 4.2 of the N Covered Bond Conditions will be modified accordingly;
- (c) each stock exchange or market on which the Covered Bonds are listed has confirmed in writing that following the proposed substitution of the Substituted Debtor the Covered Bonds will continue to be listed on such stock exchange or market;
- (d) confirmations are received by the Bond Trustee in the form of a Rating Affirmation Notice issued by the Issuer confirming that the substitution will not adversely affect the then current rating of the Covered Bonds;
- (e) without prejudice to the rights of reliance of the Bond Trustee under the immediately following paragraph, the Bond Trustee is satisfied that the relevant transaction is not materially prejudicial to the interests of the Covered Bondholders;
- (f) if two directors of the Substituted Company certify that the Substituted Company will be solvent at and immediately after the time at which the said substitution is to be effected (which certificate the Bond Trustee may rely on absolutely without liability to any person), the Bond Trustee must not have regard to the financial condition, profits or prospects of the Substituted Company or compare the same with those of the Issuer;
- (g) the Substituted Company must provide a legal opinion obtained from lawyers of international repute in (a) England and Wales and (b) the jurisdiction of incorporation of the Substituted Company in a form satisfactory to the Bond Trustee confirming that (i) 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, this document have been obtained and (ii) such approvals and consents are at the time of substitution in full force and effect;
- (h) the Issuer and the Substituted Company must execute such other deeds, documents and instruments (if any) as the Bond Trustee may direct in the interests of the Covered Bondholders to ensure that any such substitution is fully effective and comply with such other reasonable requirements in the interests of the Covered Bondholders as the Bond Trustee may direct; and
- (i) the Covered Bond Guarantee will remain in place or be modified to apply *mutatis mutandis* and will continue in full force and effect in relation to the obligations of any Substituted Company.

Any such trust deed or undertaking will, if so expressed, operate to release the Issuer or the previous substitute as aforesaid from all of its obligations as principal debtor under this document. Not later than 14 days after the execution of such documents and compliance with such requirements, the Substituted Company must give notice thereof in a form previously approved by the Bond Trustee to the Covered Bondholders in the manner provided in Condition 12 of the Programme Conditions (in the case of Covered Bonds which are not N Covered Bonds) and/or in accordance with Condition 9 of the N Covered Bond Conditions (in the case of N Covered Bonds) relating to notices and communications. Upon the execution of such documents and compliance with such requirements, the Substituted Company will be deemed to be named in this document as the principal debtor in place of the Issuer (or in place of the previous substitute under this Clause 22.1) under this document and this document will be deemed to be modified in such manner as may be necessary to give effect to the above provisions and, without limitation, references in this document to the Issuer will, unless the context otherwise requires, be deemed to be or include references to the Substituted Company.

- 22.2 In connection with any scheme of amalgamation or reconstruction of the Issuer not involving the bankruptcy or insolvency of the Issuer and (a) where the Issuer does not survive the amalgamation or reconstruction or (b) where all or substantially all of the assets and business of the Issuer will be disposed of to, or succeeded to, by another entity (whether by operation of law or otherwise), the Bond Trustee will, if requested by the Issuer, be obliged, without the consent or sanction of the Covered Bondholders or the Couponholders, at any time to agree with the Issuer to the substitution in place of the Issuer (or of the previous substitute under this Clause 22.2) as the principal debtor under this document of any other company (the **Substituted Debtor**) being the entity with and into which the Issuer amalgamates or the entity to which all or substantially all of the business and assets of the Issuer is transferred or succeeded to pursuant to such scheme of amalgamation or reconstruction (whether by operation of law or otherwise) provided that:
- (a) a supplemental trust deed is executed or some other form of undertaking is given by the Substituted Debtor in form and manner satisfactory to the Bond Trustee, agreeing to be bound by the provisions of this document with any consequential amendments which the Bond Trustee may deem appropriate as fully as if the Substituted Debtor had been named in this document as the principal debtor in place of the Issuer (or of the previous substitute under this Clause 22.2);
  - (b) the Substituted Debtor acquires or succeeds to pursuant to such scheme of amalgamation or reconstruction all or substantially all of the assets and business of the Issuer;
  - (c) each stock exchange or market on which the Covered Bonds are listed has confirmed in writing that following the proposed substitution of the Substituted Debtor the Covered Bonds will continue to be listed on such stock exchange or market;
  - (d) the supplemental trust deed contains a warranty and representation by the Substituted Debtor that: (A) the Substituted Debtor has obtained all necessary governmental and regulatory approvals and consents necessary for or in connection with the assumption by the Substituted Debtor of liability as principal debtor in respect of, and of its obligations under, the supplemental trust deed and the Covered Bonds; (B) such approvals and consents are at the time of substitution in full force and effect; and (C) the obligations assumed by the Substituted Debtor under the supplemental trust deed are legal, valid and binding in accordance with their respective terms;
  - (e) where the Substituted Debtor is incorporated, domiciled or resident in, or subject generally to the taxing jurisdiction of Australia, undertakings or covenants in form and manner satisfactory to the Bond Trustee are given by the Substituted Debtor in terms corresponding to the provisions of Condition 7 of the Programme Conditions and Condition 6 of the N Covered Bond Conditions with the substitution for (or, as the case may be, the addition to)

the references to that other or additional territory in which the Substituted Debtor is incorporated, domiciled or resident or to whose taxing jurisdiction it is subject and (where applicable) Condition 5.2 of the Programme Conditions and Condition 4.2 of the N Covered Bond Conditions will be modified accordingly;

- (f) without prejudice to the rights of reliance of the Bond Trustee under the immediately following paragraph, the Bond Trustee is satisfied that the relevant transaction is not materially prejudicial to the interests of the Covered Bondholders;
- (g) if two directors of the Substituted Debtor certify that the Substituted Debtor is solvent both at the time at which the relevant transaction is proposed to be effected and immediately thereafter (which certificate the Bond Trustee may rely on absolutely without liability to any person) and the Bond Trustee must not have regard to the financial condition, profits or prospects of the Substituted Debtor or compare the same with those of the Issuer;
- (h) the Covered Bond Guarantee will remain in place or be modified to apply *mutatis mutandis* and will continue in full force and effect in relation to the obligations of any Substituted Debtor;
- (i) confirmations are received by the Bond Trustee from each of the Rating Agencies confirming that the substitution will not adversely affect the then current rating of the Covered Bonds; and
- (j) the Issuer and the Trust Manager, must deliver to the Bond Trustee legal opinions obtained from lawyers of international repute in (a) England and Wales and (b) the jurisdiction of incorporation of the Substituted Debtor in form and substance satisfactory to the Bond Trustee.

Any such supplemental trust deed or undertaking will, if so expressed, operate to release the Issuer or the previous substitute as stated above from all of its obligations as principal debtor or guarantor, as the case may be, under this document. Not later than 14 days after the execution of such documents and compliance with such requirements, the Substituted Debtor must give notice thereof in a form previously approved by the Bond Trustee to the Covered Bondholders in the manner provided in Condition 12 of the Programme Conditions (in the case of Covered Bonds which are not N Covered Bonds) and/or in accordance with Condition 9 of the N Covered Bond Conditions (in the case of N Covered Bonds). Upon the execution of such documents and compliance with such requirements, the Substituted Debtor will be deemed to be named in this document as the principal debtor in place of the Issuer (or in place of the previous substitute under this Clause 22.2) under this document and this document will be deemed to be modified in such manner as may be necessary to give effect to the above provisions and, without limitation, references in this document to the Issuer will, unless the context otherwise requires, be deemed to be or include references to the Substituted Debtor.

## **23. BREACH**

Any breach of or failure to comply by the Issuer and/or the Covered Bond Guarantor with any such terms and conditions as are referred to in Clause 20 or 21 or 22 will constitute a default by the Issuer or the Covered Bond Guarantor in the performance or observance of a covenant or provision binding on it under or pursuant to this document.

**24. HOLDER OF BEARER DEFINITIVE COVERED BOND ASSUMED TO BE COUPONHOLDER**

Wherever in this document the Bond Trustee is required or entitled to exercise a power, trust, authority or discretion under this document, except as ordered by a court of competent jurisdiction or as required by applicable law, the Bond Trustee must, notwithstanding that it may have express notice to the contrary, assume that each holder of a Bearer Definitive Covered Bond is the holder of all Coupons appertaining to such Bearer Definitive Covered Bond.

**25. NO NOTICE TO COUPONHOLDERS**

Neither the Bond Trustee, the Issuer nor the Covered Bond Guarantor will be required to give any notice to the Couponholders for any purpose under this document and the Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Covered Bonds in accordance with Condition 12 of the Programme Conditions.

**26. EXCHANGE RATE INDEMNITY**

- 26.1 If a judgment or order is rendered by a court of any particular jurisdiction for the payment of any amounts owing to the Bond Trustee or the Covered Bondholders or Couponholders under this document, the Covered Bonds or the Coupons, or under a judgment or order of a court of any other jurisdiction in respect thereof or for the payment of damages in respect of either thereof, and any such judgment or order is expressed in a currency (the **Judgment Currency**) other than that in which the relevant Covered Bonds are denominated and payable (the **Contractual Currency**) and the Bond Trustee or the Covered Bondholders or the Couponholders do not have an option to have such judgment or order of such court to be expressed in the Contractual Currency, the Issuer and the Covered Bond Guarantor must severally indemnify and hold the Bond Trustee and the Covered Bondholders and Couponholders harmless against any deficiency arising or resulting from any variation in rates of exchange between the Judgment Currency and the Contractual Currency occurring between: (a) the date on which any amount expressed in the Contractual Currency is converted, for the purposes of making or filing any claim resulting in any such judgment or order, into an equivalent amount in the Judgment Currency or, if such conversion is made by the court for the purpose of making such judgment, the date of such conversion; and (b) the date or dates of payment of such amount (or part thereof), or of discharge of such first-mentioned judgment or order (or part thereof), as appropriate.
- 26.2 The above indemnities will constitute separate and independent obligations of the Issuer and the Covered Bond Guarantor from their other obligations under this document, will give rise to separate and independent causes of action, will apply irrespective of any indulgence granted by the Bond Trustee or the Covered Bondholders or Couponholders from time to time and will continue in full force and effect notwithstanding any judgment or order or the filing of any proof or proofs in the liquidation of the Issuer or the Covered Bond Guarantor for a liquidated sum or sums in respect of amounts due under this document or under any such judgement or order. Any such deficiency as aforesaid will be deemed to constitute a loss suffered by the Bond Trustee and the Covered Bondholders and Couponholders, and no proof or evidence of any actual loss will be required by the Issuer, the Covered Bond Guarantor or its or their liquidator(s).
- 26.3 If by any reason of any judgment as is referred to in Clause 26.1 above the amount receivable by the Bond Trustee, the Covered Bondholders or the Couponholders if converted on the date of payment into the Contractual Currency would yield a sum in excess of that due (expressed in the Contractual Currency), the Bond Trustee must hold such excess (if so received) to the order of the Issuer, as the case may be, the Covered Bond Guarantor.



## **27. NEW BOND TRUSTEE**

The power to appoint a new bond trustee under this document will, subject to Clause 29, be vested in solely Issuer and the Covered Bond Guarantor (acting on the direction of the Trust Manager) jointly but no person proposed to be so appointed may be appointed without first being approved by an Extraordinary Resolution of the Covered Bondholders of all Series taken together as a single Series. One or more persons may hold office as bond trustee or bond trustees of under this document but such bond trustee or bond trustees must be or include a trust corporation. Whenever there are more than two bond trustees under this document the majority of such bond trustees will be competent to execute and exercise all the duties, powers, trusts, authorities and discretions vested in the Bond Trustee by this document provided that a trust corporation must be included in such majority. Any appointment of a new bond trustee under this document must as soon as practicable thereafter be notified by the Issuer to the Rating Agencies, the Principal Paying Agent, the N Covered Bond Paying Agent, the Registrar, the N Covered Bond Registrar, the Security Trustee and the Covered Bondholders in accordance with Condition 12 of the Programme Conditions.

## **28. SEPARATE AND CO-TRUSTEES**

Notwithstanding the provisions of Clause 27 above, the Bond Trustee may, upon giving reasonable prior written notice to the Issuer, the Covered Bond Guarantor and the Trust Manager (but without the consent of the Issuer, the Covered Bond Guarantor, the Trust Manager, the Covered Bondholders or Couponholders), appoint any person established or resident in any jurisdiction (whether a Trust Corporation or not) to act either as a separate bond trustee or as a co-bond trustee jointly with the Bond Trustee:

- (a) if the Bond Trustee considers such appointment to be in the interests of the Covered Bondholders;
- (b) for the purposes of conforming to any legal requirements, restrictions or conditions in any jurisdiction in which any particular act or acts is or are to be performed; or
- (c) for the purpose of obtaining a judgment in any jurisdiction or the enforcement in any jurisdiction of either a judgment already obtained or any of the provisions of this document against the Issuer or the Covered Bond Guarantor.

Before appointing such person to act as such a separate bond trustee or co-bond trustee the Bond Trustee must, if circumstances so permit, consult the Issuer and the Covered Bond Guarantor and any person so appointed must not be a person to whose appointment the Issuer and the Covered Bond Guarantor might reasonably object by reason of any conflict of interest, other disability or other important reason and a determination given by the Bond Trustee (after consulting its legal advisor in the appropriate jurisdiction) that in its opinion there is no such conflict of interest or other disability or other important reason in relation to any such person will be conclusive and binding upon the Issuer and the Covered Bond Guarantor.

Each of the Issuer and the Covered Bond Guarantor irrevocably appoints the Bond Trustee to be its attorney in its name and on its behalf to execute any such instrument of appointment. Such a person will (subject always to the provisions of this document) have such trusts, powers, authorities and discretions (not exceeding those conferred on the Bond Trustee by this document) and such duties and obligations as will be conferred or imposed by the instrument of appointment. The Bond Trustee has power in like manner to remove any such person. Such remuneration as the Bond Trustee may pay to any such person, together with any attributable Liabilities incurred by it in performing its function as such separate bond trustee or co-bond trustee, will for the purposes of this document be treated as Liabilities incurred by the Bond Trustee.

## **29. BOND TRUSTEE'S RETIREMENT AND REMOVAL**

A bond trustee of the trusts established under this document may retire at any time on giving not less than three months' prior written notice to the Issuer, the Covered Bond Guarantor, the Trust Manager and the Security Trustee without giving any reason and without being responsible for any Liabilities incurred by reason of such retirement. The Covered Bondholders may by Extraordinary Resolution of the Covered Bondholders of all Series taken together as a single Series remove any bond trustee or bond trustees for the time being of the trusts established under this document. Each of the Issuer and the Trust Manager undertakes that in the event of the only bond trustee of the trusts established under this document which is a Trust Corporation giving notice under this Clause 29 or being removed by Extraordinary Resolution it will use all reasonable endeavours to procure that a new bond trustee of the trusts established under this document being a Trust Corporation is appointed in accordance with Clause 27 as soon as reasonably practicable thereafter. The retirement or removal of any such bond trustee will not become effective until a successor bond trustee being a Trust Corporation is appointed. If, in such circumstances, no appointment of such new bond trustee has become effective within 60 days of the date of such notice or Extraordinary Resolution, the Bond Trustee will be entitled to appoint a Trust Corporation as bond trustee of the trusts established under this document, but no such appointment will take effect unless previously approved by an Extraordinary Resolution of all Series taken together as a single Series.

## **30. BOND TRUSTEE'S POWERS TO BE ADDITIONAL**

The powers conferred upon the Bond Trustee by this document will be in addition to any powers which may from time to time be vested in the Bond Trustee by the general law or as a holder of any of the Covered Bonds or Coupons.

## **31. NOTICES**

- (a) Clauses 31.4 of the Establishment Deed is incorporated in this document as if set out here in full, except that all references to "Clause 31" will be references to this Clause 31.
- (b) For the purposes of Clause 31.4(b) of the Establishment Deed, the initial address, facsimile number and email address of the Bond Trustee are as follows:

### **Bond Trustee:**

Address: 1 Great Winchester Street, London, EC2N 2DB, United Kingdom

Telephone: +44 (0) 207 545 8000

Facsimile: +44 (0) 207 547 6149

Attention: The Managing Director

Email: TSS-GDS.ROW@db.com

## **32. LIMITED RECOURSE**

Each of clauses 31.6, 31.7, 31.8 and 31.10 of the Establishment Deed are incorporated in this document as if set out in full in this document, except that all references to "Clause 31" will be references to "Clause 32".

### **33. GOVERNING LAW**

- (a) This document and any non-contractual obligations arising out of or in connection with it, other than Clause 2.4 (but only to the extent that it relates to the A\$ Registered Covered Bonds), Clause 3.4 and Clause 32, will be governed by, and will be construed in accordance with, English law.
- (b) Clause 2.4 (to the extent that it relates to the A\$ Registered Covered Bonds), Clause 3.4 and Clause 32 will be governed by and construed in accordance with the law applying in the State of New South Wales, Australia.

### **34. SUBMISSION TO JURISDICTION**

Each party to this document hereby irrevocably submits to the exclusive jurisdiction of the English courts in any action or proceeding arising out of or related to this document (including a dispute relating to any non-contractual obligations arising out of or in connection with this document), and hereby irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined by such courts. Each party to this document hereby irrevocably waives, to the fullest extent it may possibly do so, any defence or claim that the English courts are an inconvenient forum for the maintenance or hearing of such action or proceeding. The Bond Trustee, the Covered Bondholders and the Couponholders may not take any suit, action or proceeding arising out of or in connection with this document (including any proceedings relating to any non-contractual obligations arising out of or in connection with this document) against any of the Issuer, or the Covered Bond Guarantor in any other court of competent jurisdiction and concurrent proceedings in any number of jurisdictions.

Each of the Issuer and the Covered Bond Guarantor:

- (a) agrees that the process by which any proceedings in England are begun may be served on it by delivery to the General Manager, Europe of the Issuer located at the date hereof at its London Branch currently at Senator House, 85 Queen Victoria Street, London EC4V 4HA;
- (b) agrees to procure that, so long as any of the Covered Bonds issued or guaranteed by it (as the case may be) remains liable to prescription, there shall be in force an appointment of such a person approved by the Bond Trustee with an office in London with authority to accept service as aforesaid;
- (c) agrees that a failure by any such person to give notice of such service or process to the Issuer or the Covered Bond Guarantor shall not impair the validity of such service or of any judgment based thereon;
- (d) consents to the service of process in respect of any proceedings in accordance with Clause 31; and
- (e) agrees that nothing in this document will affect the right to serve process in any other manner permitted by law.

### **35. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

A person who is not a party to the this document has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this document.

**36. COUNTERPARTS**

This document and any trust deed supplemental hereto may be executed and delivered in any number of counterparts, all of which, taken together, shall constitute one and the same deed and any party to this document or any trust deed supplemental hereto may enter into the same by executing and delivering a counterpart.

**IN WITNESS** whereof this document has been executed as a deed by each of the parties hereto and delivered on the date first stated on page 3.

## SCHEDULE 1

### TERMS AND CONDITIONS OF THE REGULATION S COVERED BONDS SOLD UNDER THE BASE PROSPECTUS

The following are the terms and conditions (the **Conditions**) of the Covered Bonds (other than N Covered Bonds) which will be incorporated by reference into and (as completed by the applicable Final Terms in relation to a Tranche of Covered Bonds) apply to each Global Covered Bond (as defined below) and each Definitive Covered Bond, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the Relevant Dealer(s) at the time of issue but, if not so permitted and agreed, such Definitive Covered Bond will have endorsed thereon or attached thereto such Conditions. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Covered Bond and Definitive Covered Bond. References to the **applicable Final Terms** are to the Final Terms (or the relevant provisions thereof) entered in the Register in respect of, or attached to, or endorsed on this Covered Bond.

This Covered Bond is one of a Series (as defined below) of Covered Bonds issued by Commonwealth Bank of Australia (the **Issuer**) constituted by a trust deed (such trust deed as modified and/or supplemented and/or restated from time to time, the **Bond Trust Deed**) dated 15 November 2011 (the **Programme Date**) made between the Issuer, Perpetual Corporate Trust Limited ABN 99 000 341 533 as trustee of the CBA Covered Bond Trust (the **Trust**) (and in such capacity, the **Covered Bond Guarantor**), Securitisation Advisory Services Pty. Limited ABN 88 064 133 946 as trust manager (the **Trust Manager**) and Deutsche Trustee Company Limited as bond trustee (in such capacity, the **Bond Trustee**, which expression will include any successor bond trustee).

Save as provided for in Conditions 9 and 10, references in these Conditions to the Covered Bonds are references to the Covered Bonds of this Series and mean:

- (a) in relation to any Covered Bonds represented by a global covered bond in bearer form (a **Bearer Global Covered Bond**) or a global covered bond in registered form (a **Regulation S Global Covered Bond**), each of them a **Global Covered Bond**, units of the lowest Specified Denomination in the Specified Currency;
- (b) any Global Covered Bond;
- (c) any Definitive Covered Bonds in bearer form (**Bearer Definitive Covered Bonds**) issued in exchange for a Bearer Global Covered Bond; and
- (d) any Definitive Covered Bonds in registered form (**Regulation S Definitive Covered Bonds**) (whether or not issued in exchange for a Regulation S Global Covered Bond).

The Covered Bonds and the Coupons (as defined below) have the benefit of a principal agency agreement (such principal agency agreement as amended and/or supplemented and/or restated from time to time the **Principal Agency Agreement**) dated on or about the Programme Date and made between the Issuer, the Covered Bond Guarantor, the Bond Trustee, the Trust Manager and Deutsche Bank AG, London Branch as principal paying agent (in such capacity, the **Principal Paying Agent**, which expression includes any successor principal paying agent), Deutsche Bank Trust Company Americas (the **U.S. Paying Agent**, **U.S. Transfer Agent** and **U.S. Registrar**) and the other paying agents appointed pursuant to the Principal Agency Agreement (together with the Principal Paying Agent and the U.S. Paying Agent, the **Paying Agents**, which expression includes any additional or successor paying agents), Deutsche Bank, Luxembourg, S.A. as transfer agent (in such capacity, the **Transfer Agent**, which expression includes any additional or successor transfer agent) and as registrar (in such capacity, the **Registrar**, which expression includes any successor

registrar) and Deutsche Bank AG, London Branch as exchange agent (in such capacity, the **Exchange Agent**, which expression includes any additional or successor exchange agent).

The Final Terms may specify any other agency agreement that applies to Covered Bonds and Coupons issued by the Issuer.

As used herein, **Agents** will mean each Paying Agent, each Exchange Agent, each Transfer Agent, each Registrar, **Principal Paying Agent** will mean, in relation to a Tranche or Series of Covered Bonds, the Principal Paying Agent or such other paying agent as the Final Terms for that Tranche or Series may specify, **Registrar** will mean, in relation to a Tranche or Series of Covered Bonds, the Registrar or such other registrar as the Final Terms for that Tranche or Series may specify, **Transfer Agent** will mean, in relation to a Tranche or Series of Covered Bonds, the Transfer Agent or such other transfer agent as the Final Terms for that Tranche or Series may specify and **Exchange Agent** will mean, in relation to a Tranche or Series of Covered Bonds, the Exchange Agent or such other exchange agent as the Final Terms for that Tranche or Series may specify.

Interest-bearing Bearer Definitive Covered Bonds have (unless otherwise indicated in the applicable Final Terms) interest coupons (**Coupons**) and, if indicated in the applicable Final Terms, talons for further Coupons (**Talons**) attached on issue. Any reference in these Conditions to Coupons or coupons will, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Registered Covered Bonds (which include Regulation S Global Covered Bonds and/or Regulation S Definitive Covered Bonds as the case may be) and Global Covered Bonds do not have Coupons or Talons attached on issue.

The Bond Trustee acts as trustee for the holders for the time being of the Covered Bonds (the **Covered Bondholders**, which expression will, in relation to any Covered Bonds represented by a Global Covered Bond, be construed as provided below) and the holders of the Coupons (the **Couponholders**, which expression, unless the context otherwise requires, includes the holders of the Talons) and for holders of each other Series of Covered Bonds in accordance with the provisions of the Bond Trust Deed.

As used in these Conditions, **Tranche** means Covered Bonds which are identical in all respects (including as to listing or admission to trading) and **Series** means a Tranche of Covered Bonds together with any further Tranche or Tranches of Covered Bonds which are: (i) expressed to be consolidated and form a single series; and (ii) identical in all respects (including as to listing or admission to trading) except for their respective Issue Dates, Interest Commencement Dates, Issue Prices and/or the amount of the first payment of interest (if any).

The Covered Bond Guarantor has, in the Bond Trust Deed, irrevocably and unconditionally guaranteed the due and punctual payment of Guaranteed Amounts in respect of the Covered Bonds as and when the same become due for payment on certain dates in accordance with the Bond Trust Deed (**Due for Payment**), but only after service of a Notice to Pay on the Covered Bond Guarantor following an Issuer Event of Default and service by the Bond Trustee of an Issuer Acceleration Notice on the Issuer or the occurrence of Covered Bond Guarantor Event of Default and service by the Bond Trustee of a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer.

The security for the obligations of the Covered Bond Guarantor under the Covered Bond Guarantee and the other Programme Documents to which it is a party has been created in and pursuant to, and on the terms set out in, a security deed governed by the laws of New South Wales, Australia (such security deed as amended and/or supplemented and/or restated from time to time, the **Security Deed**) dated on or about the Programme Date and made between the Covered Bond Guarantor, the Issuer, the Trust Manager, the Bond Trustee, P.T. Limited ABN 67 004 454 666 (the **Security Trustee**) and certain other Secured Creditors.

These Conditions include summaries of, and are subject to, the provisions of the Bond Trust Deed, the Security Deed and the Agency Agreements (as applicable).

Copies of the Bond Trust Deed, the Security Deed, the Definitions Schedule (as defined below), the Principal Agency Agreement and each of the other Programme Documents are available for inspection and collection free of charge during normal business hours at the registered office for the time being of the Bond Trustee being at the Programme Date at Winchester House, 1 Great Winchester Street, London, EC2N 2DB, United Kingdom and at the specified office of the Principal Paying Agent.

Copies of the applicable Final Terms for all Covered Bonds of each Series (including in relation to unlisted Covered Bonds of any Series) are obtainable during normal business hours at the specified office of the Paying Agents, the Registrar and the Transfer Agent. In the case of unlisted Covered Bonds of any Series, the applicable Final Terms will only be obtainable by a Covered Bondholder holding one or more Covered Bonds and such Covered Bondholder must produce evidence satisfactory to the Issuer and the Bond Trustee or, as the case may be, the relevant Paying Agent, the Registrar or Transfer Agent as to its holding of Covered Bonds and identity. The Covered Bondholders and the Couponholders are deemed to have notice of, are bound by, and are entitled to the benefit of, all the provisions of, and definitions contained in, the Bond Trust Deed, the Security Deed, the Definitions Schedule (as defined below), the Principal Agency Agreement, each of the other Programme Documents and the applicable Final Terms which are applicable to them and to have notice of the Final Terms relating to each other Series.

Except where the context otherwise requires, capitalised terms used and not otherwise defined in these Conditions bear the meanings given to them in the Bond Trust Deed, the applicable Final Terms and/or the CBA Covered Bond Trust Definitions Schedule made between the parties to the Programme Documents on the Programme Date (the **Definitions Schedule**) (as the same may be amended and/or supplemented and/or restated from time to time), a copy of each of which may be obtained or inspected as described above. In the event of any inconsistency between the Bond Trust Deed and the Definitions Schedule, the Bond Trust Deed will prevail and in the event of any inconsistency between the Bond Trust Deed and the applicable Final Terms, the applicable Final Terms will prevail.

## **1. FORM, DENOMINATION AND TITLE**

The Covered Bonds are in bearer form or in registered form as specified in the applicable Final Terms and, in the case of Definitive Covered Bonds (being Bearer Definitive Covered Bond(s) and/or, as the context may require, Regulation S Definitive Covered Bond(s)), serially numbered, in the Specified Currency and the Specified Denomination(s). Covered Bonds of one Specified Denomination may not be exchanged for Covered Bonds of another Specified Denomination and Bearer Covered Bonds may not be exchanged for Registered Covered Bonds and vice versa.

This Covered Bond is a Fixed Rate Covered Bond or a Floating Rate Covered Bond depending upon the Interest Basis specified in the applicable Final Terms and depending on the Redemption/Payment Basis specified in the applicable Final Terms, and subject, in each case, to confirmation from the Rating Agencies that the then current credit ratings of any outstanding Series of Covered Bonds will not be adversely affected by the issuance of this Covered Bond.

If this Covered Bond is a Bearer Definitive Covered Bond, it is issued with Coupons and, if applicable, Talons attached.

Subject as set out below, title to the Bearer Covered Bonds and the Coupons will pass by delivery and title to the Registered Covered Bonds will pass upon the registration of transfers in accordance with the provisions of the Principal Agency Agreement. The Issuer, the Covered Bond Guarantor, the Security Trustee, the Bond Trustee and each of the Agents will (except as otherwise permitted in the Bond Trust Deed and these Conditions or as ordered by a court of competent jurisdiction or as required by law or applicable regulations) deem and treat the bearer of any Bearer Covered Bond or Coupon and the registered holder of any Registered Covered Bond as the absolute owner thereof (notwithstanding any notice to the contrary and whether or not it is overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes

but, in the case of any Global Covered Bond, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Covered Bonds are represented by a Global Covered Bond held on behalf of or, as the case may be, registered in the name of a common depositary for Euroclear Bank S.A./N.V. (**Euroclear**) and/or Clearstream Banking, *société anonyme* (**Clearstream, Luxembourg**) or its nominee each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular nominal amount of such Covered Bonds (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Covered Bonds standing to the account of any person will be conclusive and binding for all purposes save in the case of manifest error and any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including, without limitation, Euroclear's EUCLID or Clearstream's Creation on-line system) in accordance with its usual procedures and in which the holder of a particular nominal amount of the Covered Bonds is clearly identified with the amount of such holding) will be treated by the Issuer, the Covered Bond Guarantor, the Paying Agents, the Security Trustee and the Bond Trustee as the holder of such nominal amount of such Covered Bonds for all purposes other than with respect to the payment of principal or interest or other amounts on such nominal amount of such Covered Bonds in accordance with and subject to the terms of the relevant Global Covered Bond and the expression **Covered Bondholder** and related expressions will be construed accordingly.

Covered Bonds which are represented by a Global Covered Bond will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be.

References to Euroclear and/or Clearstream, Luxembourg will, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or as may otherwise be approved by the Issuer, the Bond Trustee and the Principal Paying Agent (any such clearing system, an **Alternative Clearing System**).

## **2. TRANSFERS OF REGISTERED COVERED BONDS**

### **2.1 Transfers of interests in Regulation S Global Covered Bonds**

Transfers of beneficial interests in Regulation S Global Covered Bonds (as defined below) (the **Regulation S Global Covered Bonds**) 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 Regulation S Global Covered Bond will, subject to compliance with all applicable legal and regulatory restrictions, be exchangeable for Covered Bonds in definitive form or for a beneficial interest in another Regulation S Global Covered Bond 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 Principal Agency Agreement.

### **2.2 Transfers of Regulation S Definitive Covered Bonds**

A Regulation S Definitive Covered Bond 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 Regulation S Definitive Covered Bond for registration of the transfer at the specified office of a Transfer Agent with the form of transfer endorsed on the Regulation S Definitive Covered Bond 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 Transfer Agent may prescribe. Subject as provided above, the relevant Transfer Agent will, within 14 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 Regulation S Definitive Covered Bond of a like aggregate nominal amount to the Regulation S Definitive Covered Bond (or the relevant part of the Regulation S Definitive Covered Bond) transferred. In the case of the transfer of part only of a Regulation S Definitive Covered Bond, a new Regulation S Definitive Covered Bond in respect of the balance of the Regulation S Definitive Covered Bond not transferred will be so delivered or (at the risk of the transferor) sent to the transferor.

### **2.3 Partial redemption**

In the event of a partial redemption of Covered Bonds under Condition 5.3, the Issuer will not be required to:

- (i) register the transfer of any Regulation S Definitive Covered Bond or part of any Regulation S Definitive Covered Bond called for partial redemption; or
- (ii) exchange any Bearer Definitive Covered Bond called for partial redemption.

### **2.4 Costs of registration**

Covered Bondholders 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, any Registrar or any Transfer Agent may require the payment of a sum sufficient to cover any Taxes, including stamp duty, GST or other governmental charge that may be imposed in relation to the registration.

### **2.5 Principal Paying Agent, Paying Agents, Registrar, Transfer Agent and Exchange Agent**

The names of the initial Registrar and other initial Transfer Agents and Exchange Agent(s) and their initial specified offices in respect of this Series of Covered Bonds 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 or Exchange Agent(s) and to appoint another Registrar or additional or other Transfer Agents or Exchange Agent(s) provided that it will at all times maintain a Registrar and another Transfer Agent or Exchange Agent(s) each having a specified office which, in the case of the Registrar and so long as any Covered Bonds of this Series are admitted to the official list (the **Official List**) of the UK Listing Authority and to trading on the London Stock Exchange plc's regulated market or on another stock exchange, is in London or such other place as may be required by that stock exchange. Notice of any termination or appointment and of any changes in specified offices will be given to the holders of the Covered Bonds of this Series promptly by the Issuer in accordance with Condition 12.

The names of the initial Principal Paying Agent and the other initial Paying Agents and their initial specified offices in respect of this Series of Covered Bonds are set out below. The Issuer and (following service of a Notice to Pay but prior to the service of a Covered Bond Guarantee Acceleration Notice) the Covered Bond Guarantor 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 Covered Bonds of this Series is outstanding, maintain: (a) a Principal Paying Agent, (b) a Paying Agent (which may be the Principal Paying Agent) having a specified office in a leading financial centre in Europe, (c) so long as any Covered Bonds of this Series are admitted to the Official List 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 and (d) a Paying Agent in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to EU Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive. In addition, the Issuer must forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 6.4. Any such variation, termination or change may only take effect (other than in the case of insolvency, when it may be of immediate effect) after not less than 30 days' prior notice thereof has been given to the holders of the Covered Bonds of this Series in accordance with Condition 12 and provided further that neither the resignation nor the removal of the Principal Paying Agent will take effect, except in the case of insolvency as aforesaid, until a new Principal Paying Agent has been appointed. Notice of any change in or addition to the Paying Agents or their specified offices will be given by the Issuer promptly in accordance with Condition 12.

## **2.6 Exchanges and transfers of Registered Covered Bonds generally**

Holders of Registered Covered Bonds in definitive form may exchange such Covered Bonds for interests in a Regulation S Global Covered Bond of the same type at any time.

## **2.7 Definitions**

In these Conditions, the following expressions have the following meanings:

**Regulation S** means Regulation S under the Securities Act.

**Regulation S Global Covered Bond** means a Regulation S Global Covered Bond representing Covered Bonds sold outside the United States in reliance on Regulation S.

**Securities Act** means the United States Securities Act of 1933, as amended.

# **3. STATUS OF THE COVERED BONDS AND THE COVERED BOND GUARANTEE**

## **3.1 Status of the Covered Bonds**

The Covered Bonds of this Series and any relevant Coupons constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* without any preference or priority among themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer (other than any obligation preferred by mandatory provisions of applicable law) from time to time outstanding.

## **3.2 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 (**Australian Banking Act**) and section 86 of the Reserve Bank Act 1959 of the Commonwealth of Australia (**Australian 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, APRA, the RBA and holders of protected accounts held in Australia, in priority to all other liabilities, including the Covered Bonds.

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

In addition, the Issuer's indebtedness is not guaranteed or insured by any government, government agency or compensation scheme of Australia or any other jurisdiction.

### 3.3 Status of the Covered Bond Guarantee

The payment of Guaranteed Amounts in respect of the Covered Bonds when the same become Due for Payment has been unconditionally and irrevocably guaranteed by the Covered Bond Guarantor (the **Covered Bond Guarantee**) as set out in the Bond Trust Deed. However, the Covered Bond Guarantor will have no obligation under the Covered Bond Guarantee to pay any Guaranteed Amounts until the occurrence of an Issuer Event of Default, service by the Bond Trustee on the Issuer of an Issuer Acceleration Notice and service by the Bond Trustee on the Covered Bond Guarantor of a Notice to Pay or, if earlier, following the occurrence of a Covered Bond Guarantor Event of Default and service by the Bond Trustee of a Covered Bond Guarantee Acceleration Notice. The obligations of the Covered Bond Guarantor under the Covered Bond Guarantee are (following an Issuer Event of Default, service of an Issuer Acceleration Notice and service of a Notice to Pay or a Covered Bond Guarantor Event of Default and service of a Covered Bond Guarantee Acceleration Notice), direct and unconditional (subject as provided in Condition 15) obligations of the Covered Bond Guarantor, which are secured as provided in the Security Deed.

Any payment made by the Covered Bond Guarantor under the Covered Bond Guarantee will (unless such obligation has been discharged as a result of the payment of Excess Proceeds to the Bond Trustee pursuant to Condition 9) discharge *pro tanto* the obligations of the Issuer in respect of such payment under the Covered Bonds and Coupons except where such payment has been declared void, voidable or otherwise recoverable in whole or in part and recovered from the Bond Trustee or the Covered Bondholders.

## 4. INTEREST

### 4.1 Interest on Fixed Rate Covered Bonds

- (a) Each Fixed Rate Covered Bond 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 will accrue in respect of each **Interest Period** (which expression will in these Conditions mean 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 Final Maturity Date. If a Notice to Pay is served on the Covered Bond Guarantor, the Covered Bond Guarantor will pay Guaranteed Amounts in equivalent amounts to those described above under the Covered Bond Guarantee in respect of the Covered Bonds on the applicable Original Due for Payment Dates or, if applicable, the Extended Due for Payment Date.

If the Covered Bonds are Definitive Covered Bonds and if a Fixed Coupon Amount is specified in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the 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 6 (unless otherwise specified in the applicable Final Terms). Interest will cease to accrue on each Fixed Rate Covered Bond (or, in the case of the redemption of part only of a Fixed Rate Covered Bond, that part only of such Covered Bond) 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 (i) the day on which all sums due

in respect of such Fixed Rate Covered Bond up to that day are received by or on behalf of the holder of such Fixed Rate Covered Bond and (ii) the day which is seven days after the date on which the Principal Paying Agent has notified the holder in accordance with Condition 12 that it has received all sums due in respect thereof up to that date.

- (b) Except in the case of Covered Bonds which are Definitive Covered Bonds where a Fixed Coupon Amount or Broken Amount, is specified in the applicable Final Terms interest must be calculated in respect of any period by applying the Rate of Interest to:
  - (i) in the case of Fixed Rate Covered Bonds which are Global Covered Bonds, the aggregate Calculation Amount of the Fixed Rate Covered Bonds represented by such Global Covered Bonds; or
  - (ii) in the case of Fixed Rate Covered Bonds which are Definitive Covered Bonds, 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 Covered Bond which is a Definitive Covered Bond is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Covered Bond will 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.

In this Condition 4.1, **Day Count Fraction** has the meaning given to it in Condition 4.3.

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.

## 4.2 Interest on Floating Rate Covered Bonds

### (a) *Interest Payment Dates*

Each Floating Rate Covered Bond bears interest in respect of each **Interest Period** (which expression will in these Conditions mean the period from (and including) a Specified Interest Payment Date (or if none the Interest Commencement Date to (but excluding) the next (or first) Specified Interest Payment Date). For the purposes of this Condition 4.2, **Interest Payment Date** means either:

- (i) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or
- (ii) 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.

Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Final Maturity Date. If a Notice to Pay is served on the Covered Bond Guarantor, the Covered Bond Guarantor will pay Guaranteed Amounts in equivalent

amounts to those described above under the Covered Bond Guarantee in respect of the Covered Bonds on the applicable Original Due for Payment Dates or, if applicable, the Extended Due for Payment Date.

*(b) Interest Payments and Accrual*

Interest will be paid subject to and in accordance with the provisions of Condition 6 (unless otherwise specified in the applicable Final Terms). Interest will cease to accrue on each Floating Rate Covered Bond (or, in the case of the redemption of part only of a Floating Rate Covered Bond, that part only of such Covered Bond) 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 (i) the day on which all sums due in respect of such Floating Rate Covered Bond up to that day are received by or on behalf of the holder of such Floating Rate Covered Bond and (ii) the day which is seven days after the date on which the Principal Paying Agent has notified the holder in accordance with Condition 12 that it has received all sums due in respect thereof up to that date.

*(c) Rate of Interest*

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

*(d) ISDA Determination for Floating Rate Covered Bonds*

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 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 4.2(d), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Principal Paying Agent or any 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 Covered Bonds, (the **ISDA Definitions**) and under which:

- (i) the Floating Rate Option is as specified in the applicable Final Terms;
- (ii) the Designated Maturity is a period specified in the applicable Final Terms; and
- (iii) the relevant Reset Date is either (A) if the applicable Floating Rate Option is based on the London inter-bank offered rate (LIBOR) for a currency or on the Euro-zone inter-bank offered rate (EURIBOR) for calculations of payments in euro, the first day of that Interest Period or (B) in any other case, as the day specified in the applicable Final Terms.

For the purposes of this Condition 4.2(d), **Floating Rate**, **Floating Rate Option**, **Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions.

When this Condition 4.2(d), applies, in respect of each relevant Interest Period:

- (i) the Rate of Interest for such 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 4.2(d); 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 4.2(h) in respect of the determination of the Rate of Interest if it has determined the Rate of Interest in respect of such Interest Period in the manner provided in this Condition 4.2(d).

(e) *Screen Rate Determination for Floating Rate Covered Bonds*

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 Interest Period will, subject as provided below, be either:

- (i) the offered quotation; or
- (ii) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (specified in the applicable Final Terms) which appears, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) 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) must 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.

The Calculation Agency Agreement and the Principal Agency Agreement contain provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph. Such provisions will apply to each Floating Rate Covered Bond where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined.

(f) *[Reserved]*

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

- (i) In this Condition, **Business Day** has the meaning given to it in Condition 4.3.
- (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.

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

The Principal Paying Agent or such other person specified in the applicable Final Terms will, as soon as practicable after each time at which the Rate of Interest is set to be determined, determine the Rate of Interest and calculate the amount of interest payable in respect of each Calculation Amount (each, an **Interest Amount**) for the relevant Interest Period as soon as practicable after calculating the same.

The Interest Amount payable on the Floating Rate Covered Bonds for the relevant Interest Period will be calculated by applying the Rate of Interest to:

- (i) in the case of Floating Rate Covered Bonds which are Global Covered Bonds, the aggregate Calculation Amount of the Covered Bonds represented by such Global Covered Bonds; or
- (ii) in the case of Floating Rate Covered Bonds which are Definitive Covered Bonds, 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 Covered Bond which is Definitive Covered Bond is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Covered Bond will 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 will (in the absence of manifest error) be final and binding upon all parties.

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

The Principal Paying Agent will cause the Rate of Interest and the Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and, in the case of Floating Rate Covered Bonds 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 Covered Bonds of this Series in accordance with Condition 12 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 Interest Period. Any such amendment will be promptly notified to any stock exchange on which the Covered Bonds affected thereby are for the time being listed.

(j) *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 other Paying Agents (if any) 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 Covered Bond Guarantor, the Principal Paying Agent, the Paying Agents and all holders of the Covered Bonds 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 Covered Bonds of this Series and

Coupons relating thereto will attach to the Principal Paying Agent in connection with the exercise or non-exercise by them of their powers, duties and discretions under this Condition.

In these Conditions:

**Reference Rate** means the relevant EURIBOR or LIBOR rate as specified in the applicable Final Terms.

#### 4.3 Day Count Fraction and Business Day Convention

(a) *Day Count Fraction*

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

- (i) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of the Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (iv) if "30/360", "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;

- (v) if "30E/360" or "Eurobond 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 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;

- (vi) if "30E/360 (ISDA)" 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 (A) that day is the last day of February or (B) 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 (A) that day is the last day of February but not the Final Maturity Date or (B) such number would be 31 and D2 will be 30.

(vii) if "Actual/Actual (ICMA)" is specified in the Final Terms:

(A) in the case of Covered Bonds where the number of days in relevant period 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 (defined below) 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 Covered Bonds 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;

(viii) 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.

**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

(ix) if "RBA Bond Basis" is specified in the Final Terms, one divided by the number of Interest Payment Dates in a year in which the Interest Period falls (a year being each 12 month period on and from the Issue Date).

(b) *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::

- (i) in the case where a Specified Period is specified in accordance with Condition 4.2(a)(ii) above, the Floating Rate Convention, such Interest Payment Date (A) in the case of (x) above, must be the last day that is a Business Day in the relevant month and the provisions of (b) below will apply mutatis mutandis or (B) in the case of (y) above, must be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date (or other date) must be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date will be the last Business Day of the last month which falls in the Interest Period after the preceding applicable Interest Payment Date occurred; or
- (ii) the Following Business Day Convention, such Interest Payment Date will be postponed to the next day which is a Business Day; or
- (iii) the Modified Following Business Day Convention, such Interest Payment Date will 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 will be brought forward to the immediately preceding Business Day; or
- (iv) the Preceding Business Day Convention, such Interest Payment Date will be brought forward to the immediately preceding Business Day.

In this Condition:

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

- (ii) 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 Sydney and in London and, if any Additional Business Centre(s) is specified in the applicable Final Terms, in such Additional Business Centre(s); and
- (iii) 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 and which if the Specified Currency is Australian Dollars will be Sydney or (2) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (**TARGET2**) is open.

**4.4 [Reserved]**

**4.5 [Reserved]**

**4.6 [Reserved]**

**5. REDEMPTION AND PURCHASE**

**5.1 Final Redemption**

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

Without prejudice to Condition 9, if an Extended Due for Payment Date is specified as applicable in the Final Terms for a Series of Covered Bonds and the Issuer has failed to pay the Final Redemption Amount on the Final Maturity Date specified in the Final Terms (or after expiry of the grace period set out in Condition 9.1(a) and, following the service of a Notice to Pay on the Covered Bond Guarantor by no later than the date falling one Business Day prior to the Extension Determination Date, the Covered Bond Guarantor has insufficient monies available under the Guarantee Priority of Payments to pay the Guaranteed Amounts corresponding to the Final Redemption Amount in full in respect of the relevant Series of Covered Bonds on the date falling on the earlier of (a) the date which falls two Business Days after service of such Notice to Pay on the Covered Bond Guarantor or, if later, the Final Maturity Date (or, in each case, after the expiry of the grace period set out in Condition 9.2(a)) under the terms of the Covered Bond Guarantee and (b) the Extension Determination Date, then (subject as provided below) payment of the unpaid amount by the Covered Bond Guarantor under the Covered Bond Guarantee will be deferred until the Extended Due for Payment Date, provided that the Covered Bond Guarantor may pay any amount representing the Final Redemption Amount on the relevant Final Maturity Date and any amount representing the Final Redemption Amount due and remaining unpaid on the earlier of (a) and (b) above may also be paid by the Covered Bond Guarantor on any Interest Payment Date thereafter up to (and including) the Extended Due for Payment Date. The Issuer must confirm to the Principal Paying Agent as soon as reasonably practicable and in any event at least four Business Days prior to the Final Maturity Date of a Series of Covered Bonds whether (x) payment will be made in full of the Final Redemption Amount in respect of a Series of Covered Bonds on that Final Maturity Date or (y) payment will not be made in full of the Final Redemption Amount in respect of a Series of Covered Bonds on that Final Maturity Date.

The Covered Bond Guarantor must notify the relevant Covered Bondholders (in accordance with Condition 12), the Rating Agencies, the Bond Trustee, the Security Trustee, the Principal Paying Agent and the Registrar as soon as reasonably practicable and in any event at least one Business Day prior to the dates specified in (a) and (b) of the preceding paragraph of any inability of the Covered Bond Guarantor to pay in full the Guaranteed Amounts corresponding to the Final Redemption Amount in respect of a Series of Covered Bonds pursuant to the Covered Bond Guarantee. Any failure by the Covered Bond Guarantor to notify such parties will not affect the validity or effectiveness of the extension nor give rise to any rights in any such party. In such circumstances, the Covered Bond Guarantor must on the earlier of (a) the date falling two Business Days after the service of a Notice to Pay on the Covered Bond Guarantor or if later the Final Maturity Date (or, in each case, after the expiry of the grace period set out in Condition 9.2(a)) and (b) the Extension Determination Date, under the Covered Bond Guarantee, apply the monies (if any) available (after paying or providing for payment of higher ranking or *pari passu* amounts in accordance with the Guarantee Priority of Payments) pro rata in part payment of an amount equal to the Final Redemption Amount of each Covered Bond of the relevant Series of Covered Bonds and must pay Guaranteed Amounts constituting the Scheduled Interest in respect of each such Covered Bond on such date. The obligation of the Covered Bond Guarantor to pay any amounts in respect of the balance of the Final Redemption Amount not so paid will be deferred as described above. Such failure to pay by the Covered Bond Guarantor will not constitute a Covered Bond Guarantor Event of Default.

Any discharge of the obligations of the Issuer as the result of the payment of Excess Proceeds to the Bond Trustee must be disregarded for the purposes of determining the amounts to be paid by the Covered Bond Guarantor under the Covered Bond Guarantee in connection with this Condition 5.1.

For the purposes of these Conditions:

**Extended Due for Payment Date** means, in relation to any Series of Covered Bonds, the date, if any, specified as such in the applicable Final Terms to which the payment of all or (as applicable) part of the Final Redemption Amount payable on the Final Maturity Date will be deferred in the event that the Final Redemption Amount is not paid in full on the Extension Determination Date.

**Extension Determination Date** means, in respect of a Series of Covered Bonds to which an Extended Due for Payment Date applies, the date falling two Business Days after the expiry of seven days starting on (and including) the Final Maturity Date of such Series of Covered Bonds.

**Guarantee Priority of Payments** means the guarantee priority of payments relating to the allocation and distribution of the Available Income Amount and Available Principal Amount following service of a Notice to Pay on the Covered Bond Guarantor, but prior to service of a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer, as set out in clause 15.4 of the Establishment Deed.

**Rating Agency** means any one of Moody's Investors Service Pty Limited and Fitch Australia Pty Ltd (together, the **Rating Agencies**) or their successors, to the extent they provide ratings in respect of the Covered Bonds.

## **5.2 Redemption for Tax Reasons**

The Covered Bonds 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 Covered Bonds other than Floating Rate Covered Bonds) or on any Interest Payment Date (in the case of Floating Rate Covered Bonds), on giving not less than 30 nor more than 60 days' notice in accordance with Condition 12 which notice is irrevocable), at the Early Redemption Amount provided in, or calculated in accordance with, Condition 5.8(as applicable) below, together with (if provided in such paragraphs) interest accrued up to, but excluding, the date fixed for redemption, if the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 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 Covered Bonds of this Series, the Issue Date for the original Tranche) provided that no such notice of redemption may be given in respect of the Covered Bonds 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 will 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 Covered Bonds of this Series on the day on which any such change or amendment becomes effective.

## **5.3 Redemption at the Option of the Issuer (Issuer Call)**

If Issuer Call is specified 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 five Business Days' notice or such other notice period specified in the applicable Final Terms to the Bond Trustee, the Registrar and Covered Bondholders of a relevant Series (which notice is irrevocable) in accordance with Condition 12, redeem all or from time to time some only of the Covered Bonds then outstanding on the relevant Optional Redemption Date and at the Optional Redemption Amount specified in the applicable Final Terms together, if applicable, with (in the case of Fixed Rate Covered Bonds) interest accrued to, but excluding, the relevant Optional Redemption Date. In the event of a redemption of some only of such Covered Bonds, such redemption must be for an amount being equal to the Minimum Redemption Amount or a Higher Redemption Amount (if any)

specified in the applicable Final Terms. In the case of a partial redemption of Covered Bonds, the Covered Bonds to be redeemed (the **Redeemed Covered Bonds**) will be selected:

- (i) individually by lot (without involving any part only of a Bearer Covered Bond), in the case of Redeemed Covered Bonds represented by Definitive Covered Bonds; and
- (ii) in the case of Redeemed Covered Bonds represented by a Global Covered Bond, in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) (or any alternative or additional clearing system as may be specified in the Final Terms),

in each case, not less than 40 days prior to the date fixed for redemption. 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 Redeemed Covered Bonds are represented by Definitive Covered Bonds, the serial numbers of the Redeemed Covered Bonds and, in each case, the aggregate nominal amount of the Covered Bonds of this Series which will be outstanding after the partial redemption. In addition, in the case of a partial redemption of a Series of Covered Bonds which includes Registered Covered Bonds, 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 Covered Bonds may not be made as provided for in Condition 2.

#### **5.4 Redemption at the Option of the Covered Bondholders (Investor Put)**

If Investor Put is specified in the applicable Final Terms, upon any Covered Bondholder giving to the Issuer in accordance with Condition 12 not less than 30 nor more than 60 days' notice (the **notice period**) as specified in the applicable Final Terms, the Issuer will, upon the expiry of such notice redeem in whole (but not in part) the Covered Bonds the subject of the notice on the Optional Redemption Date and at the Optional Redemption Amount indicated in the applicable Final Terms together with (in the case of Fixed Rate Covered Bonds) interest accrued up to, but excluding, the Optional Redemption Date.

To exercise the right to require redemption of this Covered Bond the holder of this Covered Bond must, if this Covered Bond is in Definitive form, deliver, at the specified office of any Paying Agent (in the case of Covered Bonds in bearer form) or the Registrar (in the case of Covered Bonds in registered form) on any business day (as defined in Condition 6.7, 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 which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition 5.4. If this Covered Bond is in Definitive form, the Put Notice must be accompanied by this Covered Bond or evidence satisfactory to the Paying Agent concerned that this Covered Bond will, following delivery of the Put Notice, be held to its order or under its control.

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

Any Put Notice or other notice given in accordance with the standard procedures of a clearing system by a holder of, or the holder of a beneficial interest in, as applicable, any Covered Bond pursuant to this Condition 5.4 is irrevocable except where, prior to the due date of redemption, an Issuer Event of Default or a Covered Bond Guarantor Event of Default has occurred and is continuing and the Bond Trustee has declared the Covered Bonds to be due and payable pursuant to Condition 9, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 5.4 and instead request or direct the Bond Trustee to declare such Covered Bond forthwith due and payable pursuant to Condition 9.

## **5.5 Redemption due to Illegality**

The Covered Bonds of all Series may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice as specified in the applicable Final Terms to the Bond Trustee, the Principal Paying Agent, the Registrar and, in accordance with Condition 12, all the Covered Bondholders (which notice is irrevocable), if the Issuer satisfies the Bond Trustee immediately before the giving of such notice that it has, or will before the next Interest Payment Date of any Covered Bond of any Series, become unlawful for the Intercompany Loan Provider and/or Demand Loan Provider to make, fund or allow to remain outstanding any Term Advance or the Demand Loan (or, in either case, any part thereof) made by the Intercompany Loan Provider or the Demand Loan Provider, as the case may be, to the Covered Bond Guarantor pursuant to the Intercompany Loan Agreement or the Demand Loan Agreement, as the case may be, as a result of any change in, or amendment to, the applicable laws or regulations or any change in the application or official interpretation of such laws or regulations, which change or amendment has become or will become effective before the next such Interest Payment Date.

Covered Bonds redeemed pursuant to this Condition 5.5 will be redeemed at their Early Redemption Amount referred to in Condition 5.8 together (if appropriate) with interest accrued to (but excluding) the date of redemption.

Prior to the publication of any notice of redemption pursuant to Condition 5.2 and Condition 5.5, the Issuer must deliver to the Bond Trustee a certificate signed by either a Director, authorised representative, attorney or authorised signatory stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer to redeem have occurred and the Bond Trustee will be entitled to accept the certificate as sufficient evidence of the satisfaction of such conditions precedent, in which event it will be conclusive and binding on all holders of the Covered Bonds and Couponholders.

## **5.6 Final Terms**

The applicable Final Terms indicates that either (a) this Covered Bond cannot be redeemed prior to its Final Maturity Date except as provided in Conditions 5.2 and 5.5 above or (b) that this Covered Bond will be redeemable at the option of the Issuer and/or the holder of this Covered Bond prior to such Final Maturity Date in accordance with the provisions of Conditions 5.3 and/or 5.4 an Optional Redemption Date and at an Optional Redemption Amount and in any Minimum Redemption Amount or Higher Redemption Amount indicated therein.

## **5.7 [Reserved]**

## **5.8 Early Redemption Amounts**

For the purposes of Condition 5.2 or Condition 5.5 above and Condition 9, unless otherwise indicated in the applicable Final Terms, Covered Bonds will be redeemed at their Early Redemption Amount, being in the case of Fixed Rate Covered Bonds or Floating Rate Covered Bonds, the Final Redemption Amount, in each case in the relevant Specified Currency together with, in the case of

Fixed Rate Covered Bonds redeemed pursuant to Condition 5.2 or Condition 5.5 above, interest accrued to, but excluding, the date fixed for redemption.

**5.9 [Reserved]**

**5.10 Purchase and Cancellation**

The Issuer or any of its subsidiaries or the Covered Bond Guarantor may (subject as provided below) at any time purchase or otherwise acquire Covered Bonds of this Series (provided that, in the case of Bearer Definitive Covered Bonds, all unmatured Coupons and Talons appertaining to such Covered Bonds are attached thereto or surrendered therewith) in any manner and at any price. If purchases are made by tender, tenders must be available to all the Covered Bondholders alike. Such Covered Bonds may be held, reissued, resold or, in respect of Covered Bonds, at the option of the Issuer or the relevant subsidiary, surrendered to the Registrar and/or to any Paying Agent for cancellation (except that any Covered Bonds purchased or otherwise acquired by the Covered Bond Guarantor must immediately be surrendered to the Registrar and/or to any Paying Agent for cancellation).

**5.11 [Reserved]**

**5.12 [Reserved]**

**6. PAYMENTS AND EXCHANGE OF TALONS**

**6.1 Payments in respect of Bearer Definitive Covered Bonds**

- (a) Payments of principal and interest (if any) in respect of Bearer Definitive Covered Bonds (if issued) will (subject as provided below) be made against surrender (or, in the case of part payment only, presentation and endorsement) of Bearer Definitive Covered Bonds or Coupons (which expression, in this Condition and Condition 8, will not include Talons), as the case may be, at any specified office of any Paying Agent.
- (b) [Reserved]
- (c) Except as otherwise provided in Condition 6.4 below, all payments of principal and interest with respect to Bearer Definitive Covered Bonds will be made outside the United States. Payments in any currency other than euro in respect of Bearer Definitive Covered Bonds 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 provided that if at any time such payments cannot be so made, then payments will be made in such other manner as the Issuer may determine and notify in accordance with Condition 12.

**6.2 Payments in respect of Registered Covered Bonds**

Payments of principal in respect of Registered Covered Bonds (whether or not in Global form) will (subject as provided in this Condition 6.2) be made against presentation and surrender of such Registered Covered Bonds at the specified office 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 Covered Bonds will (subject as provided in this Condition 6.2) 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 Covered Bond appearing on the register at



the close of business on the 15th 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 five 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 Covered Bond, 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 Covered Bond 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 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 to a euro account specified by the payee.

Holders of Registered Covered Bonds will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any such Registered Covered Bond as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses may be charged to such Covered Bondholders by the Registrar in respect of any payment of principal or interest in respect of the Registered Covered Bonds.

None of the Issuer, the Bond Trustee, the Covered Bond Guarantor nor the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Regulation S Global Covered Bonds or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

### **6.3 Payments in respect of Bearer Global Covered Bonds**

- (a) Payments of principal and interest (if any) in respect of Bearer Global Covered Bonds will (subject as provided below) be made in the manner specified in the Bearer Global Covered Bond against presentation and endorsement or surrender, as the case may be, of such Bearer Global Covered Bond at the specified office of any Paying Agent outside of the United States. A record of each payment made on such Bearer Global Covered Bond, distinguishing between any payment of principal and interest, will be made on such Bearer Global Covered Bond by the Paying Agent to which such Bearer Global Covered Bond is presented for the purpose of making such payment, and such record will (save in the case of manifest error) be conclusive evidence that the payment in question has been made.
- (b) The holder of a Bearer Global Covered Bond (or, as provided in the Bond Trust Deed, the Bond Trustee) is the only person entitled to receive payments in respect of Covered Bonds represented by such Bearer Global Covered Bond and the Issuer or, as the case may be, the Covered Bond Guarantor will be discharged by payment to, or to the order of, the holder of such Bearer Global Covered Bond (or the Bond Trustee as the case may be) 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 Covered Bonds must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer or, as the case may be, the Covered Bond Guarantor to, or to the order of, the holder of the relevant Bearer Global Covered Bond (or as provided in the Bond Trust Deed, the Bond Trustee). No person other than the holder of a Bearer Global Covered Bond (or, as provided in the Bond Trust Deed, the Bond Trustee) will have any claim against the Issuer or, as the case may be, the Covered Bond Guarantor in respect of any payments due on that Bearer Global Covered Bond.

### **6.4 Payments of interest in U.S. dollars in respect of Bearer Covered Bonds**

Notwithstanding the foregoing, payments of interest in U.S. dollars in respect of Bearer Covered Bonds will only be made at the specified office of any Paying Agent in the United States (which expression, as used in these Conditions, means the United States of America (including the States and District of Columbia and its possessions)) (a) if: (i) the Issuer has 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 Covered Bonds in the manner provided above when due, (ii) 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 (iii) such payment is then permitted under United States law and (b) 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.

## **6.5 Payments subject to applicable laws**

Payments in respect of the Covered Bonds will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7 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 otherwise imposed pursuant to Sections 1471 through 1474 of the Code (**FATCA**), an intergovernmental agreement between the United States and another jurisdiction to improve tax compliance and to implement FATCA (an **IGA**), or any law or regulation implementing an IGA. Any such amounts withheld or deducted will be treated as paid for all purposes under the Covered Bonds and no additional amounts will be paid on the Covered Bonds with respect to any such withholding or deduction.

## **6.6 Unmatured Coupons and Talons**

- (a) Fixed Rate Covered Bonds which are Bearer Definitive Covered Bonds (other than Long Maturity Covered Bonds (as defined in subparagraph (b))) should be presented for redemption together with all unmaturing Coupons (which expression will 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 7) for the payment of such principal, whether or not such Coupon would otherwise have become void pursuant to Condition 8 or, if later, five years from the due date for payment of such Coupon. Upon any Fixed Rate Covered Bond which is a Bearer Definitive Covered Bond becoming due and repayable prior to its Final 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.
- (b) Upon the due date for redemption of any Floating Rate Covered Bond or Long Maturity Covered Bond which is a Bearer Definitive Covered Bond, any unmaturing Coupons or Talons relating to such Covered Bond (whether or not attached) will become void and no payment or exchange, as the case may be, will be made in respect of them. Where any such Covered Bond is presented for redemption without all unmaturing Coupons or Talons relating to it, redemption will be made only against the provision of such indemnity as the Issuer may require. A Long Maturity Covered Bond is a Fixed Rate Covered Bond (other than a Fixed Rate Covered Bond which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Covered Bond will cease to be a Long Maturity Covered Bond 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 Covered Bond.

## **6.7 Payments due on non-business days**

If any date for payment of principal in respect of any Registered Covered Bond or any amount in respect of any Bearer Covered Bond or Coupon is not a business day, then the holder thereof will not be entitled to payment at the place of presentation of the amount due until the next following business day (unless otherwise specified in the applicable Final Terms) and will not be entitled to any interest or other sum in respect of any such postponed payment. In addition if any date for the payment of interest by transfer to an account specified by the holder in respect of any Registered Covered Bond is not a business day, then the holder will not be entitled to payment to such account until the next following business day and will 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:

- (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):
  - (i) in the relevant place of presentation;
  - (ii) in the case of Registered Covered Bonds, London; and
  - (iii) any Additional Financial Centre specified in the applicable Final Terms; and
- (b) 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 (if other than the places specified in paragraph (a)) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

## **6.8 Payment of accrued interest**

If the due date for redemption of any interest bearing Covered Bond which is a Bearer Definitive Covered Bond is not a due date for the payment of interest relating thereto, interest accrued in respect of such Covered Bond 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 Covered Bond.

## **6.9 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 Covered Bondholders in accordance with Condition 12 for the purposes of this Condition) 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 Covered Bond which is a Bearer Definitive Covered Bond to which it appertains) a further Talon, subject to the provisions of Condition 8. Each Talon will, 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.

## **6.10 Interpretation of principal and interest**

Any reference in these Conditions to principal in respect of the Covered Bonds will be deemed to include, as applicable:

- (a) any additional amounts which may be payable with respect to principal under Condition 7 or under any undertakings or covenants given in addition thereto, or in substitution therefor, pursuant to the Bond Trust Deed;
- (b) the Final Redemption Amount of the Covered Bonds;
- (c) the Early Redemption Amount of the Covered Bonds;
- (d) the Optional Redemption Amount(s) (if any) of the Covered Bonds;
- (e) any premium and any other amounts (other than interest) which may be payable under or in respect of the Covered Bonds; and
- (f) any Excess Proceeds which may be payable by the Bond Trustee under or in respect of the Covered Bonds.

Any reference in these Conditions to interest in respect of the Covered Bonds will be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7 or under any undertakings given in addition thereto, or in substitution therefor, pursuant to the Bond Trust Deed.

## **7. TAXATION**

All payments of, or in respect of, principal and interest on the Covered Bonds and/or Coupons of this Series by or on behalf of the Issuer and all payments of Guaranteed Amounts by or on behalf of the Covered Bond Guarantor, as the case may be, 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 imposed or levied by or on behalf of the Commonwealth of Australia or any political subdivision thereof or any authority thereof or therein having power to tax unless such taxes, duties, assessments or governmental charges are required by Australian law to be withheld or deducted. In that event, in respect of a payment made by it, the Issuer will pay such additional amounts of, or in respect of, principal and/or interest as will result (after deduction of the taxes, duties, assessments or governmental charges) in payment to the holders of the Covered Bonds of this Series and/or the Coupons relating thereto of the amounts which would otherwise have been payable in respect of the Covered Bonds of this Series or, as the case may be the Coupons relating thereto, except that no such additional amounts will be payable with respect to any Covered Bond of this Series or Coupon relating thereto presented for payment:

- (a) by or on behalf of a holder who is subject to such taxes, duties, assessments or governmental charges in respect of such Covered Bond or Coupon by reason of his being connected with the Commonwealth of Australia other than by reason only of the holding of the Covered Bond 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 (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;
- (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;
- (e) where such withholding or deduction is imposed on a payment and is required to be made pursuant to EU Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, or providing for measures equivalent to those laid down in, such Directive;
- (f) by or on behalf of a holder who would be able to avoid such withholding or deduction by presenting the relevant Covered Bond or Coupon to another Paying Agent in a member state of the European Union which does not impose such withholding or deduction; or
- (g) for, or on account of, any withholding or deduction required pursuant to FATCA (including pursuant to any agreement described in Section 1471(b) of the Code) or any law implementing an intergovernmental approach to FATCA, as described in Condition 6.5.

The **Relevant Date** in relation to any Covered Bond or Coupon of this Series means whichever is the later of:

- (i) the date on which payment in respect of such Covered Bond or Coupon first becomes due and payable; or
- (ii) if the full amount of the moneys payable in respect of such Covered Bond 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 Covered Bondholders of this Series in accordance with Condition 12 that such moneys have been so received.

References in these Conditions to principal and interest will be deemed also to refer (as appropriate) (i) to any additional amounts which may be payable under this Condition 7 and (ii) to any premium which may be payable in respect of the Covered Bonds.

If any withholding or deduction is required by the Covered Bond Guarantor in respect of a payment of a Guaranteed Amount to be made by it, the Covered Bond Guarantor must pay the Guaranteed Amounts net of such withholding or deduction and must account to the appropriate Tax Authority for the amount required to be withheld or deducted. The Covered Bond Guarantor will not be obliged to pay any additional amount to the Bond Trustee or any holder of Covered Bonds and/or Coupons in respect of the amount of such withholding or deduction.

## 8. PRESCRIPTION

Claims for payment of principal under the Covered Bonds (whether in bearer or registered form) will be prescribed upon the expiry of 10 years, and claims for payment of interest (if any) in respect of the Covered Bonds (whether in bearer or registered form) will be prescribed upon the expiry of five years, in each case from the Relevant Date (as defined in Condition 7) therefor subject to the provisions of Condition 6. There may 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 6 or any Talon which would be void pursuant to Condition 6.

## 9. EVENTS OF DEFAULT AND ENFORCEMENT

### 9.1 Issuer Events of Default

The Bond Trustee at its discretion may, and if so requested in writing by the holders of at least 25 per cent. of the aggregate Principal Amount Outstanding of the Covered Bonds (which for this purpose or the purpose of any Extraordinary Resolution referred to in this Condition 9.1 means the Covered Bonds of this Series together with the Covered Bonds of any other Series constituted by the Bond Trust Deed) then outstanding, as if they were a single Series (with the Principal Amount Outstanding of Covered Bonds not denominated in Australian Dollars converted into Australian Dollars at the relevant Swap Rate) or, if so directed by an Extraordinary Resolution of the Covered Bondholders, must (but in the case of the happening of any of the events mentioned in subparagraphs (b) and (c) below, only if the Bond Trustee has certified in writing to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Covered Bondholders of any Series) (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction) give notice (an **Issuer Acceleration Notice**) in writing to the Issuer that as against the Issuer (but not, for the avoidance of doubt, as against the Covered Bond Guarantor under the Covered Bond Guarantee) each Covered Bond of each Series is, and each such Covered Bond will, unless such event has been cured by the Issuer prior to the Issuer's receipt of the notice in writing from the Bond Trustee, thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest as provided in the Bond Trust Deed if any of the following events (each an **Issuer Event of Default**) occurs and is continuing:

- (a) default is made by the Issuer in the payment of any principal or interest when due, in respect of any Covered Bonds and such default continues for a period of 14 days; or
- (b) the Issuer defaults in performance or observance of or compliance with any of its other undertakings set out in the Covered Bonds which default is incapable of remedy or which, if capable of remedy, is not remedied within 30 days after notice of such default has been given to the Issuer by the Bond Trustee; or
- (c) 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 substantially the whole 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
- (d) 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; or
- (e) if an Asset Coverage Test Breach Notice is served and not deemed to be revoked in accordance with the terms of the Establishment Deed on or before the next Determination Date to occur following the service of such Asset Coverage Test Breach Notice; or
- (f) if the Pre-Maturity Test in respect of any Series of Hard Bullet Covered Bonds is breached during the Pre-Maturity Test Period and the amount standing to the credit of the Pre-Maturity Ledger of the GIC Account is less than the aggregate Australian Dollar Equivalent of the Required Redemption Amount for each Series of Hard Bullet Covered Bonds in respect of which the Pre-Maturity Test has been breached, on the earlier to occur of:

(A) the later of:

- I. the date that is 10 Local Business Days from the date that the Seller is notified of that breach; and
  - II. the date that is six months prior to the Final Maturity Date of the relevant Series of Hard Bullet Covered Bonds; and
- (B) the Final Maturity Date of that Series of Hard Bullet Covered Bonds.

Upon the Covered Bonds becoming immediately due and repayable against the Issuer pursuant to this Condition 9.1, the Bond Trustee must immediately serve a notice to pay (the **Notice to Pay**) on the Covered Bond Guarantor pursuant to the Covered Bond Guarantee and the Covered Bond Guarantor will be required to make payments of Guaranteed Amounts when the same become Due for Payment in accordance with the terms of the Covered Bond Guarantee.

Following the occurrence of an Issuer Event of Default and service of an Issuer Acceleration Notice, the Bond Trustee may or must take such proceedings or other action or step against the Issuer in accordance with Condition 9.3.

The Bond Trust Deed provides that all monies received by or on behalf of the Bond Trustee following the occurrence of an Issuer Event of Default and the delivery of an Issuer Acceleration Notice and a Notice to Pay, from the Issuer or any receiver, liquidator, administrator, receiver and manager, statutory manager or other similar official appointed in relation to the Issuer (the **Excess Proceeds**), must be paid by the Bond Trustee on behalf of the Covered Bondholders of the relevant Series to the Covered Bond Guarantor for its own account, as soon as practicable, and must be held by the Covered Bond Guarantor in the GIC Account and the Excess Proceeds will thereafter form part of the Security and must be used by the Covered Bond Guarantor in the same manner as all other monies from time to time standing to the credit of the GIC Account pursuant to the Security Deed and the Establishment Deed. Any Excess Proceeds received by the Bond Trustee will discharge *pro tanto* the obligations of the Issuer in respect of the payment of the amount of such Excess Proceeds under the Covered Bonds and Coupons (as applicable and to the extent of the amount so received and subject to restitution of the same if such Excess Proceeds are required to be repaid by the Covered Bond Guarantor) (but will be deemed not to have done so for the purposes of subrogation rights of the Covered Bond Guarantor contemplated by the Bond Trust Deed). However, the obligations of the Covered Bond Guarantor under the Covered Bond Guarantee are (following service of an Issuer Acceleration Notice and a Notice to Pay or if earlier, service of a Covered Bond Guarantee Acceleration Notice) unconditional and irrevocable and the receipt by the Bond Trustee of any Excess Proceeds and payment to the Covered Bond Guarantor of such Excess Proceeds will not reduce or discharge any of such obligations.

By subscribing for Covered Bond(s), each Covered Bondholder will be deemed to have irrevocably directed the Bond Trustee to pay the Excess Proceeds to the Covered Bond Guarantor in the manner as described above.

## 9.2 Covered Bond Guarantor Events of Default

The Bond Trustee at its discretion may, and if so requested in writing by the holders of at least 25 per cent. of the aggregate Principal Amount Outstanding of the Covered Bonds (which for this purpose and the purpose of any Extraordinary Resolution referred to in this Condition 9.2 means the Covered Bonds of this Series together with the Covered Bonds of any other Series constituted by the Bond Trust Deed) then outstanding as if they were a single Series (with the Principal Amount Outstanding of Covered Bonds not denominated in Australian Dollars converted into Australian Dollars at the relevant Swap Rate) or, if so directed by an Extraordinary Resolution of all the Covered Bondholders, must (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction), but in the case of the happening of any of the events described in

paragraph (b) or (c), only if the Bond Trustee has certified in writing to the Issuer and the Covered Bond Guarantor that such event is, in its opinion, materially prejudicial to the interests of the Covered Bondholders of any Series, give notice (the **Covered Bond Guarantee Acceleration Notice**) in writing to the Issuer and to the Covered Bond Guarantor, that (x) each Covered Bond of each Series is, and each Covered Bond of each Series will as against the Issuer (if not already due and repayable against it following an Issuer Event of Default), thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest and (y) all amounts payable by the Covered Bond Guarantor under the Covered Bond Guarantee will thereupon immediately become due and payable at the Guaranteed Amount corresponding to the Early Redemption Amount for each Covered Bond of each Series together with accrued interest, in each case as provided in the Bond Trust Deed and thereafter the Security will become enforceable if any of the following events (each a **Covered Bond Guarantor Event of Default**) has occurred and is continuing:

- (a) default is made by the Covered Bond Guarantor for a period of 14 days or more in the payment of any Guaranteed Amounts when Due for Payment in respect of the Covered Bonds of any Series except in the case of the payments of a Guaranteed Amount when Due for Payment on the Extended Due for Payment Date under Condition 5.1 where the Covered Bond Guarantor will be required to make payments of Guaranteed Amounts which relate to the Final Redemption Amount and which are Due for Payment on the Extended Due for Payment Date; or
- (b) if default is made by the Covered Bond Guarantor in the performance or observance of any other obligation, condition or provision binding on it (other than any obligation for the payment of Guaranteed Amounts in respect of the Covered Bonds of any Series) under the Bond Trust Deed, the Security Deed or any other Programme Document to which the Covered Bond Guarantor is a party (other than the Programme Agreement, the U.S Distribution Agreement or any Subscription Agreement) and, except where such default is or the effects of such default are, in the opinion of the Bond Trustee, not capable of remedy when no such continuation and notice as is hereinafter mentioned will be required, such default continues for 30 days (or such longer period as the Bond Trustee may permit) after written notice thereof has been given by the Bond Trustee to the Covered Bond Guarantor requiring the same to be remedied; or
- (c) the Covered Bond Guarantor retires or is removed, or is required to retire or be removed as trustee of the Trust in accordance with the Establishment Deed and another trustee is not appointed as trustee of the Trust in accordance with the Establishment Deed within 60 days of the occurrence of that event; or
- (d) a failure to satisfy the Amortisation Test (as set out in the Establishment Deed) on any Determination Date following service of a Notice to Pay on the Covered Bond Guarantor; or
- (e) the Covered Bond Guarantee is not, or is claimed by the Covered Bond Guarantor not to be, in full force and effect.

Following the occurrence of a Covered Bond Guarantor Event of Default and service of a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer, each of the Bond Trustee and the Security Trustee may or must take such proceedings or steps in accordance with the first and third paragraphs, respectively, of Condition 9.3 and the Bond Trustee will have a claim against the Covered Bond Guarantor, under the Covered Bond Guarantee, for an amount equal to the Early Redemption Amount for each Covered Bond of each Series together with accrued interest and any other amount due under the Covered Bonds (other than additional amounts payable under Condition 7 as provided in the Bond Trust Deed in respect of each Covered Bond).



### **9.3 Enforcement**

The Bond Trustee may at any time, at its discretion and without further notice, following service of an Issuer Acceleration Notice (in the case of the Issuer) or, if earlier, following service of a Covered Bond Guarantee Acceleration Notice (in the case of the Covered Bond Guarantor) take such proceedings or other action or step as it may think fit against or in relation to the Issuer and/or the Covered Bond Guarantor, as the case may be, and/or any other person as it may think fit to enforce the provisions of the Bond Trust Deed, the Covered Bonds and the Coupons or any other Programme Document, but it will not be bound to take any such enforcement proceedings or other action or step in relation to the Bond Trust Deed, the Covered Bonds or the Coupons or any other Programme Document unless (i) it has been so directed by an Extraordinary Resolution of the Covered Bondholders of all Series then outstanding (with the Covered Bonds of all Series taken together as a single Series and converted into Australian Dollars at the relevant Swap Rate as aforesaid) or so requested in writing by the holders of not less than 25 per cent. of the aggregate Principal Amount Outstanding of the Covered Bonds of all Series then outstanding (with the Covered Bonds of all Series taken together as a single Series and converted into Australian Dollars at the relevant Swap Rate as aforesaid) and (ii) it has been indemnified and/or secured and/or prefunded to its satisfaction.

In exercising any of its powers, trusts, authorities and discretions the Bond Trustee must only have regard to the interests of the Covered Bondholders of all Series equally or, if only applicable to one Series, the Covered Bondholders of the relevant Series, and must not have regard to the interests of any other Secured Creditors.

The Bond Trustee may at any time, following service of a Covered Bond Guarantee Acceleration Notice at its discretion and without further notice, direct the Security Trustee to take such actions, steps or proceedings against the Covered Bond Guarantor and/or any other person as it may think fit to enforce the provisions of the Security Deed or any other Programme Document and may, at any time after the Security has become enforceable, direct the Security Trustee to take such steps as it may think fit to enforce the Security, but it will not be bound to give any such direction and the Security Trustee or the Bond Trustee will not be bound to take any such proceedings, steps or actions unless: (i) the Bond Trustee has been so directed by an Extraordinary Resolution of the Covered Bondholders of all Series then outstanding (with the Covered Bonds of all Series taken together as a single Series and converted into Australian Dollars at the relevant Swap Rate as aforesaid) or so requested in writing by the holders of not less than 25 per cent. of the aggregate Principal Amount Outstanding of the Covered Bonds of all Series then outstanding (with the Covered Bonds of all Series taken together as a single Series and converted into Australian Dollars at the relevant Swap Rate as aforesaid); and (ii) the Bond Trustee has been indemnified and/or secured and/or prefunded to its satisfaction. In exercising any of its powers, trusts, authorities and discretions under this paragraph each of the Bond Trustee and the Security Trustee must only have regard to the interests of the Covered Bondholders of all Series equally or, if only applicable to one Series, the Covered Bondholders of the relevant Series, and must not have regard to the interests of any other Secured Creditors.

No Covered Bondholder or Couponholder will be entitled to institute proceedings directly against the Issuer or the Covered Bond Guarantor or to take any step or action with respect to the Bond Trust Deed, the Covered Bonds, the Coupons, or the Security unless the Bond Trustee or the Security Trustee, as applicable, having become bound so to proceed, fails so to do within a reasonable time and such failure is continuing in which event any Covered Bondholder, or Couponholder may itself institute such proceedings and/or prove in the winding up, administration or liquidation of the Issuer or the Covered Bond Guarantor to the same extent and in the same jurisdiction (but not further or otherwise than the Bond Trustee would have been entitled to do so in respect of the Covered Bonds and Coupons and/or the Bond Trust Deed).

### **9.4 Directions of Security Trustee by Bond Trustee**

The Security Trustee will not be obliged to take any steps under any of the Programme Documents or exercise any of its powers, rights, trusts, authorities, duties, functions or discretions under any of the Programme Documents to which the Security Trustee is a party without first taking instructions from the Bond Trustee (provided that the Security Trustee will never be entitled to seek or receive instructions from the Bond Trustee in relation to clause 21 of the Security Deed or in relation to investing in Authorised Investments) and having been indemnified and/or secured to its satisfaction as aforesaid and provided always that the Security Trustee will not be bound to take any enforcement proceedings which may, in the opinion of the Security Trustee in its absolute discretion, result in the Security Trustee failing to receive any payment to which it is or would be entitled. The Security Trustee may exercise a right, power or discretion without receiving any instructions from the Bond Trustee if the Covered Bondholders or, if there are none, the Security Trustee reasonably believes that it is in the best interests of the Secured Creditors that it does so.

In the event that the Bond Trustee is (i) requested by the Security Trustee, or (ii) required by the holders of the Covered Bonds, to provide the Security Trustee with instructions, the Bond Trustee must do so (save where expressly provided otherwise), in relation to (i) only, in its absolute discretion subject to and in accordance with these presents or, in relation to both (i) and (ii) if so requested in writing by the holders of not less than 25 per cent. in aggregate of the Principal Amount Outstanding of the Covered Bonds then outstanding (with the Covered Bonds of all Series taken together as a single Series and, if the nominal amount of the Covered Bonds is not denominated in Australian Dollars, converted into Australian Dollars at the relevant Swap Rate) or directed by an Extraordinary Resolution of the holders of the Covered Bonds then outstanding (with the Covered Bonds of all Series taken together as a single Series and, if the nominal amount of the Covered Bonds is not denominated in Australian Dollars, converted into Australian Dollars at the relevant Swap Rate) subject in each case to the Bond Trustee being indemnified and/or secured and/or prefunded to its satisfaction prior to it giving any instructions to the Security Trustee. The Bond Trustee will be entitled to request the Covered Bondholders (voting as aforesaid) to direct it in relation to any matter in relation to which the Security Trustee has requested instructions, the Bond Trustee will have no obligation to monitor the performance of the Security Trustee and will have no liability to any person for the performance or non-performance of the Security Trustee. In no circumstances will the Bond Trustee be required to indemnify, secure or prefund the Security Trustee.

An Extraordinary Resolution passed at a meeting of Covered Bondholders duly convened and held in accordance with the Bond Trust Deed is binding upon the Security Trustee and all the Secured Creditors whether present or not present at such meeting and each of such Secured Creditors and, subject to the provisions of the Security Deed, the Security Trustee is bound to give effect to the Extraordinary Resolution. The Security Trustee is not required to do or omit to do any act if, in the opinion of the Security Trustee, this might cause it to breach a law, a Programme Document, a fiduciary duty or an obligation owed to another person.

## **10. MEETINGS OF COVERED BONDHOLDERS, MODIFICATION, WAIVER, SUBSTITUTION AND RATINGS AGENCIES**

Covered Bondholders, Couponholders and other Secured Creditors should note that the Issuer, the Covered Bond Guarantor and the Principal Paying Agent may without their consent or the consent of the Bond Trustee or the Security Trustee agree to modify any provision of any Final Terms which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with any mandatory provisions of law.

### **10.1 Meetings**

The Bond Trust Deed contains provisions for convening meetings of the Covered Bondholders of any Series to consider any matter affecting their interests, including the modification of these

Conditions or the provisions of the Bond Trust Deed. The quorum at any such meeting in respect of the Covered Bonds of any Series for passing an Extraordinary Resolution (other than in respect of a Series Reserved Matter) is one or more persons holding or representing not less than a clear majority of the aggregate Principal Amount Outstanding of the Covered Bonds of such Series for the time being outstanding, or at any adjourned meeting one or more persons being or representing the Covered Bondholders of such Series whatever the Principal Amount Outstanding of the Covered Bonds of such Series so held or represented, except that at any meeting the business of which includes any Series Reserved Matter, the quorum for any such meeting will be one or more persons holding or representing not less than two-thirds of the aggregate Principal Amount Outstanding of the Covered Bonds of such Series for the time being outstanding or at any adjourned meeting, the business of which includes any Series Reserved Matter, the quorum will be one or more persons holding or representing not less than one-third of the aggregate Principal Amount Outstanding of the Covered Bonds of such Series for the time being outstanding. The expression Extraordinary Resolution when used in these Conditions means: (i) a resolution passed at a meeting of the Covered Bondholders duly convened and held in accordance with the Bond Trust Deed by a majority consisting of not less than three-fourths of the persons voting thereat upon a show of hands or if a poll is duly demanded by a majority consisting of not less than three-fourths of the votes cast on such poll; or (ii) a resolution in writing signed by or on behalf of Covered Bondholders holding not less than three-fourths in Principal Amount Outstanding of the Covered Bonds then outstanding, which resolution in writing may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Covered Bondholders; or (iii) a resolution passed by way of electronic consents given by holders through the relevant clearing system(s) (in a form satisfactory to the Bond Trustee) by or on behalf of the Covered Bondholders of not less than three-fourths in Principal Amount Outstanding for the time being outstanding of the Covered Bonds (of the relevant Series or all Series, as applicable). An Extraordinary Resolution passed at any meeting of the Covered Bondholders of a Series will, subject as provided below, be binding on all the Covered Bondholders of such Series, whether or not they are present at the meeting, and on all Couponholders in respect of such Series of Covered Bonds. Pursuant to the Bond Trust Deed, the Bond Trustee may convene a single meeting of the holders of Covered Bonds of more than one Series if in the opinion of the Bond Trustee there is no conflict between the respective interests of such Covered Bondholders, in which event the provisions of this paragraph will apply thereto *mutatis mutandis*.

Notwithstanding the provisions of the immediately preceding paragraph, any Extraordinary Resolution to direct the Bond Trustee to accelerate the Covered Bonds pursuant to Condition 9.1 or to give a Covered Bond Guarantee Acceleration Notice pursuant to Condition 9.2 or to direct the Bond Trustee or the Security Trustee or to direct the Bond Trustee to direct the Security Trustee to take any enforcement action or to direct the Bond Trustee to determine that any Issuer Event of Default, Potential Issuer Event of Default, Covered Bond Guarantor Event of Default or Potential Covered Bond Guarantor Event of Default will not be treated as such for the purposes of the Bond Trust Deed (each a **Programme Resolution**) and will only be capable of being passed at a single meeting of the Covered Bondholders of all Series then outstanding. Any such meeting to consider a Programme Resolution may be convened by the Issuer, the Covered Bond Guarantor or the Bond Trustee or by the Covered Bondholders of any Series. The quorum at any such meeting for passing a Programme Resolution is one or more persons holding or representing at least a clear majority of the aggregate Principal Amount Outstanding of the Covered Bonds of all Series for the time being outstanding or at any adjourned such meeting one or more persons holding or representing Covered Bonds whatever the Principal Amount Outstanding of the Covered Bonds of any Series so held or represented. A Programme Resolution passed at any meeting of the Covered Bondholders of all Series will be binding on all the Covered Bondholders of all Series, whether or not they are present at the meeting, and on all related Couponholders.

In connection with any meeting of the holders of Covered Bonds of more than one Series where such Covered Bonds are not denominated in Australian Dollars, the Principal Amount Outstanding of the Covered Bonds of any Series not denominated in Australian Dollars must be converted into Australian Dollars at the relevant Swap Rate.

## **10.2 Modification and waiver**

The Bond Trustee may, without the consent or sanction of any of the Covered Bondholders of any Series, the related Couponholders and without the consent or sanction of the other Secured Creditors (other than any Secured Creditor who is party to the relevant document), at any time and from time to time, concur with the Issuer, the Covered Bond Guarantor (acting on the directions of the Trust Manager) or any other party and/or direct the Security Trustee to concur with the Issuer, the Covered Bond Guarantor (acting on the directions of the Trust Manager) or any other party in making:

- (i) any modification (other than in relation to a Series Reserved Matter) to the Covered Bonds of one or more Series, the related Coupons or any Programme Document which in the opinion of the Bond Trustee is not materially prejudicial to the interests of the Covered Bondholders of any Series; or
- (ii) any modification to the Covered Bonds of one or more Series, the related Coupons or any Programme Document which is in the opinion of the Bond Trustee is (A) of a formal, minor or technical nature, (B) made to correct a manifest error or (C) made to comply with mandatory provisions of law (and for the purpose of this item (C), the Bond Trustee may disregard whether any such modification relates to a Series Reserved Matter).

In forming its opinion as to whether the Covered Bonds or any one or more Series, the related Coupons or any Programme Document is subject to a manifest error, the Bond Trustee may have regard to any evidence which it considers reasonably to rely on (including a certificate from the Issuer as to certain matters and a Rating Affirmation Notice issued by the Issuer).

Notwithstanding the above the Bond Trustee will not be obliged to agree to any amendment, which, in the sole opinion of the Bond Trustee, would have the effect of: (x) exposing the Bond Trustee, to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction; or (y) increasing the obligations or duties, or decreasing the protections, of the Bond Trustee, in the Programme Documents and/or the Conditions.

The Bond Trustee may without the consent or sanction of any of the Covered Bondholders of any Series, the related Couponholders and without the consent of any other Secured Creditor and without prejudice to its rights in respect of any subsequent breach, Issuer Event of Default, Potential Issuer Event of Default, Covered Bond Guarantor Event of Default or Potential Covered Bond Guarantor Event of Default from time to time and at any time but only if in so far as in its opinion the interests of the Covered Bondholders of any Series will not be materially prejudiced thereby, waive or authorise, or direct the Security Trustee to waive or authorise, any breach or proposed breach by the Issuer or the Covered Bond Guarantor or any other person of any of the covenants or provisions contained in the Bond Trust Deed, the other Programme Documents or the Conditions or determine that any Issuer Event of Default, Potential Issuer Event of Default, Covered Bond Guarantor Event of Default or Potential Covered Bond Guarantor Event of Default will not be treated as such for the purposes of the Bond Trust Deed, PROVIDED ALWAYS THAT the Bond Trustee must not exercise any powers conferred on it in contravention of any express direction given by Extraordinary Resolution or by a request under Condition 9.1 or 9.2 but so that no such direction or request will affect any waiver, authorisation or determination previously given or made. Any such waiver, authorisation or determination may be given or made on such terms and subject to such conditions (if any) as the Bond Trustee may determine, will be binding on the Covered Bondholders, the related Couponholders and, if, but only if, the Bond Trustee requires, must be notified by the Issuer or the

Trust Manager (on behalf of the Covered Bond Guarantor) (as the case may be) to the Covered Bondholders in accordance with Condition 12 and each Rating Agency as soon as practicable thereafter.

Subject to as provided below, the Bond Trustee will be bound to waive or authorise, or direct the Security Trustee to waive or authorise, any breach or proposed breach by the Issuer or the Covered Bond Guarantor or any other person of any of the covenants or provisions contained in the Bond Trust Deed, the other Programme Documents or the Conditions or determine that any Issuer Event of Default, Potential Issuer Event of Default, Covered Bond Guarantor Event of Default or Potential Covered Bond Guarantor Event of Default will not be treated as such for the purposes of the Bond Trust Deed if it is: (i) in the case of such waiver or authorisation, (a) so directed by an Extraordinary Resolution of the Covered Bondholders of the relevant one or more Series (with the Covered Bonds of all such Series taken together as a single Series in the circumstances provided in the Bond Trust Deed and, if applicable, converted into Australian Dollars at the relevant Swap Rate); or (b) requested to do so in writing by the holders of not less than 25 per cent. of the Principal Amount Outstanding of the Covered Bonds of the relevant one or more Series (with the Covered Bonds of all such Series taken together as a single Series in the circumstances provided in the Bond Trust Deed and, if applicable, converted into Australian Dollars at the relevant Swap Rate); or (ii), in the case of any such determination, (a) so directed by an Extraordinary Resolution of the Covered Bondholders of all Series then outstanding with the Covered Bonds of all Series taken together as a single Series and, if applicable, converted into Australian Dollars at the relevant Swap Rate); or (b) requested to do so in writing by the holders of not less than 25 per cent. of the Principal Amount Outstanding of the Covered Bonds of all Series then outstanding with the Covered Bonds of all Series taken together as a single Series and, if applicable, converted into Australian Dollars as aforesaid), and at all times then only if it is indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing.

The Security Trustee may, without the consent of the Covered Bondholders and/or Couponholders of any Series and without the consent of the other Secured Creditors and without prejudice to their rights in respect of any subsequent breach, Issuer Event of Default, Potential Issuer Event of Default, Covered Bond Guarantor Event of Default or Potential Covered Bond Guarantor Event of Default from time to time and at any time, but only if (for so long as any Covered Bonds are outstanding) it is instructed by the Bond Trustee in accordance with the Bond Trust Deed or (if no Covered Bonds are outstanding) it is instructed by the Majority Secured Creditors, authorise or waive any breach or proposed breach of any of the covenants or provisions contained in the Covered Bonds of any Series or any Programme Document or determine that any Issuer Event of Default, Potential Issuer Event of Default, Covered Bond Guarantor Event of Default or Potential Covered Bond Guarantor Event of Default will not be treated as such for the purposes of the Security Deed. Any such authorisation, waiver or determination will be binding on the Covered Bondholders and/or Couponholders and the other Secured Creditors and, unless the Bond Trustee otherwise agrees, must be notified by the Issuer or the Covered Bond Guarantor (acting on the directions of the Trust Manager) (as the case may be) to the Covered Bondholders in accordance with Condition 12 and each Rating Agency as soon as practicable thereafter.

Any such modification, waiver, authorisation or determination will be binding on all the Covered Bondholders of all Series of Covered Bonds for the time being outstanding, the Couponholders and the other Secured Creditors, and unless the Bond Trustee otherwise agrees, any such modification must be notified by the Issuer, to the Covered Bondholders of all Series of Covered Bonds in accordance with Condition 12 and to the Rating Agencies as soon as practicable thereafter.

Where in connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or determination), the Bond Trustee and the Security Trustee are required to have regard to the general interests of the Covered Bondholders of each Series as a class (but must not have regard to any interests arising from

circumstances particular to individual Covered Bondholders or Couponholders whatever their number) and, in particular but without limitation, must not have regard to the consequences of any such exercise for individual Covered Bondholders, the related Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Bond Trustee and the Security Trustee will not be entitled to require, nor will any Covered Bondholder or Couponholder be entitled to claim, from the Issuer, the Covered Bond Guarantor, the Bond Trustee, the Security Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Covered Bondholders and/or Couponholders, except to the extent already provided for in Condition 7 and/or in any undertaking or covenant given in addition to, or in substitution for, Condition 7 pursuant to the Bond Trust Deed.

The Bond Trustee and Security Trustee must concur in and effect any modifications to the Programme Documents that are requested by the Issuer, the Covered Bond Guarantor or the Trust Manager to (a) accommodate the accession of a new Servicer, new Swap Provider, new Trust Manager, new Account Bank, new Agent or new Cover Pool Monitor to the Programme provided that (i) each of the Swap Providers provide written confirmation to the Security Trustee and the Bond Trustee consenting to such modification of those documents to which they are a party (such consent not to be unreasonably withheld); (ii) the Trust Manager has certified to the Security Trustee and the Bond Trustee in writing that such modifications are required in order to accommodate the addition of the new Servicer, new Swap Provider, new Trust Manager, new Account Bank, new Agent or new Cover Pool Monitor to the Programme; (iii) the Trust Manager has certified to the Security Trustee and the Bond Trustee that all other conditions precedent to the accession of the new Servicer, new Swap Provider, new Trust Manager, new Account Bank, new Agent or new Cover Pool Monitor to the Programme set out in the Programme Documents have been satisfied at the time of the accession; (b) take into account any changes in the covered bonds ratings criteria of the Rating Agencies where, absent such modifications, the Issuer is reasonably satisfied following discussions with the relevant Rating Agency (and has provided a certificate in writing to the Bond Trustee and the Security Trustee to that effect) that the rating assigned by the relevant Rating Agency to one or more Series of Covered Bonds may be subject to a downgrade, qualification or withdrawal and even if such changes are, or may be, prejudicial or materially prejudicial to the interests of the Covered Bondholders of any Series; (c) allow a Swap Provider to transfer securities as Swap Collateral under a relevant Swap Agreement Credit Support Annex, including to appoint a custodian to hold such securities in a custody account pursuant to a custody agreement; or (d) ensure compliance of the Programme or the Issuer, as applicable, with, or ensure that the Issuer may benefit from, any existing, new or amended legislation, regulation, directive, prudential standard or prudential guidance note of any regulatory body (including APRA) in relation to covered bonds provided that the Trust Manager has certified to the Bond Trustee and the Security Trustee in writing that such modifications are required in order to comply with or benefit from such legislation, regulation, directive, prudential standard or prudential guidance note, as the case may be.

### 10.3 Substitution

The Bond Trust Deed provides that in connection with any scheme of amalgamation or reconstruction of the Issuer not involving the bankruptcy or insolvency of the Issuer and (A) where the Issuer does not survive the amalgamation or reconstruction or (B) where all or substantially all of the assets and business of the Issuer will be disposed of to, or succeeded to, by another entity (whether by operation of law or otherwise), the Bond Trustee will, if requested by the Issuer, be obliged, without the consent or sanction of the Covered Bondholders or Couponholders, at any time to agree to the substitution in the place of the Issuer (or of the previous substitute) as principal debtor under the Bond Trust Deed (the **Substituted Debtor**) being the entity with and into which the Issuer amalgamates or the entity to which all or substantially all of the business and assets of the Issuer is

transferred, or succeeded to, pursuant to such scheme of amalgamation or reconstruction (whether by operation of law or otherwise), subject to:

- (i) the Substituted Debtor entering into a supplemental trust deed or some other form of undertaking in form and manner satisfactory to the Bond Trustee agreeing to be bound by the Bond Trust Deed with any consequential amendments which the Bond Trustee may deem appropriate as fully as if the Substituted Debtor had been named in the Bond Trust Deed as principal debtor in place of the Issuer;
- (ii) the Substituted Debtor acquiring or succeeding to pursuant to such scheme of amalgamation or reconstruction all or substantially all of the assets and business of the Issuer;
- (iii) each stock exchange or market on which the Covered Bonds are listed confirming in writing that following the proposed substitution of the Substituted Debtor the Covered Bonds will continue to be listed on such stock exchange or market;
- (iv) the supplemental trust deed containing a warranty and representation by the Substituted Debtor that (A) the Substituted Debtor has obtained all necessary governmental and regulatory approvals and consents necessary for or in connection with the assumption by the Substituted Debtor of liability as principal debtor in respect of, and of its obligations under, the supplemental trust deed and the Covered Bonds; (B) such approvals and consents are at the time of substitution in full force and effect; and (C) the obligations assumed by the Substituted Debtor under the supplemental trust deed are legal, valid and binding in accordance with their respective terms;
- (v) confirmations being received by the Bond Trustee from each Rating Agency that the substitution will not adversely affect the then current rating of the Covered Bonds;
- (vi) where the Substituted Debtor is incorporated, domiciled or resident in, or subject generally to the taxing jurisdiction of a territory other than or in addition to Australia, undertakings or covenants in form and manner satisfactory to the Bond Trustee being given by the Substituted Debtor in terms corresponding to the provisions of Condition 7 with the substitution for (or, as the case may be, the addition to) the references to Australia of references to that other or additional territory in which the Substituted Debtor is incorporated, domiciled or resident or to whose taxing jurisdiction it is subject and (where applicable) Condition 5.2 being modified accordingly;
- (vii) without prejudice to the rights of reliance of the Bond Trustee under the immediately following paragraph, the Bond Trustee being satisfied that the relevant transaction is not materially prejudicial to the interests of the Covered Bondholders;
- (viii) if two directors of the Substituted Debtor (or other officer acceptable to the Bond Trustee) certifying that the Substituted Debtor is solvent both at the time at which the relevant transaction is proposed to be effected and immediately thereafter (which certificate the Bond Trustee may rely on absolutely without liability to any person) and the Bond Trustee must not have regard to the financial condition, profits or prospects of the Substituted Debtor or compare the same with those of the Issuer;
- (ix) the Issuer and the Trust Manager, delivering to the Bond Trustee legal opinions obtained from lawyers of international repute in (a) England and Wales and (b) the jurisdiction of incorporation of the Substituted Debtor in form and substance satisfactory to the Bond Trustee; and

- (x) the Covered Bond Guarantee remaining in place or being modified to apply mutatis mutandis and continuing in full force and effect in relation to any Substituted Debtor.

Any such supplemental trust deed or undertaking will, if so expressed, operate to release the Issuer or in either case the previous substitute as aforesaid from all of its obligations as principal debtor under the Bond Trust Deed.

In addition, subject as further provided in the Bond Trust Deed, the Bond Trustee may without the consent or sanction of the Covered Bondholders or Couponholders at any time agree to the substitution in place of the Issuer (or any previous substitute under this Condition) as the principal debtor under the Covered Bonds, Coupons and the Bond Trust Deed or any other corporation subject to certain other conditions set out in the Bond Trust Deed being complied with.

Any substitution pursuant to this Condition 10.3 will be binding on the Covered Bondholders and must be notified in a form previously approved by the Bond Trustee by the new Issuer to the Covered Bondholders not later than 14 days after any such substitution in accordance with Condition 12.

#### **10.4 Rating Agencies**

If:

- (i) a confirmation or affirmation of rating or other response by a Rating Agency is a condition to any action or step under any Programme Document; and
- (ii) the Issuer has delivered to the Covered Bond Guarantor (copied to the Seller and each Rating Agency) written confirmation that it has notified the Rating Agencies of the action or step and that the Trust Manager is satisfied, following discussions with the Rating Agencies, that the action or step, as applicable, will not result in a reduction, qualification or withdrawal of the ratings then assigned by the Rating Agencies and the Rating Agency does not consider such confirmation necessary,

the parties will be entitled to assume that the then current rating of the Covered Bonds from that Rating Agency will not be downgraded, qualified or withdrawn by such Rating Agency as a result of such action or step.

The Bond Trustee will be entitled to treat as conclusive a certificate signed by an Authorised Officer of the Issuer or the Covered Bond Guarantor as to any matter referred to in (ii) above and the Bond Trustee will not be responsible for any Liability that may be caused as a result.

For the purposes of this Condition 10:

**Potential Issuer Event of Default** means any condition, event or act which, with the lapse of time and/or the issue, making or giving of any notice, certification, declaration, demand, determination and/or request and/or the taking of any similar action and/or the fulfilment of any similar condition, would constitute an Issuer Event of Default;

**Potential Covered Bond Guarantor Event of Default** means any condition, event or act which, with the lapse of time and/or the issue, making or giving of any notice, certification, declaration, demand, determination and/or request and/or the taking of any similar action and/or the fulfilment of any similar condition, would constitute a Covered Bond Guarantor Event of Default; and

**Series Reserved Matter** in relation to Covered Bonds of a Series means any proposal:



(i) to amend the dates of maturity or redemption of the Covered Bonds, or any date for payment of interest or Interest Amounts on the Covered Bonds or the obligation of the Issuer to pay additional amounts pursuant to Condition 7, (ii) to reduce or cancel the Principal Amount Outstanding of, or any premium payable on redemption of, the Covered Bonds, (iii) to reduce the rate or rates of interest in respect of the Covered Bonds or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Covered Bonds, (iv) if a Minimum and/or a Maximum Rate of Interest, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount is set out in the Final Terms, to reduce any such amount, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or Specified Denomination of the Covered Bonds, (vii) to take any steps that as specified in the Final Terms may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply, (viii) to modify the provisions concerning the quorum required at any meeting of Covered Bondholders or the majority required to pass the Extraordinary Resolution, (ix) to amend the Covered Bond Guarantee or the Security Deed (other than any amendment that the Bond Trustee may consent to without the consent of the Covered Bondholders under the Bond Trust Deed) ; and (x) to alter this proviso or the quorum requirements for an adjourned meeting of Covered Bondholders for the transaction of business comprising any Series Reserved Matter or the alteration of this definition.

## **11. REPLACEMENT OF COVERED BONDS, COUPONS AND TALONS AND EXCHANGE OF TALONS**

Should any Covered Bond, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced subject to applicable laws, regulations and listing authority, stock exchange and/or quotation system regulations at the specified office of the Principal Paying Agent in London (in the case of Bearer Covered Bonds, Coupons or Talons) or the specified office of the Registrar (in the case of Registered Covered Bonds), or any other place approved by the Bond Trustee of which notice has been published in accordance with Condition 12 upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, inter alia, that if the allegedly lost, stolen or destroyed Covered Bond, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Covered Bonds, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Covered Bonds, Coupons or Talons must be surrendered before replacements will be issued.

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 Principal Paying Agent or any other Paying Agent 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 Covered Bond to which it appertains) a further Talon, subject to the provisions of Condition 8.

## **12. NOTICES**

All notices regarding the Bearer Covered Bonds will be valid if published in a leading English language daily newspaper of general circulation in London. It is expected that any such newspaper publication will be made in the *Financial Times* in London. The Issuer must also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Bearer Covered Bonds are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the

first publication in all required newspapers or where published in such newspapers. If publication as provided above is not practicable, a notice will be given in such other manner, and will be deemed to have been given on such date, as the Bond Trustee may approve.

All notices regarding the Registered Covered Bonds will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Registered Covered Bonds are admitted to trading on a stock exchange and the rules of that stock exchange (or any other relevant authority) so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules.

Until such time as any Definitive Covered Bonds are issued, there may, so long as the Covered Bonds are represented in their entirety by any Global Covered Bonds held on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) or such mailing the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the Covered Bondholders and, in addition, for so long as any Covered Bonds are listed on a stock exchange or admitted to trading by any other relevant authority and the rules of that stock exchange, or as the case may be, other relevant authority so require, such notice or notices will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice will be deemed to have been given to the Covered Bondholders on the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

Notices to be given by any Covered Bondholder must be in writing and given by lodging the same, together (in the case of any Covered Bond in Definitive form) with the relative Covered Bond or Covered Bonds, with the Agent (in the case of the Bearer Covered Bonds) or the Registrar (in the case of Registered Covered Bonds). Whilst any of the Covered Bonds are represented by a Global Covered Bond, such notice may be given by any holder of a Covered Bond to the Principal Paying Agent or the Registrar through Euroclear, Clearstream, Luxembourg, as the case may be, in such manner as the Principal Paying Agent, the Registrar, Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

### **13. FURTHER ISSUES**

The Issuer will be at liberty from time to time without the consent of the Covered Bondholders or the Couponholders to create and issue further bonds having terms and conditions the same as the Covered Bonds of any Series or the same in all respects save for the amount and date of the first payment of interest thereon, issue date and/or purchase price and so that the same can be consolidated and form a single Series with the outstanding Covered Bonds of such Series.

### **14. INDEMNIFICATION OF THE BOND TRUSTEE AND THE SECURITY TRUSTEE AND THE BOND TRUSTEE AND SECURITY TRUSTEE CONTRACTING WITH THE ISSUER AND/OR THE COVERED BOND GUARANTOR**

If, in connection with the exercise of its powers, trusts, authorities or discretions the Bond Trustee is of the opinion that the interests of the Covered Bondholders of any one or more Series would be materially prejudiced thereby, the Bond Trustee must not exercise such power, trust, authority or discretion without the approval of such Covered Bondholders of the relevant Series by Extraordinary Resolution or by a direction in writing of such Covered Bondholders of at least 25 per cent. of the Principal Amount Outstanding of Covered Bonds of the relevant Series then outstanding or as otherwise required under the Programme Documents.

The Bond Trust Deed and the Security Deed contain provisions for the indemnification of the Bond Trustee and the Security Trustee and for their relief from responsibility, including provisions

relieving them from taking any action unless indemnified and/or secured and/or prefunded to their satisfaction.

The Bond Trust Deed and the Security Deed also contain provisions pursuant to which each of the Bond Trustee and Security Trustee, respectively, is entitled, inter alia: (i) to enter into business transactions with the Issuer, the Covered Bond Guarantor and/or any of their respective Subsidiaries and affiliates and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer, the Covered Bond Guarantor and/or any of their respective Subsidiaries and affiliates; (ii) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Covered Bondholders or Couponholders or the other Secured Creditors and (iii) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

Neither the Bond Trustee nor the Security Trustee will be responsible for any loss, expense or liability which may be suffered as a result of any Mortgage Loan Rights or any Charged Property, or any deeds or documents of title thereto, being uninsured or inadequately insured or being held by clearing organisations or their operators or by intermediaries such as banks, brokers or other similar persons whether or not on behalf of the Bond Trustee and/or the Security Trustee. Neither the Bond Trustee nor the Security Trustee will be responsible for inter alia: (i) supervising the performance by the Issuer or any other party to the Programme Documents of their respective obligations under the Programme Documents and the Bond Trustee and the Security Trustee will be entitled to assume, until they each have written notice to the contrary, that all such persons are properly performing their duties; (ii) considering the basis on which approvals or consents are granted by the Issuer or any other party to the Programme Documents under the Programme Documents; (iii) monitoring the Mortgage Loan Rights forming part of the Assets of the Trust, including whether the Asset Coverage Test is satisfied or otherwise or the Amortisation Test is satisfied or otherwise; (iv) monitoring whether Mortgage Loans are Eligible Mortgage Loans or (v) monitoring whether the Issuer is in breach of the Pre-Maturity Test. Neither the Bond Trustee nor the Security Trustee will be liable to any Covered Bondholder or other Secured Creditor for any failure to make or to cause to be made on their behalf the searches, investigations and enquiries which would normally be made by a prudent secured creditor in relation to the Security and have no responsibility in relation to the legality, validity, sufficiency and enforceability of the Security and the Programme Documents.

The Bond Trustee may refrain from taking any action or exercising any right, power, authority or discretion vested in it relating to the transactions contemplated in the Programme Documents until it has been indemnified and/or secured and/or prefunded to its satisfaction against any and all actions, charges, claims, costs, damages, demands, expenses, liabilities, losses and proceedings which might be sustained by it as a result and will not be required to do anything which may cause it to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties or in the exercise of any of its rights, powers, authorities or discretions if it has reasonable grounds for believing that repayment of such funds or adequate indemnity, security or prefunding against such liability is not assured to it.

## **15. LIMITED RECOURSE AND NON-PETITION**

- 15.1 Only the Security Trustee may pursue the remedies available under the general law or under the Security Deed to enforce the Security and no Transaction Party will be entitled to proceed directly against the Covered Bond Guarantor to enforce the Security. In particular, each Transaction Party (other than the Covered Bond Guarantor and the Security Trustee) has agreed with and acknowledges to each of the Covered Bond Guarantor and the Security Trustee, and the Security Trustee agreed with and acknowledged to the Covered Bond Guarantor, that:

- (a) none of the Transaction Parties (nor any person on their behalf, other than the Security Trustee where appropriate) is entitled, otherwise than as permitted by the Programme Documents, to direct the Security Trustee to enforce the Security or take any proceedings against the Covered Bond Guarantor to enforce the Security;
- (b) none of the Transaction Parties (other than the Security Trustee) will have the right to take or join any person in taking any steps against the Covered Bond Guarantor for the purpose of obtaining payment of any amount due from the Covered Bond Guarantor to any of such Transaction Parties;
- (c) until the date falling two years after the Vesting Date none of the Transaction Parties nor any person on their behalf may initiate or join any person in initiating an Insolvency Event in relation to the Trust other than a Receiver appointed under clause 15 of the Security Deed; and
- (d) none of the Transaction Parties is entitled to take or join in the taking of any corporate action, legal proceedings or other procedure or step which would result in the Priorities of Payments not being complied with.

15.2 The Covered Bondholders agree with and acknowledge to each of the Covered Bond Guarantor and the Security Trustee, and the Security Trustee has agreed with and acknowledged to the Covered Bond Guarantor, that notwithstanding any other provision of any Programme Document, all obligations of the Covered Bond Guarantor to such party including, without limitation, the Secured Obligations, are limited in recourse to the Covered Bond Guarantor as set out below:

- (a) it will have a claim only in respect of the Charged Property and will not have any claim, by operation of law or otherwise, against, or recourse to, any of the Covered Bond Guarantor's other assets;
- (b) sums payable to each party in terms of the Covered Bond Guarantor's obligations to such party will be limited to the lesser of (a) the aggregate amount of all sums due and payable to such party and (b) the aggregate amounts received, realised or otherwise recovered and immediately available for payment by or for the account of the Covered Bond Guarantor in respect of the Charged Property whether pursuant to enforcement of the Security or otherwise, net of any sums which are payable by the Covered Bond Guarantor in accordance with the Priorities of Payments in priority to or *pari passu* with sums payable to such party; and
- (c) upon the Security Trustee giving written notice to the relevant party that it has determined in its opinion, and the Servicer having certified to the Security Trustee, that there is no reasonable likelihood of there being any further realisations in respect of the Charged Property (whether arising from an enforcement of the Security or otherwise) which would be available to pay unpaid amounts outstanding under the relevant Programme Document, the relevant party will have no further claim against the Covered Bond Guarantor in respect of any such unpaid amounts and the obligations to pay such unpaid amounts will be discharged in full,

save that this limitation will not apply to a liability of the Covered Bond Guarantor to the extent it results from the Covered Bond Guarantor's fraud, negligence or wilful default.

15.3 The Covered Bondholders agree with and acknowledge to the Security Trustee that the Security Trustee enters into each Programme Document to which it is a party only in its capacity as trustee of the Security Trust and in no other capacity and that the Security Trustee will have no liability under or in connection with this deed or any other Programme Document (whether to the Secured

Creditors, the Covered Bond Guarantor or any other person) other than to the extent to which the liability is able to be satisfied out of the property of the Security Trust from which the Security Trustee is actually indemnified for the liability. This limitation will not apply to a liability of the Security Trustee to the extent it results from the Security Trustee's fraud, negligence or wilful default.

- 15.4 To the extent permitted by law, no recourse under any obligation, covenant, or agreement of any person contained in the Programme Documents may be had against any shareholder, officer, agent or director of such person as such, by the enforcement of any assessment or by any legal proceeding, by virtue of any statute or otherwise; it being expressly agreed and understood that the Programme Documents are corporate obligations of each person expressed to be a party thereto and no personal liability will attach to or be incurred by the shareholders, officers, agents or directors of such person as such, or any of them, under or by reason of any of the obligations, covenants or agreements of such person contained in the Programme Documents, or implied therefrom, and that any and all personal liability for breaches by such person of any of such obligations, covenants or agreements, either under any applicable law or by statute or constitution, of every such shareholder, officer, agent or director is expressly waived by each person expressed to be a party thereto as a condition of and consideration for execution of the Programme Documents.

## **16. 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 Covered Bond but this does not affect any right or remedy of any person which exists or is available apart from that Act.

## **17. GOVERNING LAW**

The Bond Trust Deed (including the Covered Bond Guarantee), the Principal Agency Agreement, the Covered Bonds, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by, and will be construed in accordance with, English law unless specifically stated to the contrary (in this regard, the covenant to pay made by the Issuer to the Bond Trustee in respect of the Covered Bonds, (but only, in respect of such provisions, to the extent that they relate to any A\$ Registered Covered Bonds) in the Bond Trust Deed, the provisions relating to the issuance of A\$ Registered Covered Bonds and the maintenance of the A\$ Register in respect of the A\$ Registered Covered Bonds in the Bond Trust Deed and the provisions relating to limiting recourse to the Covered Bond Guarantor and the Security Trustee in the Bond Trust Deed, the Principal Agency Agreement and the A\$ Registered Covered Bonds are governed by, and will be construed in accordance with, the laws applying in the State of New South Wales, Australia).

## **18. JURISDICTION**

- 18.1 Each of the Issuer and the Covered Bond Guarantor hereby irrevocably submits to the jurisdiction of the English courts in any action or proceeding arising out of or related to the Covered Bonds. The courts of England and (in the case of any action involving the Issuer or the Covered Bond Guarantor) the Commonwealth of Australia are to have jurisdiction to settle any dispute (including a dispute relating to any non-contractual obligations arising out of or in connection with the Covered Bonds), and each party hereby irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined by such courts. Each party hereby irrevocably waives, to the fullest extent it may possibly do so, any defence or claim that the English or the Commonwealth of Australia courts (as applicable) are an inconvenient forum for the maintenance or hearing of such action or proceeding. Each party may take any suit, action or proceeding arising out of or in connection with the Covered Bonds (including any proceedings relating to any non-contractual obligations arising out of or in connection with the Covered Bonds) against any of the Issuer and the Covered Bond

Guarantor in any other court of competent jurisdiction and concurrent proceedings in any number of jurisdictions.

18.2 Each of the Issuer and the Covered Bond Guarantor:

- (a) agrees that the process by which any proceedings in England are begun may be served on it by delivery to the General Manager, Europe being at the date hereof at Senator House, 85 Queen Victoria Street, London EC4V 4HA;
- (b) agrees to procure that, so long as any of the Covered Bonds issued or guaranteed by it (as the case may be) remains liable to prescription, there will be in force an appointment of such a person approved by the Bond Trustee with an office in London with authority to accept service as aforesaid;
- (c) agrees that a failure by any such person to give notice of such service or process to the Issuer or the Covered Bond Guarantor will not impair the validity of such service or of any judgment based thereon; and
- (d) agrees that nothing in these Conditions will affect the right to serve process in any other manner permitted by law.

## SCHEDULE 2

### TERMS AND CONDITIONS OF THE RULE 144A AND THE REGULATION S COVERED BONDS SOLD UNDER THE U.S. OFFERING CIRCULAR

The following are the terms and conditions (the **Conditions**) of and (as completed by the applicable Final Terms in relation to a Tranche of Covered Bonds) apply to each Registered Global Covered Bond (as defined below) (other than N Covered Bonds) and each Definitive Covered Bond (other than N Covered Bonds), in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the Relevant Dealer(s) at the time of issue but, if not so permitted and agreed, such Definitive Covered Bond will have endorsed thereon or attached thereto such Conditions. The applicable Final Terms in relation to any Series or Tranche of Covered Bonds may specify other terms and conditions which will, to the extent so specified or to the extent inconsistent with the following Conditions, replace or modify the following Conditions for the purpose of such Covered Bonds. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Registered Global Covered Bond and Definitive Covered Bond. References to the applicable Final Terms are to the Final Terms (or the relevant provisions thereof) entered in the Register in respect of, or attached to, or endorsed on this Covered Bond.

This Covered Bond is one of a Series (as defined below) of Covered Bonds issued by Commonwealth Bank of Australia (the **Issuer**) constituted by a trust deed (such trust deed as modified and/or supplemented and/or restated from time to time, the **Bond Trust Deed**) dated November 15, 2011 (the **Programme Date**) made between the Issuer, Perpetual Corporate Trust Limited ABN 99 000 341 533 as trustee of the CBA Covered Bond Trust (the **Trust**) (and in such capacity, the **Covered Bond Guarantor**), Securitisation Advisory Services Pty. Limited ABN 88 064 133 946 as trust manager (the **Trust Manager**) and Deutsche Trustee Company Limited as bond trustee (in such capacity, the **Bond Trustee**, which expression will include any successor bond trustee).

Save as provided for in Conditions 9 and 10, references in these Conditions to the Covered Bonds are references to the Covered Bonds of this Series and mean:

- (i) in relation to any Covered Bonds represented by a global covered bond in registered form (a **Registered Global Covered Bond**), units of the lowest Specified Denomination in the Specified Currency; and
- (ii) any Definitive Covered Bonds in registered form (**Registered Definitive Covered Bonds**) (whether or not issued in exchange for a Registered Global Covered Bond).

The Covered Bonds have the benefit of a principal agency agreement (such principal agency agreement as amended and/or supplemented and/or restated from time to time the **Principal Agency Agreement**) dated on or about the Programme Date and made between the Issuer, the Covered Bond Guarantor, the Bond Trustee, the Trust Manager and Deutsche Bank AG, London Branch as principal paying agent (in such capacity, the **Principal Paying Agent**, which expression includes any successor principal paying agent), Deutsche Bank Trust Company Americas (the **U.S. Paying Agent**, **U.S. Transfer Agent** and **U.S. Registrar**) and the other paying agents appointed pursuant to the Principal Agency Agreement (together with the Principal Paying Agent and the U.S. Paying Agent, the **Paying Agents**, which expression includes any additional or successor paying agents), Deutsche Bank, Luxembourg, S.A. as transfer agent (in such capacity, the **Transfer Agent**, which expression includes any additional or successor transfer agent) and as registrar (in such capacity, the **Registrar**, which expression includes any successor registrar) and Deutsche Bank AG, London Branch as exchange agent (in such capacity, the **Exchange Agent**, which expression includes any additional or successor exchange agent). The Conditions herein assumes the Covered Bonds will be sold in reliance on both Rule 144A and Regulation S, and the Registered Global Covered Bonds will be deposited with a custodian for DTC, and registered in the name of DTC or its nominee. Accordingly, the role of the U.S. Paying Agent, U.S. Transfer Agent and U.S. Registrar are described herein. If the Covered Bonds are sold in

reliance on Regulation S only and deposited with the Common Depositary for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg, and as specified in the applicable Final Terms, the description of the U.S. Paying Agent, U.S. Transfer Agent and U.S. Registrar herein will be to the Principal Paying Agent, Transfer Agent and Registrar, as appropriate, or will otherwise be described in the applicable Final Terms.

The Final Terms may specify any other agency agreement that applies to Covered Bonds issued by the Issuer.

As used herein, **Agents** will mean each Paying Agent, each Exchange Agent, each U.S. Transfer Agent and each U.S. Registrar, U.S. Paying Agent will mean, in relation to a Tranche or Series of Covered Bonds, the U.S. Paying Agent or such other paying agent as the Final Terms for that Tranche or Series may specify, U.S. Registrar will mean, in relation to a Tranche or Series of Covered Bonds, the U.S. Registrar or such other registrar as the Final Terms for that Tranche or Series may specify, **U.S. Transfer Agent** will mean, in relation to a Tranche or Series of Covered Bonds, the U.S. Transfer Agent or such other transfer agent as the Final Terms for that Tranche or Series may specify and **Exchange Agent** will mean, in relation to a Tranche or Series of Covered Bonds, the Exchange Agent or such other exchange agent as the Final Terms for that Tranche or Series may specify.

The Final Terms for this Covered Bond (or the relevant provisions thereof) is entered in the Register, in respect of, attached to, or endorsed on this Covered Bond and supplement these terms and conditions (the **Conditions**) and may specify other terms and conditions which, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of this Covered Bond. References to the **applicable Final Terms** are to the Final Terms (or the relevant provisions thereof) entered in the Register in respect of, or attached to, or endorsed on this Covered Bond.

The Bond Trustee acts as trustee for the holders for the time being of the Covered Bonds (the **Covered Bondholders**, which expression will, in relation to any Covered Bonds represented by a Registered Global Covered Bond, be construed as provided below) and for holders of each other Series of Covered Bonds in accordance with the provisions of the Bond Trust Deed.

As used in these Conditions, **Tranche** means Covered Bonds which are identical in all respects (including as to listing or admission to trading, if applicable) and **Series** means a Tranche of Covered Bonds together with any further Tranche or Tranches of Covered Bonds which are: (i) expressed to be consolidated and form a single series; and (ii) identical in all respects (including as to listing or admission to trading, if applicable) except for their respective Issue Dates, Interest Commencement Dates, Issue Prices and/or the amount of the first payment of interest (if any).

The Covered Bond Guarantor has, in the Bond Trust Deed, irrevocably and unconditionally guaranteed the due and punctual payment of Guaranteed Amounts in respect of the Covered Bonds as and when the same become due for payment on certain dates in accordance with the Bond Trust Deed (**Due for Payment**), but only after service of a Notice to Pay on the Covered Bond Guarantor following an Issuer Event of Default and service by the Bond Trustee of an Issuer Acceleration Notice on the Issuer or the occurrence of Covered Bond Guarantor Event of Default and service by the Bond Trustee of a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer.

The security for the obligations of the Covered Bond Guarantor under the Covered Bond Guarantee and the other Programme Documents to which it is a party has been created in and pursuant to, and on the terms set out in, a security deed governed by the laws of New South Wales, Australia (such security deed as amended and/or supplemented and/or restated from time to time, the **Security Deed**) dated on or about the Programme Date and made between the Covered Bond Guarantor, the Issuer, the Trust Manager, the Bond Trustee, P.T. Limited ABN 67 004 454 666 (the **Security Trustee**) and certain other Secured Creditors.



These Conditions include summaries of, and are subject to, the provisions of the Bond Trust Deed, the Security Deed and the Principal Agency Agreement.

Copies of the Bond Trust Deed, the Security Deed, the Definitions Schedule (as defined below), the Principal Agency Agreement and each of the other Programme Documents are available for inspection and collection free of charge during normal business hours at the registered office for the time being of the Bond Trustee being at the Programme Date at Winchester House, 1 Great Winchester Street, London, EC2N 2DB, United Kingdom and at the specified office of the U.S. Paying Agent.

Copies of the applicable Final Terms for all Covered Bonds of each Series (including in relation to unlisted Covered Bonds of any Series) are obtainable during normal business hours at the specified office of the Paying Agents, the U.S. Registrar and the U.S. Transfer Agent. In the case of unlisted Covered Bonds of any Series, the applicable Final Terms will only be obtainable by a Covered Bondholder holding one or more Covered Bonds and such Covered Bondholder must produce evidence satisfactory to the Issuer and the Bond Trustee or, as the case may be, the relevant Paying Agent, U.S. Registrar or U.S. Transfer Agent as to its holding of Covered Bonds and identity. The Covered Bondholders are deemed to have notice of, are bound by, and are entitled to the benefit of, all the provisions of, and definitions contained in, the Bond Trust Deed, the Security Deed, the Definitions Schedule (as defined below), the Principal Agency Agreement, each of the other Programme Documents and the applicable Final Terms which are applicable to them and to have notice of the Final Terms relating to each other Series.

Except where the context otherwise requires, capitalised terms used and not otherwise defined in these Conditions bear the meanings given to them in the Bond Trust Deed, the applicable Final Terms and/or the CBA Covered Bond Trust Definitions Schedule made between the parties to the Programme Documents on the Programme Date (the **Definitions Schedule**) (as the same may be amended and/or supplemented and/or restated from time to time), a copy of each of which may be obtained or inspected as described above. In the event of any inconsistency between the Bond Trust Deed and the Definitions Schedule, the Bond Trust Deed will prevail and in the event of any inconsistency between the Bond Trust Deed and the applicable Final Terms, the applicable Final Terms will prevail.

## **1. FORM, DENOMINATION AND TITLE**

The Covered Bonds are in registered form as specified in the applicable Final Terms and, in the case of Definitive Covered Bonds, serially numbered, in the Specified Currency and the Specified Denomination(s). Covered Bonds of one Specified Denomination may not be exchanged for Covered Bonds of another Specified Denomination.

This Covered Bond is a Fixed Rate Covered Bond or a Floating Rate Covered Bond depending upon the Interest Basis specified in the applicable Final Terms and depending on the Redemption/Payment Basis specified in the applicable Final Terms, and subject, in each case, to confirmation from the Rating Agencies that the then current credit ratings of any outstanding Series of Covered Bonds will not be adversely affected by the issuance of this Covered Bond.

Subject as set out below, title to the Registered Covered Bonds will pass upon the registration of transfers in accordance with the provisions of the Principal Agency Agreement. The Issuer, the Covered Bond Guarantor, the Security Trustee, the Bond Trustee and each of the Agents will (except as otherwise permitted in the Bond Trust Deed and these Conditions or as ordered by a court of competent jurisdiction or as required by law or applicable regulations) deem and treat the registered holder of any Registered Covered Bond as the absolute owner thereof (notwithstanding any notice to the contrary and whether or not it is overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Registered Global Covered Bond, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Covered Bonds are represented by a Registered Global Covered Bond held on behalf of or, as the case may be, registered in the name of The Depository Trust Company (**DTC**) or its nominee or in the name of a common depository for Euroclear Bank S.A./N.V. (**Euroclear**) and/or Clearstream Banking, *société anonyme* (**Clearstream, Luxembourg**) or their nominee, each person (other than DTC, Euroclear, or Clearstream, Luxembourg) who is for the time being shown in the records of DTC, Euroclear, or Clearstream, Luxembourg as the holder of a particular nominal amount of such Covered Bonds (in which regard any certificate or other document issued by DTC, Euroclear, or Clearstream, Luxembourg as to the nominal amount of such Covered Bonds standing to the account of any person will be conclusive and binding for all purposes save in the case of manifest error and any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including, without limitation, Euroclear's EUCLID or Clearstream's Creation on-line system) in accordance with its usual procedures and in which the holder of a particular nominal amount of the Covered Bonds is clearly identified with the amount of such holding) will be treated by the Issuer, the Covered Bond Guarantor, the Paying Agents, the Security Trustee and the Bond Trustee as the holder of such nominal amount of such Covered Bonds. As long as the Registered Global Covered Bonds are issued in global form, investors will be indirect owners, and not holders, of the Global Covered Bonds and the expression **Covered Bondholder** and related expressions will be construed accordingly.

Covered Bonds which are represented by a Global Covered Bond will be transferable only in accordance with the rules and procedures for the time being of DTC, Euroclear and Clearstream, Luxembourg, as the case may be.

References to DTC, Euroclear and/or Clearstream, Luxembourg will, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or as may otherwise be approved by the Issuer, the Bond Trustee and the U.S. Paying Agent (any such clearing system, an **Alternative Clearing System**).

## **2. TRANSFERS OF REGISTERED COVERED BONDS**

### **2.1 Transfers of interests in Registered Global Covered Bonds**

Transfers of beneficial interests in Rule 144A Global Covered Bonds (as defined below) and Regulation S Global Covered Bonds (as defined below) (together, the **Registered Global Covered Bonds**) will be effected by DTC, 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 Registered Global Covered Bond may, subject to compliance with all applicable legal and regulatory restrictions, be transferred to a person who takes delivery in the form of a beneficial interest in another Registered Global Covered Bond 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 DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Principal Agency Agreement. Transfers of a Registered Global Covered Bond registered in the name of DTC or its nominee will be limited to transfers of such Registered Global Covered Bond, in whole but not in part, to another nominee of DTC or to a successor of DTC or such successor's nominee.

### **2.2 Transfers of Registered Definitive Covered Bonds**

A Registered Definitive Covered Bond 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 Registered Definitive Covered Bond for registration of the transfer at the specified office of a U.S. Transfer Agent with the form of transfer endorsed on the Registered Definitive Covered Bond duly completed and executed by or on behalf of the transferor and upon the relevant

U.S. 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 U.S. Transfer Agent may prescribe. Subject as provided above, the relevant U.S. Transfer Agent will, within 14 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 Registered Definitive Covered Bond of a like aggregate nominal amount to the Registered Definitive Covered Bond (or the relevant part of the Registered Definitive Covered Bond) transferred. In the case of the transfer of part only of a Registered Definitive Covered Bond, a new Registered Definitive Covered Bond in respect of the balance of the Registered Definitive Covered Bond not transferred will be so delivered or (at the risk of the transferor) sent to the transferor.

### **2.3 [Reserved]**

### **2.4 Partial redemption**

In the event of a partial redemption of Covered Bonds under Condition 5.3, the Issuer will not be required to register the transfer of any Definitive Covered Bond, or part of any Definitive Covered Bond, called for partial redemption.

### **2.5 Costs of registration**

Covered Bondholders 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 U.S. Transfer Agent or by regular mail and except that the Issuer, any U.S. Registrar or any U.S. Transfer Agent may require the payment of a sum sufficient to cover any Taxes, including stamp duty, GST or other governmental charge that may be imposed in relation to the registration.

### **2.6 U.S. Paying Agent, Paying Agents, U.S. Registrar, U.S. Transfer Agent and Exchange Agent**

The names of the initial U.S. Registrar, and other initial U.S. Transfer Agents and Exchange Agent(s) and their initial specified offices in respect of this Series of Covered Bonds 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 U.S. Registrar or any other U.S. Transfer Agent or Exchange Agent(s) and to appoint another U.S. Registrar or additional or other U.S. Transfer Agents or Exchange Agent(s) provided that it will at all times maintain a U.S. Registrar and another U.S. Transfer Agent or Exchange Agent(s) each having a specified office which, in the case of the U.S. Registrar, is in New York or such other place as may be required by a stock exchange on which such Covered Bonds are listed. Notice of any termination or appointment and of any changes in specified offices will be given to the holders of the Covered Bonds of this Series promptly by the Issuer in accordance with Condition 12.

The names of the initial U.S. Paying Agent and the other initial Paying Agents and their initial specified offices in respect of this Series of Covered Bonds are set out below. The Issuer and (following service of a Notice to Pay but prior to the service of a Covered Bond Guarantee Acceleration Notice) the Covered Bond Guarantor 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 Covered Bonds of this Series is outstanding, maintain: (a) a U.S. Paying Agent, (b) a Paying Agent (which may be the U.S. Paying Agent) having a specified office in a leading financial centre in New York and (c) so long as any Covered Bonds of this Series are admitted to trading or listed on a stock exchange, a Paying Agent (which may be the U.S. Paying Agent) having a specified office in such place as may be required by that stock exchange. Any such variation, termination or change may only take effect (other than in the case of insolvency, when it may be of immediate effect) after not less than 30 days' prior notice thereof has been given to the

holders of the Covered Bonds of this Series in accordance with Condition 12 and provided further that neither the resignation nor the removal of the U.S. Paying Agent will take effect, except in the case of insolvency as aforesaid, until a new U.S. Paying Agent has been appointed. Notice of any change in or addition to the Paying Agents or their specified offices will be given by the Issuer promptly in accordance with Condition 12.

## **2.7 Transfers of interests in Regulation S Global Covered Bonds**

Prior to expiry of the applicable Distribution Compliance Period, transfers of beneficial interests in, a Regulation S Global Covered Bond to a person who takes delivery in the form of an interest in a Rule 144A Global Covered Bond will only be made upon receipt by the U.S. Registrar of a written certification substantially in the form set out in the Principal Agency Agreement (a **Transfer Certificate**), copies of which are available from the specified office of the U.S. Registrar or any U.S. Transfer Agent, from the transferor of such beneficial interest to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

Prior to the expiry of the applicable Distribution Compliance Period beneficial interests in Regulation S Covered Bonds registered in the name of a nominee for DTC may only be held through the accounts of Euroclear and Clearstream, Luxembourg. After expiry of the applicable Distribution Compliance Period (i) beneficial interests in Regulation S Global Covered Bonds registered in the name of DTC or its nominee may be held through DTC directly, by a participant in DTC, or indirectly through a participant in DTC and (ii) such certification requirements will no longer apply to such transfers.

## **2.8 Transfers of interests in Rule 144A Covered Bonds**

Transfers of Rule 144A Covered Bonds or beneficial interests therein may be made:

- (a) to a transferee who takes delivery of such interest in the form of an interest in a Regulation S Global Covered Bond, upon receipt by the U.S. Registrar of a duly completed Transfer Certificate from the transferor to the effect that such transfer is being made in accordance with Regulation S or, if available, Rule 144A under the Securities Act and that, in the case of a Regulation S Global Covered Bond registered in the name of a nominee for DTC, if such transfer is being made prior to expiry of the applicable Distribution Compliance Period, the interests in the Covered Bonds being transferred will be held immediately thereafter through Euroclear and/or Clearstream, Luxembourg; or
- (b) to a transferee who takes delivery of such interest through a Rule 144A Covered Bond, where the transferee is a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, without certification; or
- (c) otherwise (i) in the case of a transfer pursuant to another exemption from the Securities Act, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with the Securities Act and any applicable securities laws of any State of the United States or (ii) pursuant to an effective registration statement under the Securities Act,

and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

Upon the transfer, exchange or replacement of Rule 144A Covered Bonds, or upon specific request for removal of any United States securities law legend on Rule 144A Covered Bonds, the U.S.

Registrar must deliver only Rule 144A Covered Bonds or refuse to remove the legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence as may reasonably be required by the Issuer, which may include an opinion of U.S. counsel, that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

## **2.9 Exchanges and transfers of Registered Covered Bonds generally**

Holders of Registered Covered Bonds in definitive form may exchange such Covered Bonds for interests in a Global Covered Bond of the same type at any time.

## **2.10 Definitions**

In these Conditions, the following expressions have the following meanings:

**Distribution Compliance Period** means, with respect to any offering in reliance on Regulation S, the period that ends 40 days after the later of the commencement of the offering and the Issue Date;

**Regulation S** means Regulation S under the Securities Act;

**QIB** means a “qualified institutional buyer” within the meaning of Rule 144A;

**Registered Global Covered Bond** means Rule 144A Global Covered Bonds and Regulation S Global Covered Bonds;

**Regulation S Global Covered Bond** means a Registered Global Covered Bond representing Covered Bonds initially sold outside the United States in reliance on Regulation S;

**Rule 144A** means Rule 144A under the Securities Act;

**Rule 144A Global Covered Bond** means a Registered Global Covered Bond representing Covered Bonds initially sold in the United States to QIBs in reliance on Rule 144A; and

**Securities Act** means the United States Securities Act of 1933, as amended.

## **3. STATUS OF THE COVERED BONDS AND THE COVERED BOND GUARANTEE**

### **3.1 Status of the Covered Bonds**

The Covered Bonds of this Series constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* without any preference or priority among themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer (other than any obligation preferred by mandatory provisions of applicable law) from time to time outstanding.

### **3.2 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 (**Australian Banking Act**) and section 86 of the Reserve Bank Act 1959 of the Commonwealth of Australia (**Australian 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, APRA, the RBA and holders of protected accounts held in Australia, in priority to all other liabilities, including the Covered Bonds.

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

In addition, the Issuer's indebtedness is not guaranteed or insured by any government, government agency or compensation scheme of Australia or any other jurisdiction.

### 3.3 Status of the Covered Bond Guarantee

The payment of Guaranteed Amounts in respect of the Covered Bonds when the same become Due for Payment has been unconditionally and irrevocably guaranteed by the Covered Bond Guarantor (the **Covered Bond Guarantee**) as set out in the Bond Trust Deed. However, the Covered Bond Guarantor will have no obligation under the Covered Bond Guarantee to pay any Guaranteed Amounts until the occurrence of an Issuer Event of Default, service by the Bond Trustee on the Issuer of an Issuer Acceleration Notice and service by the Bond Trustee on the Covered Bond Guarantor of a Notice to Pay or, if earlier, following the occurrence of a Covered Bond Guarantor Event of Default and service by the Bond Trustee of a Covered Bond Guarantee Acceleration Notice. The obligations of the Covered Bond Guarantor under the Covered Bond Guarantee are (following an Issuer Event of Default, service of an Issuer Acceleration Notice and service of a Notice to Pay or a Covered Bond Guarantor Event of Default and service of a Covered Bond Guarantee Acceleration Notice), direct and unconditional (subject as provided in Condition 15) obligations of the Covered Bond Guarantor, which are secured as provided in the Security Deed.

Any payment made by the Covered Bond Guarantor under the Covered Bond Guarantee will (unless such obligation has been discharged as a result of the payment of Excess Proceeds to the Bond Trustee pursuant to Condition 9) discharge *pro tanto* the obligations of the Issuer in respect of such payment under the Covered Bonds except where such payment has been declared void, voidable or otherwise recoverable in whole or in part and recovered from the Bond Trustee or the Covered Bondholders.

## 4. INTEREST

### 4.1 Interest on Fixed Rate Covered Bonds

- (a) Each Fixed Rate Covered Bond 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 will accrue in respect of each **Interest Period** (which expression will in these Conditions mean 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 Final Maturity Date. If a Notice to Pay is served on the Covered Bond Guarantor, the Covered Bond Guarantor will pay Guaranteed Amounts in equivalent amounts to those described above under the Covered Bond Guarantee in respect of the Covered Bonds on the applicable Original Due for Payment Dates or, if applicable, the Extended Due for Payment Date.

If the Covered Bonds are Definitive Covered Bonds and if a Fixed Coupon Amount is specified in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the 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 cease to accrue on each Fixed Rate Covered Bond (or, in the case of the redemption of part only of a Fixed Rate Covered Bond, that part only of such Covered Bond) 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 (i) the day on which all sums due in respect of such Fixed Rate Covered Bond up to that day are received by or on behalf of the holder of such Fixed Rate Covered Bond and (ii) the day which is seven days after the date on which the U.S. Paying Agent has notified the holder in accordance with Condition 12 that it has received all sums due in respect thereof up to that date.

- (b) Except in the case of Covered Bonds which are Definitive Covered Bonds where a Fixed Coupon Amount or Broken Amount, is specified in the applicable Final Terms interest must be calculated in respect of any period by applying the Rate of Interest to:
  - (i) in the case of Fixed Rate Covered Bonds which are Registered Global Covered Bonds, the aggregate Calculation Amount of the Fixed Rate Covered Bonds represented by such Registered Global Covered Bonds; or
  - (ii) in the case of Fixed Rate Covered Bonds which are Definitive Covered Bonds, 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 Covered Bond which is a Definitive Covered Bond is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Covered Bond will 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.

In this Condition 4.1, **Day Count Fraction** has the meaning given to it in Condition 4.3.

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.

## 4.2 Interest on Floating Rate Covered Bonds

### (a) *Interest Payment Dates*

Each Floating Rate Covered Bond bears interest in respect of each Interest Period (which expression will in these Conditions mean the period from (and including) a Specified Interest Payment Date (or if none the Interest Commencement Date to (but excluding) the next (or first) Specified Interest Payment Date). For the purposes of this Condition 4.2, **Interest Payment Date** means either:

- (i) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or
- (ii) 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.

Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Final Maturity Date. If a Notice to Pay is served on the Covered Bond Guarantor, the Covered Bond Guarantor will pay Guaranteed Amounts in equivalent amounts to those described above under the Covered Bond Guarantee in respect of the Covered Bonds on the applicable Original Due for Payment Dates or, if applicable, the Extended Due for Payment Date.

(b) *Interest Payments and Accrual*

Interest will cease to accrue on each Floating Rate Covered Bond (or, in the case of the redemption of part only of a Floating Rate Covered Bond, that part only of such Covered Bond) 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 (i) the day on which all sums due in respect of such Floating Rate Covered Bond up to that day are received by or on behalf of the holder of such Floating Rate Covered Bond and (ii) the day which is seven days after the date on which the U.S. Paying Agent has notified the holder in accordance with Condition 12 that it has received all sums due in respect thereof up to that date.

(c) *Rate of Interest*

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

(d) *ISDA Determination for Floating Rate Covered Bonds*

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 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 4.2(d), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the U.S. Paying Agent or any other person specified in the applicable Final Terms under an interest rate swap transaction if the U.S. 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 Covered Bonds, (the **ISDA Definitions**) and under which:

- (i) the Floating Rate Option is as specified in the applicable Final Terms;
- (ii) the Designated Maturity is a period specified in the applicable Final Terms; and
- (iii) the relevant Reset Date is either (A) if the applicable Floating Rate Option is based on the London inter-bank offered rate (LIBOR) for a currency or on the Euro-zone inter-bank offered rate (EURIBOR) for calculations of payments in euro, the first day of that Interest Period or (B) in any other case, as the day specified in the applicable Final Terms.

For the purposes of this Condition 4.2(d), **Floating Rate**, **Floating Rate Option**, **Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions.

When this Condition 4.2(d) applies, in respect of each relevant Interest Period:



- (iv) the Rate of Interest for such Interest Period will be the rate of interest determined by the U.S. Paying Agent or other person specified in the applicable Final Terms in accordance with this Condition 4.2(d); and
- (v) the U.S. Paying Agent or other person specified in the applicable Final Terms will be deemed to have discharged its obligations under Condition 4.2(h) in respect of the determination of the Rate of Interest if it has determined the Rate of Interest in respect of such Interest Period in the manner provided in this Condition 4.2(d).

(e) *Screen Rate Determination for Floating Rate Covered Bonds*

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 Interest Period will, subject as provided below, be either:

- (i) the offered quotation; or
- (ii) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (specified in the applicable Final Terms) which appears on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) 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 U.S. 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) must be disregarded by the U.S. Paying Agent or that other person for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Calculation Agency Agreement and the Principal Agency Agreement contain provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph. Such provisions will apply to each Floating Rate Covered Bond where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined.

(f) *[Reserved]*

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

- (i) In this Condition, Business Day has the meaning given to it in Condition 4.3.
- (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.

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

The U.S. Paying Agent or such other person specified in the applicable Final Terms will, as soon as practicable after each time at which the Rate of Interest is set to be determined, determine the Rate of Interest and calculate the amount of interest payable in respect of each Calculation Amount (each, an **Interest Amount**) for the relevant Interest Period as soon as practicable after calculating the same.

The Interest Amount payable on the Floating Rate Covered Bonds for the relevant Interest Period will be calculated by applying the Rate of Interest to:

- (i) in the case of Floating Rate Covered Bonds which are Registered Global Covered Bonds, the aggregate Calculation Amount of the Covered Bonds represented by such Registered Global Covered Bonds; or
- (ii) in the case of Floating Rate Covered Bonds which are Definitive Covered Bonds, 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 Covered Bond which is Definitive Covered Bond is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Covered Bond will 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 U.S. Paying Agent or other person specified in the applicable Final Terms will (in the absence of manifest error) be final and binding upon all parties.

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

The U.S. Paying Agent will cause the Rate of Interest and the Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and, in the case of Floating Rate Covered Bonds 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 Covered Bonds of this Series in accordance with Condition 12 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 Interest Period. Any such amendment will be promptly notified to any stock exchange on which the Covered Bonds affected thereby are for the time being listed.

(j) *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 U.S. Paying Agent or other Paying Agent (if any) 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 Covered Bond Guarantor, the U.S. Paying Agent, the Paying Agents and all holders of the Covered Bonds of this Series 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 Covered Bonds of this Series will attach to the U.S. Paying Agent in

connection with the exercise or non-exercise by them of their powers, duties and discretions under this Condition.

In these Conditions:

**Reference Rate** means the relevant EURIBOR or LIBOR rate specified in the applicable Final Terms.

#### 4.3 Day Count Fraction and Business Day Convention

(a) *Day Count Fraction*

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

- (i) if “Actual/Actual (ISDA)” or “Actual/Actual” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of the Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if “Actual/365 (Fixed)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if “Actual/360” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (iv) if “30/360”, “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;

- (v) if “30E/360” or “Eurobond 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 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;

- (vi) if “30E/360 (ISDA)” 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 (A) that day is the last day of February or (B) 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 (A) that day is the last day of February but not the Final Maturity Date or (B) such number would be 31 and D2 will be 30.

(vii) if “Actual/Actual (ICMA)” is specified in the Final Terms:

(A) in the case of Covered Bonds where the number of days in relevant period 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 (defined below) 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 Covered Bonds 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;

(viii) 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.

**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

(ix) if “RBA Bond Basis” is specified in the Final Terms, one divided by the number of Interest Payment Dates in a year in which the Interest Period falls (a year being each 12 month period on and from the Issue Date).

(b) *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::

- (i) in the case where a Specified Period is specified in accordance with Condition 4.2(a)(ii) above, the Floating Rate Convention, such Interest Payment Date (A) in the case of (x) above, must be the last day that is a Business Day in the relevant month and the provisions of (b) below will apply mutatis mutandis or (B) in the case of (y) above, must be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date (or other date) must be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date will be the last Business Day of the last month which falls in the Interest Period after the preceding applicable Interest Payment Date occurred; or
- (ii) the Following Business Day Convention, such Interest Payment Date will be postponed to the next day which is a Business Day; or
- (iii) the Modified Following Business Day Convention, such Interest Payment Date will 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 will be brought forward to the immediately preceding Business Day; or
- (iv) the Preceding Business Day Convention, such Interest Payment Date will be brought forward to the immediately preceding Business Day.

In this Condition:

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

- (ii) 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 Sydney and in London and, in the case of Registered Covered Bonds, New York, and if any Additional Business Centre(s) is specified in the applicable Final Terms, in such Additional Business Centre(s); and
- (iii) 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 and which if the Specified Currency is Australian Dollars will be Sydney or (2) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (TARGET2) is open.

**4.4** [Reserved]

**4.5** [Reserved]

**4.6** [Reserved]

## **5. REDEMPTION AND PURCHASE**

### **5.1 Final Redemption**

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

Without prejudice to Condition 9, if an Extended Due for Payment Date is specified as applicable in the Final Terms for a Series of Covered Bonds and the Issuer has failed to pay the Final Redemption Amount on the Final Maturity Date specified in the Final Terms (or after expiry of the grace period set out in Condition 9.1(a) and, following the service of a Notice to Pay on the Covered Bond Guarantor by no later than the date falling one Business Day prior to the Extension Determination Date, the Covered Bond Guarantor has insufficient monies available under the Guarantee Priority of Payments to pay the Guaranteed Amounts corresponding to the Final Redemption Amount in full in respect of the relevant Series of Covered Bonds on the date falling on the earlier of (a) the date which falls two Business Days after service of such Notice to Pay on the Covered Bond Guarantor or, if later, the Final Maturity Date (or, in each case, after the expiry of the grace period set out in Condition 9.2(a)) under the terms of the Covered Bond Guarantee and (b) the Extension Determination Date, then (subject as provided below) payment of the unpaid amount by the Covered Bond Guarantor under the Covered Bond Guarantee will be deferred until the Extended Due for Payment Date, provided that the Covered Bond Guarantor may pay any amount representing the Final Redemption Amount on the relevant Final Maturity Date and any amount representing the Final Redemption Amount due and remaining unpaid on the earlier of (a) and (b) above may also be paid by the Covered Bond Guarantor on any Interest Payment Date thereafter up to (and including) the Extended Due for Payment Date. The Issuer must confirm to the U.S. Paying Agent as soon as reasonably practicable and in any event at least four Business Days prior to the Final Maturity Date of a Series of Covered Bonds whether (x) payment will be made in full of the Final Redemption Amount in respect of a Series of Covered Bonds on that Final Maturity Date or (y) payment will not be made in full of the Final Redemption Amount in respect of a Series of Covered Bonds on that Final Maturity Date.

The Covered Bond Guarantor must notify the relevant Covered Bondholders (in accordance with Condition 12), the Rating Agencies, the Bond Trustee, the Security Trustee, the U.S. Paying Agent and the U.S. Registrar (in the case of Registered Covered Bonds) as soon as reasonably practicable and in any event at least one Business Day prior to the dates specified in (a) and (b) of the preceding paragraph of any inability of the Covered Bond Guarantor to pay in full the Guaranteed Amounts corresponding to the Final Redemption Amount in respect of a Series of Covered Bonds pursuant to the Covered Bond Guarantee. Any failure by the Covered Bond Guarantor to notify such parties will not affect the validity or effectiveness of the extension nor give rise to any rights in any such party. In such circumstances, the Covered Bond Guarantor must on the earlier of (a) the date falling two Business Days after the service of a Notice to Pay on the Covered Bond Guarantor or if later the Final Maturity Date (or, in each case, after the expiry of the grace period set out in Condition 9.2(a)) and (b) the Extension Determination Date, under the Covered Bond Guarantee, apply the monies (if any) available (after paying or providing for payment of higher ranking or *pari passu* amounts in accordance with the Guarantee Priority of Payments) pro rata in part payment of an amount equal to the Final Redemption Amount of each Covered Bond of the relevant Series of Covered Bonds and must pay Guaranteed Amounts constituting the Scheduled Interest in respect of each such Covered Bond on such date. The obligation of the Covered Bond Guarantor to pay any amounts in respect of the balance of the Final Redemption Amount not so paid will be deferred as described above. Such failure to pay by the Covered Bond Guarantor will not constitute a Covered Bond Guarantor Event of Default.

Any discharge of the obligations of the Issuer as the result of the payment of Excess Proceeds to the Bond Trustee must be disregarded for the purposes of determining the amounts to be paid by the Covered Bond Guarantor under the Covered Bond Guarantee in connection with this Condition 5.1.

For the purposes of these Conditions:

**Extended Due for Payment Date** means, in relation to any Series of Covered Bonds, the date, if any, specified as such in the applicable Final Terms to which the payment of all or (as applicable) part of the Final Redemption Amount payable on the Final Maturity Date will be deferred in the event that the Final Redemption Amount is not paid in full on the Extension Determination Date.

**Extension Determination Date** means, in respect of a Series of Covered Bonds to which an Extended Due for Payment Date applies, the date falling two Business Days after the expiry of seven days starting on (and including) the Final Maturity Date of such Series of Covered Bonds.

**Guarantee Priority of Payments** means the guarantee priority of payments relating to the allocation and distribution of the Available Income Amount and Available Principal Amount following service of a Notice to Pay on the Covered Bond Guarantor, but prior to service of a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer, as set out in clause 15.4 of the Establishment Deed.

**Rating Agency** means any one of Moody's Investors Service Pty Limited and Fitch Australia Pty Ltd (together, the **Rating Agencies**) or their successors, to the extent they provide ratings in respect of the Covered Bonds.

## **5.2 Redemption for Tax Reasons**

The Covered Bonds 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 Covered Bonds other than Floating Rate Covered Bonds) or on any Interest Payment Date (in the case of Floating Rate Covered Bonds), on giving not less than 30 nor more than 60 days' notice in accordance with Condition 12 which notice is irrevocable), at the Early Redemption Amount provided in, or calculated in accordance with, Condition 5.8 (as applicable) below, together with (if provided in such paragraphs) interest accrued up to, but excluding, the date fixed for redemption, if the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 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 Covered Bonds of this Series, the Issue Date for the original Tranche) provided that no such notice of redemption may be given in respect of the Covered Bonds 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 will 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 Covered Bonds of this Series on the day on which any such change or amendment becomes effective.

## **5.3 Redemption at the Option of the Issuer (Issuer Call)**

If Issuer Call is specified 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 five Business Days' notice or such other notice period specified in the applicable Final Terms to the Bond Trustee, the U.S. Registrar, and Covered Bondholders of a relevant Series, which in the case of Covered Bonds that clear through DTC should be not less than 30 nor more than 60 days, (which notice is irrevocable) in accordance with Condition 12, redeem all or from time to time some only of the Covered Bonds then outstanding on the relevant Optional Redemption Date and at the Optional Redemption Amount specified in the applicable Final Terms together, if applicable, with (in the case of Fixed Rate Covered Bonds) interest accrued to, but excluding, the relevant Optional Redemption Date. In the event of a redemption of some only of such Covered Bonds, such redemption must be for an amount being equal to the Minimum Redemption Amount or a Higher Redemption Amount



(if any) specified in the applicable Final Terms. In the case of a partial redemption of Covered Bonds, the Covered Bonds to be redeemed (the **Redeemed Covered Bonds**) will be selected:

- (i) individually by lot, in the case of Redeemed Covered Bonds represented by Definitive Covered Bonds; and
- (ii) in the case of Redeemed Covered Bonds represented by a Registered Global Covered Bond, in accordance with the rules of DTC, Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) (or any alternative or additional clearing system as may be specified in the Final Terms);

in each case, not less than 40 days prior to the date fixed for redemption. 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 Redeemed Covered Bonds are represented by Definitive Covered Bonds, the serial numbers of the Redeemed Covered Bonds and, in each case, the aggregate nominal amount of the Covered Bonds of this Series which will be outstanding after the partial redemption. In addition, in the case of a partial redemption of a Series of Covered Bonds which includes Registered Covered Bonds, 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 Covered Bonds may not be made as provided for in Condition 2.

#### **5.4 Redemption at the Option of the Covered Bondholders (Investor Put)**

If Investor Put is specified in the applicable Final Terms, upon any Covered Bondholder giving to the Issuer in accordance with Condition 12 not less than 30 nor more than 60 days' notice (the **notice period**) as specified in the applicable Final Terms, the Issuer will, upon the expiry of such notice redeem in whole (but not in part) the Covered Bonds the subject of the notice on the Optional Redemption Date and at the Optional Redemption Amount indicated in the applicable Final Terms together with (in the case of Fixed Rate Covered Bonds) interest accrued up to, but excluding, the Optional Redemption Date.

To exercise the right to require redemption of this Covered Bond the holder of this Covered Bond must, if this Covered Bond is in Definitive form, deliver, at the specified office of the U.S. Registrar on any business day (as defined in Condition 6.8), 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 U.S. Registrar (a **Put Notice**) and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition 5.4. If this Covered Bond is in Definitive form, the Put Notice must be accompanied by this Covered Bond or evidence satisfactory to the Paying Agent concerned that this Covered Bond will, following delivery of the Put Notice, be held to its order or under its control.

If the Covered Bond is represented by a Registered Global Covered Bond held through DTC, Euroclear or Clearstream, Luxembourg to exercise the right to require redemption of the Covered Bond the holder of the Covered Bond must, within the notice period, give notice to the U.S. Paying Agent of such exercise in accordance with the standard procedures of DTC, Euroclear or Clearstream, Luxembourg (which may include notice being given on his instruction by DTC, Euroclear or Clearstream, Luxembourg, or any common depository for them to the U.S. Paying Agent by electronic means) in a form acceptable to DTC, Euroclear or Clearstream, Luxembourg, as the case may be, from time to time.

Any Put Notice or other notice given in accordance with the standard procedures of a clearing system by a holder of, or the holder of a beneficial interest in, as applicable, any Covered Bond pursuant to this Condition 5.4 is irrevocable except where, prior to the due date of redemption, an Issuer Event of Default or a Covered Bond Guarantor Event of Default has occurred and is continuing and the Bond Trustee has declared the Covered Bonds to be due and payable pursuant to Condition 9, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 5.4 and instead request or direct the Bond Trustee to declare such Covered Bond forthwith due and payable pursuant to Condition 9.

## **5.5 Redemption due to Illegality**

The Covered Bonds of all Series may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice as specified in the applicable Final Terms to the Bond Trustee, the U.S. Paying Agent, the U.S. Registrar and, in accordance with Condition 12, all the Covered Bondholders (which notice is irrevocable), if the Issuer satisfies the Bond Trustee immediately before the giving of such notice that it has, or will before the next Interest Payment Date of any Covered Bond of any Series, become unlawful for the Intercompany Loan Provider and/or Demand Loan Provider to make, fund or allow to remain outstanding any Term Advance or the Demand Loan (or, in either case, any part thereof) made by the Intercompany Loan Provider or the Demand Loan Provider, as the case may be, to the Covered Bond Guarantor pursuant to the Intercompany Loan Agreement or the Demand Loan Agreement, as the case may be, as a result of any change in, or amendment to, the applicable laws or regulations or any change in the application or official interpretation of such laws or regulations, which change or amendment has become or will become effective before the next such Interest Payment Date.

Covered Bonds redeemed pursuant to this Condition 5.5 will be redeemed at their Early Redemption Amount referred to in Condition 5.8 together (if appropriate) with interest accrued to (but excluding) the date of redemption.

Prior to the publication of any notice of redemption pursuant to Condition 5.2 and Condition 5.5, the Issuer must deliver to the Bond Trustee a certificate signed by either a Director, authorised representative, attorney or authorised signatory stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer to redeem have occurred and the Bond Trustee will be entitled to accept the certificate as sufficient evidence of the satisfaction of such conditions precedent, in which event it will be conclusive and binding on all holders of the Covered Bonds.

## **5.6 Final Terms**

The applicable Final Terms indicates that either (a) this Covered Bond cannot be redeemed prior to its Final Maturity Date except as provided in Conditions 5.2 and 5.5 above or (b) that this Covered Bond will be redeemable at the option of the Issuer and/or the holder of this Covered Bond prior to such Final Maturity Date in accordance with the provisions of Conditions 5.3 and/or 5.4 an Optional Redemption Date and at an Optional Redemption Amount and in any Minimum Redemption Amount or Higher Redemption Amount indicated therein.

## **5.7 [Reserved]**

## **5.8 Early Redemption Amounts**

For the purposes of Condition 5.2 or Condition 5.5 above and Condition 9, unless otherwise indicated in the applicable Final Terms, Covered Bonds will be redeemed at their Early Redemption Amount, being in the case of Fixed Rate Covered Bonds or Floating Rate Covered Bonds, the Final Redemption Amount in each case in the relevant Specified Currency together with, in the case of

Fixed Rate Covered Bonds redeemed pursuant to Condition 5.2 or Condition 5.5 above, interest accrued to, but excluding, the date fixed for redemption.

**5.9 [Reserved]**

**5.10 Purchase and Cancellation**

The Issuer or any of its subsidiaries or the Covered Bond Guarantor may (subject as provided below) at any time purchase or otherwise acquire Covered Bonds of this Series in any manner and at any price. If purchases are made by tender, tenders must be available to all the Covered Bondholders alike. Such Covered Bonds may be held, reissued, resold or, in respect of Covered Bonds, at the option of the Issuer or the relevant subsidiary, surrendered to the U.S. Registrar and/or to any Paying Agent for cancellation (except that any Covered Bonds purchased or otherwise acquired by the Covered Bond Guarantor must immediately be surrendered to the U.S. Registrar and/or to any Paying Agent for cancellation).

**5.11 [Reserved]**

**5.12 [Reserved]**

**6. PAYMENTS**

**6.1 [Reserved]**

**6.2 Payments in respect of Registered Covered Bonds**

Payments of principal in respect of Registered Covered Bonds (whether or not in Global form) will (subject as provided in this Condition 6.2) be made against presentation and surrender of such Registered Covered Bonds at the specified office of the U.S. 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 Covered Bonds will (subject as provided in this Condition 6.2) 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 U.S. 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 Covered Bond appearing on the register at the close of business on the 15th 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 U.S. Registrar not less than five business days in the city in which the U.S. Registrar has its specified office before the due date for any payment in respect of a Registered Covered Bond, 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 Covered Bond 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 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 to a euro account specified by the payee.

Holders of Registered Covered Bonds will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any such Registered Covered Bond as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses may be charged to such Covered Bondholders by the U.S. Registrar in respect of any payment of principal or interest in respect of the Registered Covered Bonds.

All amounts payable to DTC or its nominee as registered holder of a Registered Global Covered Bond in respect of Covered Bonds denominated in a Specified Currency other than U.S. dollars must be paid by transfer by the U.S. Registrar to an account in the relevant Specified Currency of the Exchange Agent for conversion into and payment in U.S. dollars in accordance with the provisions of the Principal Agency Agreement.

None of the Issuer, the Bond Trustee, the Covered Bond Guarantor nor the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Covered Bonds or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

**6.3 [Reserved]**

**6.4 [Reserved]**

**6.5 [Reserved]**

**6.6 Payments subject to applicable laws**

Payments in respect of the Covered Bonds will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment but without prejudice to the provisions of Condition 7, 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 otherwise imposed pursuant to Sections 1471 through 1474 of the Code (**FATCA**), an intergovernmental agreement between the United States and another jurisdiction to improve tax compliance and to implement FATCA (an **IGA**), or any law or regulation implementing an IGA. Any such amount withheld or deducted will be treated as paid for all purposes under the Covered Bonds and no additional amounts will be paid on the Covered Bonds with respect to any such withholding or deduction.

**6.7 [Reserved]**

**6.8 Payments due on non-business days**

If any date for payment of principal in respect of any Registered Covered Bond is not a business day, then the holder thereof will not be entitled to payment at the place of presentation of the amount due until the next following business day (unless otherwise specified in the applicable Final Terms) and will not be entitled to any interest or other sum in respect of any such postponed payment. In addition if any date for the payment of interest by transfer to an account specified by the holder in respect of any Registered Covered Bond is not a business day, then the holder will not be entitled to payment to such account until the next following business day and will 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:

- (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:
  - (i) in the relevant place of presentation;
  - (ii) New York and London; and
  - (iii) any Additional Financial Centre specified in the applicable Final Terms;

- (b) 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 (if other than the places specified in paragraph (a)) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open; and
- (c) in the case of any payment in respect of a Registered Global Covered Bond denominated in a Specified Currency other than U.S. dollars and registered in the name of DTC or its nominee and in respect of which an accountholder of DTC (with an interest in such Registered Global Covered Bond) has elected to receive any part of such payment in U.S. dollars, a day on which commercial banks are not authorised or required by law or regulation to be closed in New York City.

**6.9 [Reserved]**

**6.10 [Reserved]**

**6.11 Interpretation of principal and interest**

Any reference in these Conditions to principal in respect of the Covered Bonds will be deemed to include, as applicable:

- (a) any additional amounts which may be payable with respect to principal under Condition 7 or under any undertakings or covenants given in addition thereto, or in substitution therefor, pursuant to the Bond Trust Deed;
- (b) the Final Redemption Amount of the Covered Bonds;
- (c) the Early Redemption Amount of the Covered Bonds;
- (d) the Optional Redemption Amount(s) (if any) of the Covered Bonds;
- (e) any premium and any other amounts (other than interest) which may be payable under or in respect of the Covered Bonds; and
- (f) any Excess Proceeds which may be payable by the Bond Trustee under or in respect of the Covered Bonds.

Any reference in these Conditions to interest in respect of the Covered Bonds will be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7 or under any undertakings given in addition thereto, or in substitution therefor, pursuant to the Bond Trust Deed.

## 7. TAXATION

All payments of, or in respect of, principal and interest on the Covered Bonds of this Series by or on behalf of the Issuer and all payments of Guaranteed Amounts by or on behalf of the Covered Bond Guarantor, as the case may be, 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 imposed or levied by or on behalf of the Commonwealth of Australia or any political sub-division thereof or any authority thereof or therein having power to tax unless such taxes, duties, assessments or governmental charges are required by Australian law to be withheld or deducted. In that event, in respect of a payment made by it, the Issuer will pay such additional amounts of, or in respect of, principal and/or interest as will result (after deduction of the taxes, duties, assessments or governmental charges) in payment to the holders of the Covered Bonds of this Series of the amounts which would otherwise have been payable in respect of the Covered Bonds of this Series, except that no such additional amounts will be payable with respect to any Covered Bond of this Series:

- (a) by or on behalf of a holder who is subject to such taxes, duties, assessments or governmental charges in respect of such Covered Bond by reason of his being connected with the Commonwealth of Australia other than by reason only of the holding of the Covered Bond;
- (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 (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;
- (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;
- (e) where such withholding or deduction is imposed on a payment and is required to be made pursuant to EU Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, or providing for measures equivalent to those laid down in, such Directive;
- (f) by or on behalf of a holder who would be able to avoid such withholding or deduction by presenting the relevant Covered Bond to another Paying Agent in a member state of the European Union which does not impose such withholding or deduction; or
- (g) for, or on account of, any withholding or deduction required pursuant to FATCA (including pursuant to any agreement described in Section 1471(b) of the Code) or any law implementing an intergovernmental approach to FATCA, as described in Condition 6.5.

The **Relevant Date** in relation to any Covered Bond of this Series means whichever is the later of:

- (i) the date on which payment in respect of such Covered Bond first becomes due and payable; or
- (ii) if the full amount of the moneys payable in respect of such Covered Bond has not been duly received by the U.S. Paying Agent on or prior to such date, the date on which notice is duly

given to the Covered Bondholders of this Series in accordance with Condition 12 that such moneys have been so received.

References in these Conditions to principal and interest will be deemed also to refer (as appropriate) (i) to any additional amounts which may be payable under this Condition 7 and (ii) to any premium which may be payable in respect of the Covered Bonds.

If any withholding or deduction is required by the Covered Bond Guarantor in respect of a payment of a Guaranteed Amount to be made by it, the Covered Bond Guarantor must pay the Guaranteed Amounts net of such withholding or deduction and must account to the appropriate Tax Authority for the amount required to be withheld or deducted. The Covered Bond Guarantor will not be obliged to pay any additional amount to the Bond Trustee or any holder of Covered Bonds in respect of the amount of such withholding or deduction.

## **8. PRESCRIPTION**

Claims for payment of principal under the Covered Bonds will be prescribed upon the expiry of 10 years, and claims for payment of interest (if any) in respect of the Covered Bonds will be prescribed upon the expiry of five years, in each case from the Relevant Date (as defined in Condition 7) therefor.

## **9. EVENTS OF DEFAULT AND ENFORCEMENT**

### **9.1 Issuer Events of Default**

The Bond Trustee at its discretion may, and if so requested in writing by the holders of at least 25 per cent. of the aggregate Principal Amount Outstanding of the Covered Bonds (which for this purpose or the purpose of any Extraordinary Resolution referred to in this Condition 9.1 means the Covered Bonds of this Series together with the Covered Bonds of any other Series constituted by the Bond Trust Deed) then outstanding, as if they were a single Series (with the Principal Amount Outstanding of Covered Bonds not denominated in Australian Dollars converted into Australian Dollars at the relevant Swap Rate) or, if so directed by an Extraordinary Resolution of the Covered Bondholders, must (but in the case of the happening of any of the events mentioned in subparagraphs (b) and (c) below, only if the Bond Trustee has certified in writing to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Covered Bondholders of any Series) (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction) give notice (an **Issuer Acceleration Notice**) in writing to the Issuer that as against the Issuer (but not, for the avoidance of doubt, as against the Covered Bond Guarantor under the Covered Bond Guarantee) each Covered Bond of each Series is, and each such Covered Bond will, unless such event has been cured by the Issuer prior to the Issuer's receipt of the notice in writing from the Bond Trustee, thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest as provided in the Bond Trust Deed if any of the following events (each an **Issuer Event of Default**) occurs and is continuing:

- (a) default is made by the Issuer in the payment of any principal or interest when due, in respect of any Covered Bonds and such default continues for a period of 14 days; or
- (b) the Issuer defaults in performance or observance of or compliance with any of its other undertakings set out in the Covered Bonds which default is incapable of remedy or which, if capable of remedy, is not remedied within 30 days after notice of such default has been given to the Issuer by the Bond Trustee; or
- (c) 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 substantially the whole 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

- (d) 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; or
- (e) if an Asset Coverage Test Breach Notice is served and not deemed to be revoked in accordance with the terms of the Establishment Deed on or before the next Determination Date to occur following the service of such Asset Coverage Test Breach Notice; or
- (f) if the Pre-Maturity Test in respect of any Series of Hard Bullet Covered Bonds is breached during the Pre-Maturity Test Period and the amount standing to the credit of the Pre-Maturity Ledger of the GIC Account is less than the aggregate Australian Dollar Equivalent of the Required Redemption Amount for each Series of Hard Bullet Covered Bonds in respect of which the Pre-Maturity Test has been breached, on the earlier to occur of:
  - (A) the later of:
    - I. the date that is 10 Local Business Days from the date that the Seller is notified of that breach; and
    - II. the date that is six months prior to the Final Maturity Date of the relevant Series of Hard Bullet Covered Bonds; and
  - (B) the Final Maturity Date of that Series of Hard Bullet Covered Bonds.

Upon the Covered Bonds becoming immediately due and repayable against the Issuer pursuant to this Condition 9.1, the Bond Trustee must immediately serve a notice to pay (the **Notice to Pay**) on the Covered Bond Guarantor pursuant to the Covered Bond Guarantee and the Covered Bond Guarantor will be required to make payments of Guaranteed Amounts when the same become Due for Payment in accordance with the terms of the Covered Bond Guarantee.

Following the occurrence of an Issuer Event of Default and service of an Issuer Acceleration Notice, the Bond Trustee may or must take such proceedings or other action or step against the Issuer in accordance with Condition 9.3.

The Bond Trust Deed provides that all monies received by or on behalf of the Bond Trustee following the occurrence of an Issuer Event of Default and the delivery of an Issuer Acceleration Notice and a Notice to Pay, from the Issuer or any receiver, liquidator, administrator, receiver and manager, statutory manager or other similar official appointed in relation to the Issuer (the **Excess Proceeds**), must be paid by the Bond Trustee on behalf of the Covered Bondholders of the relevant Series to the Covered Bond Guarantor for its own account, as soon as practicable, and must be held by the Covered Bond Guarantor in the GIC Account and the Excess Proceeds will thereafter form part of the Security and must be used by the Covered Bond Guarantor in the same manner as all other monies from time to time standing to the credit of the GIC Account pursuant to the Security Deed and the Establishment Deed. Any Excess Proceeds received by the Bond Trustee will discharge *pro tanto* the obligations of the Issuer in respect of the payment of the amount of such Excess Proceeds under the Covered Bonds (as applicable and to the extent of the amount so received and subject to restitution of the same if such Excess Proceeds are required to be repaid by the Covered Bond Guarantor) (but will be deemed not to have done so for the purposes of subrogation rights of the Covered Bond Guarantor contemplated by the Bond Trust Deed). However, the



obligations of the Covered Bond Guarantor under the Covered Bond Guarantee are (following service of an Issuer Acceleration Notice and a Notice to Pay or if earlier, service of a Covered Bond Guarantee Acceleration Notice) unconditional and irrevocable and the receipt by the Bond Trustee of any Excess Proceeds and payment to the Covered Bond Guarantor of such Excess Proceeds will not reduce or discharge any of such obligations.

By subscribing for Covered Bond(s), each Covered Bondholder will be deemed to have irrevocably directed the Bond Trustee to pay the Excess Proceeds to the Covered Bond Guarantor in the manner as described above.

## **9.2 Covered Bond Guarantor Events of Default**

The Bond Trustee at its discretion may, and if so requested in writing by the holders of at least 25 per cent. of the aggregate Principal Amount Outstanding of the Covered Bonds (which for this purpose and the purpose of any Extraordinary Resolution referred to in this Condition 9.2 means the Covered Bonds of this Series together with the Covered Bonds of any other Series constituted by the Bond Trust Deed) then outstanding as if they were a single Series (with the Principal Amount Outstanding of Covered Bonds not denominated in Australian Dollars converted into Australian Dollars at the relevant Swap Rate) or, if so directed by an Extraordinary Resolution of all the Covered Bondholders, must (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction), but in the case of the happening of any of the events described in paragraph (b) or (c), only if the Bond Trustee has certified in writing to the Issuer and the Covered Bond Guarantor that such event is, in its opinion, materially prejudicial to the interests of the Covered Bondholders of any Series, give notice (the **Covered Bond Guarantee Acceleration Notice**) in writing to the Issuer and to the Covered Bond Guarantor, that (x) each Covered Bond of each Series is, and each Covered Bond of each Series will as against the Issuer (if not already due and repayable against it following an Issuer Event of Default), thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest and (y) all amounts payable by the Covered Bond Guarantor under the Covered Bond Guarantee will thereupon immediately become due and payable at the Guaranteed Amount corresponding to the Early Redemption Amount for each Covered Bond of each Series together with accrued interest, in each case as provided in the Bond Trust Deed and thereafter the Security will become enforceable if any of the following events (each a **Covered Bond Guarantor Event of Default**) has occurred and is continuing:

- (a) default is made by the Covered Bond Guarantor for a period of 14 days or more in the payment of any Guaranteed Amounts when Due for Payment in respect of the Covered Bonds of any Series except in the case of the payments of a Guaranteed Amount when Due for Payment on the Extended Due for Payment Date under Condition 5.1 where the Covered Bond Guarantor will be required to make payments of Guaranteed Amounts which relate to the Final Redemption Amount and which are Due for Payment on the Extended Due for Payment Date; or
- (b) if default is made by the Covered Bond Guarantor in the performance or observance of any other obligation, condition or provision binding on it (other than any obligation for the payment of Guaranteed Amounts in respect of the Covered Bonds of any Series) under the Bond Trust Deed, the Security Deed or any other Programme Document to which the Covered Bond Guarantor is a party (other than the Programme Agreements, any Subscription Agreement or any Terms Agreement) and, except where such default is or the effects of such default are, in the opinion of the Bond Trustee, not capable of remedy when no such continuation and notice as is hereinafter mentioned will be required, such default continues for 30 days (or such longer period as the Bond Trustee may permit) after written notice thereof has been given by the Bond Trustee to the Covered Bond Guarantor requiring the same to be remedied; or

- (c) the Covered Bond Guarantor retires or is removed, or is required to retire or be removed as trustee of the Trust in accordance with the Establishment Deed and another trustee is not appointed as trustee of the Trust in accordance with the Establishment Deed within 60 days of the occurrence of that event; or
- (d) a failure to satisfy the Amortisation Test (as set out in the Establishment Deed) on any Determination Date following service of a Notice to Pay on the Covered Bond Guarantor; or
- (e) the Covered Bond Guarantee is not, or is claimed by the Covered Bond Guarantor not to be, in full force and effect.

Following the occurrence of a Covered Bond Guarantor Event of Default and service of a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer, each of the Bond Trustee and the Security Trustee may or must take such proceedings or steps in accordance with the first and third paragraphs, respectively, of Condition 9.3 and the Bond Trustee will have a claim against the Covered Bond Guarantor, under the Covered Bond Guarantee, for an amount equal to the Early Redemption Amount for each Covered Bond of each Series together with accrued interest and any other amount due under the Covered Bonds (other than additional amounts payable under Condition 7) as provided in the Bond Trust Deed in respect of each Covered Bond.

### **9.3 Enforcement**

The Bond Trustee may at any time, at its discretion and without further notice, following service of an Issuer Acceleration Notice (in the case of the Issuer) or, if earlier, following service of a Covered Bond Guarantee Acceleration Notice (in the case of the Covered Bond Guarantor) take such proceedings or other action or step as it may think fit against or in relation to the Issuer and/or the Covered Bond Guarantor, as the case may be, and/or any other person as it may think fit to enforce the provisions of the Bond Trust Deed, the Covered Bonds or any other Programme Document, but it will not be bound to take any such enforcement proceedings or other action or step in relation to the Bond Trust Deed, the Covered Bonds or any other Programme Document unless (i) it has been so directed by an Extraordinary Resolution of the Covered Bondholders of all Series then outstanding (with the Covered Bonds of all Series taken together as a single Series and converted into Australian Dollars at the relevant Swap Rate as aforesaid) or so requested in writing by the holders of not less than 25 per cent. of the aggregate Principal Amount Outstanding of the Covered Bonds of all Series then outstanding (with the Covered Bonds of all Series taken together as a single Series and converted into Australian Dollars at the relevant Swap Rate as aforesaid) and (ii) it has been indemnified and/or secured and/or prefunded to its satisfaction.

In exercising any of its powers, trusts, authorities and discretions the Bond Trustee must only have regard to the interests of the Covered Bondholders of all Series equally or, if only applicable to one Series, the Covered Bondholders of the relevant Series, and must not have regard to the interests of any other Secured Creditors.

The Bond Trustee may at any time, following service of a Covered Bond Guarantee Acceleration Notice at its discretion and without further notice, direct the Security Trustee to take such actions, steps or proceedings against the Covered Bond Guarantor and/or any other person as it may think fit to enforce the provisions of the Security Deed or any other Programme Document and may, at any time after the Security has become enforceable, direct the Security Trustee to take such steps as it may think fit to enforce the Security, but it will not be bound to give any such direction and the Security Trustee or the Bond Trustee will not be bound to take any such proceedings, steps or actions unless: (i) the Bond Trustee has been so directed by an Extraordinary Resolution of the Covered Bondholders of all Series then outstanding (with the Covered Bonds of all Series taken together as a single Series and converted into Australian Dollars at the relevant Swap Rate as aforesaid) or so requested in writing by the holders of not less than 25 per cent. of the aggregate

Principal Amount Outstanding of the Covered Bonds of all Series then outstanding (with the Covered Bonds of all Series taken together as a single Series and converted into Australian Dollars at the relevant Swap Rate as aforesaid); and (ii) the Bond Trustee has been indemnified and/or secured and/or prefunded to its satisfaction. In exercising any of its powers, trusts, authorities and discretions under this paragraph each of the Bond Trustee and the Security Trustee must only have regard to the interests of the Covered Bondholders of all Series equally or, if only applicable to one Series, the Covered Bondholders of the relevant Series, and must not have regard to the interests of any other Secured Creditors.

No Covered Bondholder will be entitled to institute proceedings directly against the Issuer or the Covered Bond Guarantor or to take any step or action with respect to the Bond Trust Deed, the Covered Bonds, or the Security unless the Bond Trustee or the Security Trustee, as applicable, having become bound so to proceed, fails so to do within a reasonable time and such failure is continuing in which event any Covered Bondholder may itself institute such proceedings and/or prove in the winding up, administration or liquidation of the Issuer or the Covered Bond Guarantor to the same extent and in the same jurisdiction (but not further or otherwise than the Bond Trustee would have been entitled to do so in respect of the Covered Bonds and/or the Bond Trust Deed).

#### **9.4 Directions of Security Trustee by Bond Trustee**

The Security Trustee will not be obliged to take any steps under any of the Programme Documents or exercise any of its powers, rights, trusts, authorities, duties, functions or discretions under any of the Programme Documents to which the Security Trustee is a party without first taking instructions from the Bond Trustee (provided that the Security Trustee will never be entitled to seek or receive instructions from the Bond Trustee in relation to clause 21 of the Security Deed or in relation to investing in Authorised Investments) and having been indemnified and/or secured to its satisfaction as aforesaid and provided always that the Security Trustee will not be bound to take any enforcement proceedings which may, in the opinion of the Security Trustee in its absolute discretion, result in the Security Trustee failing to receive any payment to which it is or would be entitled. The Security Trustee may exercise a right, power or discretion without receiving any instructions from the Bond Trustee if the Covered Bondholders or, if there are none, the Security Trustee reasonably believes that it is in the best interests of the Secured Creditors that it does so.

In the event that the Bond Trustee is (i) requested by the Security Trustee, or (ii) required by the holders of the Covered Bonds, to provide the Security Trustee with instructions, the Bond Trustee must do so (save where expressly provided otherwise), in relation to (i) only, in its absolute discretion subject to and in accordance with these presents or, in relation to both (i) and (ii) if so requested in writing by the holders of not less than 25 per cent. in aggregate of the Principal Amount Outstanding of the Covered Bonds then outstanding (with the Covered Bonds of all Series taken together as a single Series and, if the nominal amount of the Covered Bonds is not denominated in Australian Dollars, converted into Australian Dollars at the relevant Swap Rate) or directed by an Extraordinary Resolution of the holders of the Covered Bonds then outstanding (with the Covered Bonds of all Series taken together as a single Series and, if the nominal amount of the Covered Bonds is not denominated in Australian Dollars, converted into Australian Dollars at the relevant Swap Rate) subject in each case to the Bond Trustee being indemnified and/or secured and/or prefunded to its satisfaction prior to it giving any instructions to the Security Trustee. The Bond Trustee will be entitled to request the Covered Bondholders (voting as aforesaid) to direct it in relation to any matter in relation to which the Security Trustee has requested instructions, the Bond Trustee will have no obligation to monitor the performance of the Security Trustee and will have no liability to any person for the performance or non-performance of the Security Trustee. In no circumstances will the Bond Trustee be required to indemnify, secure or prefund the Security Trustee.

An Extraordinary Resolution passed at a meeting of Covered Bondholders duly convened and held in accordance with the Bond Trust Deed is binding upon the Security Trustee and all the Secured Creditors whether present or not present at such meeting and each of such Secured Creditors and, subject to the provisions of the Security Deed, the Security Trustee is bound to give effect to the Extraordinary Resolution. The Security Trustee is not required to do or omit to do any act if, in the opinion of the Security Trustee, this might cause it to breach a law, a Programme Document, a fiduciary duty or an obligation owed to another person.

## **10. MEETINGS OF COVERED BONDHOLDERS, MODIFICATION, WAIVER, SUBSTITUTION AND RATINGS AGENCIES**

Covered Bondholders and other Secured Creditors should note that the Issuer, the Covered Bond Guarantor and the U.S. Paying Agent may without their consent or the consent of the Bond Trustee or the Security Trustee agree to modify any provision of any Final Terms which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with any mandatory provisions of law.

### **10.1 Meetings**

The Bond Trust Deed contains provisions for convening meetings of the Covered Bondholders of any Series to consider any matter affecting their interests, including the modification of these Conditions or the provisions of the Bond Trust Deed. The quorum at any such meeting in respect of the Covered Bonds of any Series for passing an Extraordinary Resolution (other than in respect of a Series Reserved Matter) is one or more persons holding or representing not less than a clear majority of the aggregate Principal Amount Outstanding of the Covered Bonds of such Series for the time being outstanding, or at any adjourned meeting one or more persons being or representing the Covered Bondholders of such Series whatever the Principal Amount Outstanding of the Covered Bonds of such Series so held or represented, except that at any meeting the business of which includes any Series Reserved Matter, the quorum for any such meeting will be one or more persons holding or representing not less than two-thirds of the aggregate Principal Amount Outstanding of the Covered Bonds of such Series for the time being outstanding or at any adjourned meeting, the business of which includes any Series Reserved Matter, the quorum will be one or more persons holding or representing not less than one-third of the aggregate Principal Amount Outstanding of the Covered Bonds of such Series for the time being outstanding. The expression Extraordinary Resolution when used in these Conditions means: (i) a resolution passed at a meeting of the Covered Bondholders duly convened and held in accordance with the Bond Trust Deed by a majority consisting of not less than three-fourths of the persons voting thereat upon a show of hands or if a poll is duly demanded by a majority consisting of not less than three-fourths of the votes cast on such poll; or (ii) a resolution in writing signed by or on behalf of Covered Bondholders holding not less than three-fourths in Principal Amount Outstanding of the Covered Bonds then outstanding, which resolution in writing may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Covered Bondholders; or (iii) a resolution passed by way of electronic consents given by holders through the relevant clearing system(s) (in a form satisfactory to the Bond Trustee) by or on behalf of the Covered Bondholders of not less than three-fourths in Principal Amount Outstanding for the time being outstanding of the Covered Bonds (of the relevant Series or all Series, as applicable). An Extraordinary Resolution passed at any meeting of the Covered Bondholders of a Series will, subject as provided below, be binding on all the Covered Bondholders of such Series, whether or not they are present at the meeting. Pursuant to the Bond Trust Deed, the Bond Trustee may convene a single meeting of the holders of Covered Bonds of more than one Series if in the opinion of the Bond Trustee there is no conflict between the respective interests of such Covered Bondholders, in which event the provisions of this paragraph will apply thereto *mutatis mutandis*.

Notwithstanding the provisions of the immediately preceding paragraph, any Extraordinary Resolution to direct the Bond Trustee to accelerate the Covered Bonds pursuant to Condition 9.1 or to give a Covered Bond Guarantee Acceleration Notice pursuant to Condition 9.2 or to direct the Bond Trustee or the Security Trustee or to direct the Bond Trustee to direct the Security Trustee to take any enforcement action or to direct the Bond Trustee to determine that any Issuer Event of Default, Potential Issuer Event of Default, Covered Bond Guarantor Event of Default or Potential Covered Bond Guarantor Event of Default will not be treated as such for the purposes of the Bond Trust Deed (each a **Programme Resolution**) and will only be capable of being passed at a single meeting of the Covered Bondholders of all Series then outstanding. Any such meeting to consider a Programme Resolution may be convened by the Issuer, the Covered Bond Guarantor or the Bond Trustee or by the Covered Bondholders of any Series. The quorum at any such meeting for passing a Programme Resolution is one or more persons holding or representing at least a clear majority of the aggregate Principal Amount Outstanding of the Covered Bonds of all Series for the time being outstanding or at any adjourned such meeting one or more persons holding or representing Covered Bonds whatever the Principal Amount Outstanding of the Covered Bonds of any Series so held or represented. A Programme Resolution passed at any meeting of the Covered Bondholders of all Series will be binding on all the Covered Bondholders of all Series, whether or not they are present at the meeting.

In connection with any meeting of the holders of Covered Bonds of more than one Series where such Covered Bonds are not denominated in Australian Dollars, the Principal Amount Outstanding of the Covered Bonds of any Series not denominated in Australian Dollars must be converted into Australian Dollars at the relevant Swap Rate.

## **10.2 Modification and waiver**

The Bond Trustee may, without the consent or sanction of any of the Covered Bondholders of any Series and without the consent or sanction of the other Secured Creditors (other than any Secured Creditor who is party to the relevant document), at any time and from time to time, concur with the Issuer, the Covered Bond Guarantor (acting on the directions of the Trust Manager) or any other party and/or direct the Security Trustee to concur with the Issuer, the Covered Bond Guarantor (acting on the directions of the Trust Manager) or any other party in making:

- (i) any modification (other than in relation to a Series Reserved Matter) to the Covered Bonds of one or more Series or any Programme Document which in the opinion of the Bond Trustee is not materially prejudicial to the interests of the Covered Bondholders of any Series; or
- (ii) any modification to the Covered Bonds of one or more Series or any Programme Document which is in the opinion of the Bond Trustee is (A) of a formal, minor or technical nature, (B) made to correct a manifest error or (C) made to comply with mandatory provisions of law (and for the purpose of this item (C), the Bond Trustee may disregard whether any such modification relates to a Series Reserved Matter).

In forming its opinion as to whether the Covered Bonds or any one or more Series or any Programme Document is subject to a manifest error, the Bond Trustee may have regard to any evidence which it considers reasonably to rely on (including a certificate from the Issuer as to certain matters and a Rating Affirmation Notice issued by the Issuer).

Notwithstanding the above the Bond Trustee will not be obliged to agree to any amendment, which, in the sole opinion of the Bond Trustee, would have the effect of: (x) exposing the Bond Trustee, to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction; or (y) increasing the obligations or duties, or decreasing the protections, of the Bond Trustee, in the Programme Documents and/or the Conditions.

The Bond Trustee may without the consent or sanction of any of the Covered Bondholders of any Series and without the consent of any other Secured Creditor and without prejudice to its rights in respect of any subsequent breach, Issuer Event of Default, Potential Issuer Event of Default, Covered Bond Guarantor Event of Default or Potential Covered Bond Guarantor Event of Default from time to time and at any time but only if in so far as in its opinion the interests of the Covered Bondholders of any Series will not be materially prejudiced thereby, waive or authorise, or direct the Security Trustee to waive or authorise, any breach or proposed breach by the Issuer or the Covered Bond Guarantor or any other person of any of the covenants or provisions contained in the Bond Trust Deed, the other Programme Documents or the Conditions or determine that any Issuer Event of Default, Potential Issuer Event of Default, Covered Bond Guarantor Event of Default or Potential Covered Bond Guarantor Event of Default will not be treated as such for the purposes of the Bond Trust Deed, PROVIDED ALWAYS THAT the Bond Trustee must not exercise any powers conferred on it in contravention of any express direction given by Extraordinary Resolution or by a request under Condition 9.1 or 9.2 but so that no such direction or request will affect any waiver, authorisation or determination previously given or made. Any such waiver, authorisation or determination may be given or made on such terms and subject to such conditions (if any) as the Bond Trustee may determine, will be binding on the Covered Bondholders and, if, but only if, the Bond Trustee requires, must be notified by the Issuer or the Trust Manager (on behalf of the Covered Bond Guarantor) (as the case may be) to the Covered Bondholders in accordance with Condition 12 and each Rating Agency as soon as practicable thereafter.

Subject to as provided below, the Bond Trustee will be bound to waive or authorise, or direct the Security Trustee to waive or authorise, any breach or proposed breach by the Issuer or the Covered Bond Guarantor or any other person of any of the covenants or provisions contained in the Bond Trust Deed, the other Programme Documents or the Conditions or determine that any Issuer Event of Default, Potential Issuer Event of Default, Covered Bond Guarantor Event of Default or Potential Covered Bond Guarantor Event of Default will not be treated as such for the purposes of the Bond Trust Deed if it is: (i) in the case of such waiver or authorisation, (a) so directed by an Extraordinary Resolution of the Covered Bondholders of the relevant one or more Series (with the Covered Bonds of all such Series taken together as a single Series in the circumstances provided in the Bond Trust Deed and, if applicable, converted into Australian Dollars at the relevant Swap Rate); or (b) requested to do so in writing by the holders of not less than 25 per cent. of the Principal Amount Outstanding of the Covered Bonds of the relevant one or more Series (with the Covered Bonds of all such Series taken together as a single Series in the circumstances provided in the Bond Trust Deed and, if applicable, converted into Australian Dollars at the relevant Swap Rate); or (ii), in the case of any such determination, (a) so directed by an Extraordinary Resolution of the Covered Bondholders of all Series then outstanding with the Covered Bonds of all Series taken together as a single Series and, if applicable, converted into Australian Dollars at the relevant Swap Rate); or (b) requested to do so in writing by the holders of not less than 25 per cent. of the Principal Amount Outstanding of the Covered Bonds of all Series then outstanding with the Covered Bonds of all Series taken together as a single Series and, if applicable, converted into Australian Dollars as aforesaid), and at all times then only if it is indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing.

The Security Trustee may, without the consent of the Covered Bondholders of any Series and without the consent of the other Secured Creditors and without prejudice to their rights in respect of any subsequent breach, Issuer Event of Default, Potential Issuer Event of Default, Covered Bond Guarantor Event of Default or Potential Covered Bond Guarantor Event of Default from time to time and at any time, but only if (for so long as any Covered Bonds are outstanding) it is instructed by the Bond Trustee in accordance with the Bond Trust Deed or (if no Covered Bonds are outstanding) it is instructed by the Majority Secured Creditors, authorise or waive any breach or proposed breach of any of the covenants or provisions contained in the Covered Bonds of any Series or any Programme Document or determine that any Issuer Event of Default, Potential Issuer Event of Default, Covered

Bond Guarantor Event of Default or Potential Covered Bond Guarantor Event of Default will not be treated as such for the purposes of the Security Deed. Any such authorisation, waiver or determination will be binding on the Covered Bondholders and the other Secured Creditors and, unless the Bond Trustee otherwise agrees, must be notified by the Issuer or the Covered Bond Guarantor (acting on the directions of the Trust Manager) (as the case may be) to the Covered Bondholders in accordance with Condition 12 and each Rating Agency as soon as practicable thereafter.

Any such modification, waiver, authorisation or determination will be binding on all the Covered Bondholders of all Series of Covered Bonds for the time being outstanding and the other Secured Creditors, and unless the Bond Trustee otherwise agrees, any such modification must be notified by the Issuer, to the Covered Bondholders of all Series of Covered Bonds in accordance with Condition 12 and to the Rating Agencies as soon as practicable thereafter.

Where in connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or determination), the Bond Trustee and the Security Trustee are required to have regard to the general interests of the Covered Bondholders of each Series as a class (but must not have regard to any interests arising from circumstances particular to individual Covered Bondholders whatever their number) and, in particular but without limitation, must not have regard to the consequences of any such exercise for individual Covered Bondholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Bond Trustee and the Security Trustee will not be entitled to require, nor will any Covered Bondholder be entitled to claim, from the Issuer, the Covered Bond Guarantor, the Bond Trustee, the Security Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Covered Bondholders, except to the extent already provided for in Condition 7 and/or in any undertaking or covenant given in addition to, or in substitution for, Condition 7 pursuant to the Bond Trust Deed.

The Bond Trustee and Security Trustee must concur in and effect any modifications to the Programme Documents that are requested by the Issuer, the Covered Bond Guarantor or the Trust Manager to (a) accommodate the accession of a new Servicer, new Swap Provider, new Trust Manager, new Account Bank, new Agent or new Cover Pool Monitor to the Programme provided that (i) each of the Swap Providers provide written confirmation to the Security Trustee and the Bond Trustee consenting to such modification of those documents to which they are a party (such consent not to be unreasonably withheld); (ii) the Trust Manager has certified to the Security Trustee and the Bond Trustee in writing that such modifications are required in order to accommodate the addition of the new Servicer, new Swap Provider, new Trust Manager, new Account Bank, new Agent or new Cover Pool Monitor to the Programme; (iii) the Trust Manager has certified to the Security Trustee and the Bond Trustee that all other conditions precedent to the accession of the new Servicer, new Swap Provider, new Trust Manager, new Account Bank, new Agent or new Cover Pool Monitor to the Programme set out in the Programme Documents have been satisfied at the time of the accession; (b) take into account any changes in the covered bonds ratings criteria of the Rating Agencies where, absent such modifications, the Issuer is reasonably satisfied following discussions with the relevant Rating Agency (and has provided a certificate in writing to the Bond Trustee and the Security Trustee to that effect) that the rating assigned by the relevant Rating Agency to one or more Series of Covered Bonds may be subject to a downgrade, qualification or withdrawal and even if such changes are, or may be, prejudicial or materially prejudicial to the interests of the Covered Bondholders of any Series; (c) allow a Swap Provider to transfer securities as Swap Collateral under a relevant Swap Agreement Credit Support Annex, including to appoint a custodian to hold such securities in a custody account pursuant to a custody agreement; or (d) ensure compliance of the Programme or the Issuer, as applicable, with, or ensure that the Issuer may benefit from, any

existing, new or amended legislation, regulation, directive, prudential standard or prudential guidance note of any regulatory body (including APRA) in relation to covered bonds provided that the Trust Manager has certified to the Bond Trustee and the Security Trustee in writing that such modifications are required in order to comply with or benefit from such legislation, regulation, directive, prudential standard or prudential guidance note, as the case may be.

### 10.3 Substitution

The Bond Trust Deed provides that in connection with any scheme of amalgamation or reconstruction of the Issuer not involving the bankruptcy or insolvency of the Issuer and (A) where the Issuer does not survive the amalgamation or reconstruction or (B) where all or substantially all of the assets and business of the Issuer will be disposed of to, or succeeded to, by another entity (whether by operation of law or otherwise), the Bond Trustee will, if requested by the Issuer, be obliged, without the consent or sanction of the Covered Bondholders, at any time to agree to the substitution in the place of the Issuer (or of the previous substitute) as principal debtor under the Bond Trust Deed (the **Substituted Debtor**) being the entity with and into which the Issuer amalgamates or the entity to which all or substantially all of the business and assets of the Issuer is transferred, or succeeded to, pursuant to such scheme of amalgamation or reconstruction (whether by operation of law or otherwise), subject to:

- (i) the Substituted Debtor entering into a supplemental trust deed or some other form of undertaking in form and manner satisfactory to the Bond Trustee agreeing to be bound by the Bond Trust Deed with any consequential amendments which the Bond Trustee may deem appropriate as fully as if the Substituted Debtor had been named in the Bond Trust Deed as principal debtor in place of the Issuer;
- (ii) the Substituted Debtor acquiring or succeeding to pursuant to such scheme of amalgamation or reconstruction all or substantially all of the assets and business of the Issuer;
- (iii) each stock exchange or market on which the Covered Bonds are listed confirming in writing that following the proposed substitution of the Substituted Debtor the Covered Bonds will continue to be listed on such stock exchange or market;
- (iv) the supplemental trust deed containing a warranty and representation by the Substituted Debtor that (A) the Substituted Debtor has obtained all necessary governmental and regulatory approvals and consents necessary for or in connection with the assumption by the Substituted Debtor of liability as principal debtor in respect of, and of its obligations under, the supplemental trust deed and the Covered Bonds; (B) such approvals and consents are at the time of substitution in full force and effect; and (C) the obligations assumed by the Substituted Debtor under the supplemental trust deed are legal, valid and binding in accordance with their respective terms;
- (v) confirmations being received by the Bond Trustee from each Rating Agency that the substitution will not adversely affect the then current rating of the Covered Bonds;
- (vi) where the Substituted Debtor is incorporated, domiciled or resident in, or subject generally to the taxing jurisdiction of a territory other than or in addition to Australia, undertakings or covenants in form and manner satisfactory to the Bond Trustee being given by the Substituted Debtor in terms corresponding to the provisions of Condition 7 with the substitution for (or, as the case may be, the addition to) the references to Australia of references to that other or additional territory in which the Substituted Debtor is incorporated, domiciled or resident or to whose taxing jurisdiction it is subject and (where applicable) Condition 5.2 being modified accordingly;



- (vii) without prejudice to the rights of reliance of the Bond Trustee under the immediately following paragraph, the Bond Trustee being satisfied that the relevant transaction is not materially prejudicial to the interests of the Covered Bondholders;
- (viii) if two directors of the Substituted Debtor (or other officer acceptable to the Bond Trustee) certifying that the Substituted Debtor is solvent both at the time at which the relevant transaction is proposed to be effected and immediately thereafter (which certificate the Bond Trustee may rely on absolutely without liability to any person) and the Bond Trustee must not have regard to the financial condition, profits or prospects of the Substituted Debtor or compare the same with those of the Issuer;
- (ix) the Issuer and the Trust Manager, delivering to the Bond Trustee legal opinions obtained from lawyers of international repute in (a) England and Wales and (b) the jurisdiction of incorporation of the Substituted Debtor in form and substance satisfactory to the Bond Trustee; and
- (x) the Covered Bond Guarantee remaining in place or being modified to apply mutatis mutandis and continuing in full force and effect in relation to any Substituted Debtor.

Any such supplemental trust deed or undertaking will, if so expressed, operate to release the Issuer or in either case the previous substitute as aforesaid from all of its obligations as principal debtor under the Bond Trust Deed.

In addition, subject as further provided in the Bond Trust Deed, the Bond Trustee may without the consent or sanction of the Covered Bondholders, at any time agree to the substitution in place of the Issuer (or any previous substitute under this Condition) as the principal debtor under the Covered Bonds, and the Bond Trust Deed or any other corporation subject to certain other conditions set out in the Bond Trust Deed being complied with.

Any substitution pursuant to this Condition 10.3 will be binding on the Covered Bondholders and must be notified in a form previously approved by the Bond Trustee by the new Issuer to the Covered Bondholders not later than 14 days after any such substitution in accordance with Condition 12.

#### **10.4 Rating Agencies**

If:

- (i) a confirmation or affirmation of rating or other response by a Rating Agency is a condition to any action or step under any Programme Document; and
- (ii) the Issuer has delivered to the Covered Bond Guarantor (copied to the Seller and each Rating Agency) written confirmation that it has notified the Rating Agencies of the action or step and that the Trust Manager is satisfied, following discussions with the Rating Agencies, that the action or step, as applicable, will not result in a reduction, qualification or withdrawal of the ratings then assigned by the Rating Agencies and the Rating Agency does not consider such confirmation necessary,

the parties will be entitled to assume that the then current rating of the Covered Bonds from that Rating Agency will not be downgraded, qualified or withdrawn by such Rating Agency as a result of such action or step.

The Bond Trustee will be entitled to treat as conclusive a certificate signed by an Authorised Officer of the Issuer or the Covered Bond Guarantor as to any matter referred to in (ii) above and the Bond Trustee will not be responsible for any Liability that may be caused as a result.

For the purposes of this Condition 10:

**Potential Issuer Event of Default** means any condition, event or act which, with the lapse of time and/or the issue, making or giving of any notice, certification, declaration, demand, determination and/or request and/or the taking of any similar action and/or the fulfilment of any similar condition, would constitute an Issuer Event of Default;

**Potential Covered Bond Guarantor Event of Default** means any condition, event or act which, with the lapse of time and/or the issue, making or giving of any notice, certification, declaration, demand, determination and/or request and/or the taking of any similar action and/or the fulfilment of any similar condition, would constitute a Covered Bond Guarantor Event of Default; and

**Series Reserved Matter** in relation to Covered Bonds of a Series means any proposal:

(i) to amend the dates of maturity or redemption of the Covered Bonds, or any date for payment of interest or Interest Amounts on the Covered Bonds or the obligation of the Issuer to pay additional amounts pursuant to Condition 7, (ii) to reduce or cancel the Principal Amount Outstanding of, or any premium payable on redemption of, the Covered Bonds, (iii) to reduce the rate or rates of interest in respect of the Covered Bonds or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Covered Bonds, (iv) if a Minimum and/or a Maximum Rate of Interest, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount is set out in the Final Terms, to reduce any such amount, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or Specified Denomination of the Covered Bonds, (vii) to take any steps that as specified in the Final Terms may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply, (viii) to modify the provisions concerning the quorum required at any meeting of Covered Bondholders or the majority required to pass the Extraordinary Resolution, (ix) to amend the Covered Bond Guarantee or the Security Deed (other than any amendment that the Bond Trustee may consent to without the consent of the Covered Bondholders under the Bond Trust Deed); and (x) to alter this proviso or the quorum requirements for an adjourned meeting of Covered Bondholders for the transaction of business comprising any Series Reserved Matter or the alteration of this definition.

## **11. REPLACEMENT OF COVERED BONDS**

Should any Covered Bond be lost, stolen, mutilated, defaced or destroyed, it may be replaced subject to applicable laws, regulations and, if applicable, listing authority, stock exchange and/or quotation system regulations at the specified office of the specified office of the U.S. Registrar (in the case of Registered Covered Bonds), or any other place approved by the Bond Trustee of which notice has been published in accordance with Condition 12 upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, inter alia, that if the allegedly lost, stolen or destroyed Covered Bond is subsequently presented for payment there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Covered Bonds) and otherwise as the Issuer may require. Mutilated or defaced Covered Bonds must be surrendered before replacements will be issued.

## **12. NOTICES**

All notices regarding the Registered Covered Bonds will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Registered Covered Bonds are admitted to trading on a stock exchange and the rules of that stock exchange (or any other relevant authority) so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules.

Until such time as any Definitive Covered Bonds are issued, there may, so long as the Covered Bonds are represented in their entirety by any Registered Global Covered Bonds held on behalf of Euroclear and/or Clearstream, Luxembourg and/or DTC, be substituted for such publication in such newspaper(s) or such mailing the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or DTC for communication by them to the Covered Bondholders and, in addition, for so long as any Covered Bonds are listed on a stock exchange or admitted to trading by any other relevant authority and the rules of that stock exchange, or as the case may be, other relevant authority so require, such notice or notices will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice will be deemed to have been given to the Covered Bondholders on the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg and/or DTC.

Notices to be given by any Covered Bondholder must be in writing and given by lodging the same, together (in the case of any Covered Bond in Definitive form) with the relative Covered Bond or Covered Bonds, the U.S. Registrar (in the case of Registered Covered Bonds). Whilst any of the Covered Bonds are represented by a Registered Global Covered Bond, such notice may be given by any holder of a Covered Bond to the U.S. Paying Agent or the U.S. Registrar through Euroclear, Clearstream, Luxembourg and/or DTC, as the case may be, in such manner as the U.S. Paying Agent, the U.S. Registrar and DTC and/or Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

## **13. FURTHER ISSUES**

The Issuer will be at liberty from time to time without the consent of the Covered Bondholders to create and issue further bonds having terms and conditions the same as the Covered Bonds of any Series or the same in all respects save for the amount and date of the first payment of interest thereon, issue date and/or purchase price and so that the same can be consolidated and form a single Series with the outstanding Covered Bonds of such Series.

## **14. INDEMNIFICATION OF THE BOND TRUSTEE AND THE SECURITY TRUSTEE AND THE BOND TRUSTEE AND SECURITY TRUSTEE CONTRACTING WITH THE ISSUER AND/OR THE COVERED BOND GUARANTOR**

If, in connection with the exercise of its powers, trusts, authorities or discretions the Bond Trustee is of the opinion that the interests of the Covered Bondholders of any one or more Series would be materially prejudiced thereby, the Bond Trustee must not exercise such power, trust, authority or discretion without the approval of such Covered Bondholders of the relevant Series by Extraordinary Resolution or by a direction in writing of such Covered Bondholders of at least 25 per cent. of the Principal Amount Outstanding of Covered Bonds of the relevant Series then outstanding or as otherwise required under the Programme Documents.

The Bond Trust Deed and the Security Deed contain provisions for the indemnification of the Bond Trustee and the Security Trustee and for their relief from responsibility, including provisions

relieving them from taking any action unless indemnified and/or secured and/or prefunded to their satisfaction.

The Bond Trust Deed and the Security Deed also contain provisions pursuant to which each of the Bond Trustee and Security Trustee, respectively, is entitled, inter alia: (i) to enter into business transactions with the Issuer, the Covered Bond Guarantor and/or any of their respective Subsidiaries and affiliates and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer, the Covered Bond Guarantor and/or any of their respective Subsidiaries and affiliates; (ii) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Covered Bondholders or the other Secured Creditors and (iii) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

Neither the Bond Trustee nor the Security Trustee will be responsible for any loss, expense or liability which may be suffered as a result of any Mortgage Loan Rights or any Charged Property, or any deeds or documents of title thereto, being uninsured or inadequately insured or being held by clearing organisations or their operators or by intermediaries such as banks, brokers or other similar persons whether or not on behalf of the Bond Trustee and/or the Security Trustee. Neither the Bond Trustee nor the Security Trustee will be responsible for inter alia: (i) supervising the performance by the Issuer or any other party to the Programme Documents of their respective obligations under the Programme Documents and the Bond Trustee and the Security Trustee will be entitled to assume, until they each have written notice to the contrary, that all such persons are properly performing their duties; (ii) considering the basis on which approvals or consents are granted by the Issuer or any other party to the Programme Documents under the Programme Documents; (iii) monitoring the Mortgage Loan Rights forming part of the Assets of the Trust, including whether the Asset Coverage Test is satisfied or otherwise or the Amortisation Test is satisfied or otherwise; (iv) monitoring whether Mortgage Loans are Eligible Mortgage Loans or (v) monitoring whether the Issuer is in breach of the Pre-Maturity Test. Neither the Bond Trustee nor the Security Trustee will be liable to any Covered Bondholder or other Secured Creditor for any failure to make or to cause to be made on their behalf the searches, investigations and enquiries which would normally be made by a prudent secured creditor in relation to the Security and have no responsibility in relation to the legality, validity, sufficiency and enforceability of the Security and the Programme Documents.

The Bond Trustee may refrain from taking any action or exercising any right, power, authority or discretion vested in it relating to the transactions contemplated in the Programme Documents until it has been indemnified and/or secured and/or prefunded to its satisfaction against any and all actions, charges, claims, costs, damages, demands, expenses, liabilities, losses and proceedings which might be sustained by it as a result and will not be required to do anything which may cause it to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties or in the exercise of any of its rights, powers, authorities or discretions if it has reasonable grounds for believing that repayment of such funds or adequate indemnity, security or prefunding against such liability is not assured to it.

## **15. LIMITED RECOURSE AND NON-PETITION**

- 15.1 Only the Security Trustee may pursue the remedies available under the general law or under the Security Deed to enforce the Security and no Transaction Party will be entitled to proceed directly against the Covered Bond Guarantor to enforce the Security. In particular, each Transaction Party (other than the Covered Bond Guarantor and the Security Trustee) has agreed with and acknowledges to each of the Covered Bond Guarantor and the Security Trustee, and the Security Trustee agreed with and acknowledged to the Covered Bond Guarantor, that:

- (a) none of the Transaction Parties (nor any person on their behalf, other than the Security Trustee where appropriate) is entitled, otherwise than as permitted by the Programme Documents, to direct the Security Trustee to enforce the Security or take any proceedings against the Covered Bond Guarantor to enforce the Security;
- (b) none of the Transaction Parties (other than the Security Trustee) will have the right to take or join any person in taking any steps against the Covered Bond Guarantor for the purpose of obtaining payment of any amount due from the Covered Bond Guarantor to any of such Transaction Parties;
- (c) until the date falling two years after the Vesting Date none of the Transaction Parties nor any person on their behalf may initiate or join any person in initiating an Insolvency Event in relation to the Trust other than a Receiver appointed under clause 15 of the Security Deed; and
- (d) none of the Transaction Parties is entitled to take or join in the taking of any corporate action, legal proceedings or other procedure or step which would result in the Priorities of Payments not being complied with.

15.2 The Covered Bondholders agree with and acknowledge to each of the Covered Bond Guarantor and the Security Trustee, and the Security Trustee has agreed with and acknowledged to the Covered Bond Guarantor, that notwithstanding any other provision of any Programme Document, all obligations of the Covered Bond Guarantor to such party including, without limitation, the Secured Obligations, are limited in recourse to the Covered Bond Guarantor as set out below:

- (a) it will have a claim only in respect of the Charged Property and will not have any claim, by operation of law or otherwise, against, or recourse to, any of the Covered Bond Guarantor's other assets;
- (b) sums payable to each party in terms of the Covered Bond Guarantor's obligations to such party will be limited to the lesser of (a) the aggregate amount of all sums due and payable to such party and (b) the aggregate amounts received, realised or otherwise recovered and immediately available for payment by or for the account of the Covered Bond Guarantor in respect of the Charged Property whether pursuant to enforcement of the Security or otherwise, net of any sums which are payable by the Covered Bond Guarantor in accordance with the Priorities of Payments in priority to or *pari passu* with sums payable to such party; and
- (c) upon the Security Trustee giving written notice to the relevant party that it has determined in its opinion, and the Servicer having certified to the Security Trustee, that there is no reasonable likelihood of there being any further realisations in respect of the Charged Property (whether arising from an enforcement of the Security or otherwise) which would be available to pay unpaid amounts outstanding under the relevant Programme Document, the relevant party will have no further claim against the Covered Bond Guarantor in respect of any such unpaid amounts and the obligations to pay such unpaid amounts will be discharged in full,

save that this limitation will not apply to a liability of the Covered Bond Guarantor to the extent it results from the Covered Bond Guarantor's fraud, negligence or wilful default.

15.3 The Covered Bondholders agree with and acknowledge to the Security Trustee that the Security Trustee enters into each Programme Document to which it is a party only in its capacity as trustee of the Security Trust and in no other capacity and that the Security Trustee will have no liability under or in connection with this deed or any other Programme Document (whether to the Secured

Creditors, the Covered Bond Guarantor or any other person) other than to the extent to which the liability is able to be satisfied out of the property of the Security Trust from which the Security Trustee is actually indemnified for the liability. This limitation will not apply to a liability of the Security Trustee to the extent it results from the Security Trustee's fraud, negligence or wilful default.

- 15.4 To the extent permitted by law, no recourse under any obligation, covenant, or agreement of any person contained in the Programme Documents may be had against any shareholder, officer, agent or director of such person as such, by the enforcement of any assessment or by any legal proceeding, by virtue of any statute or otherwise; it being expressly agreed and understood that the Programme Documents are corporate obligations of each person expressed to be a party thereto and no personal liability will attach to or be incurred by the shareholders, officers, agents or directors of such person as such, or any of them, under or by reason of any of the obligations, covenants or agreements of such person contained in the Programme Documents, or implied therefrom, and that any and all personal liability for breaches by such person of any of such obligations, covenants or agreements, either under any applicable law or by statute or constitution, of every such shareholder, officer, agent or director is expressly waived by each person expressed to be a party thereto as a condition of and consideration for execution of the Programme Documents.

## **16. 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 Covered Bond but this does not affect any right or remedy of any person which exists or is available apart from that Act.

## **17. GOVERNING LAW**

The Bond Trust Deed (including the Covered Bond Guarantee), the Principal Agency Agreement, the Covered Bonds, and any non contractual obligations arising out of or in connection with them are governed by, and will be construed in accordance with, English law unless specifically stated to the contrary (in this regard, the covenant to pay made by the Issuer to the Bond Trustee in respect of the Covered Bonds, (but only, in respect of such provisions, to the extent that they relate to any A\$ Registered Covered Bonds) in the Bond Trust Deed, the provisions relating to the issuance of A\$ Registered Covered Bonds and the maintenance of the A\$ Register in respect of the A\$ Registered Covered Bonds in the Bond Trust Deed and the provisions relating to limiting recourse to the Covered Bond Guarantor and the Security Trustee in the Bond Trust Deed, the Principal Agency Agreement and the A\$ Registered Covered Bonds are governed by, and will be construed in accordance with, the laws applying in the State of New South Wales, Australia).

## **18. JURISDICTION**

- 18.1 Each of the Issuer and the Covered Bond Guarantor hereby irrevocably submits to the jurisdiction of the English courts in any action or proceeding arising out of or related to the Covered Bonds. The courts of England and (in the case of any action involving the Issuer or the Covered Bond Guarantor) the Commonwealth of Australia are to have jurisdiction to settle any dispute (including a dispute relating to any non-contractual obligations arising out of or in connection with the Covered Bonds), and each party hereby irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined by such courts. Each party hereby irrevocably waives, to the fullest extent it may possibly do so, any defence or claim that the English or the Commonwealth of Australia courts (as applicable) are an inconvenient forum for the maintenance or hearing of such action or proceeding. Each party may take any suit, action or proceeding arising out of or in connection with the Covered Bonds (including any proceedings relating to any non-contractual obligations arising out of or in connection with the Covered Bonds) against any of the Issuer and the Covered Bond

Guarantor in any other court of competent jurisdiction and concurrent proceedings in any number of jurisdictions.

18.2 Each of the Issuer and the Covered Bond Guarantor:

- (a) agrees that the process by which any proceedings in England are begun may be served on it by delivery to the General Manager, Europe being at the date hereof at Senator House, 85 Queen Victoria Street, London EC4V 4HA;
- (b) agrees to procure that, so long as any of the Covered Bonds issued or guaranteed by it (as the case may be) remains liable to prescription, there will be in force an appointment of such a person approved by the Bond Trustee with an office in London with authority to accept service as aforesaid;
- (c) agrees that a failure by any such person to give notice of such service or process to the Issuer or the Covered Bond Guarantor will not impair the validity of such service or of any judgment based thereon; and
- (d) agrees that nothing in these Conditions will affect the right to serve process in any other manner permitted by law.

### SCHEDULE 3

#### TERMS AND CONDITIONS OF THE A\$ REGISTERED COVERED BONDS

The following are the terms and conditions (the **Conditions**) of the Covered Bonds which will be incorporated by reference into and (as completed by the applicable Final Terms in relation to a Tranche of Covered Bonds) apply to each A\$ Registered Covered Bond. The applicable Final Terms in relation to any Series or Tranche of A\$ Registered Covered Bonds may specify other terms and conditions which will, to the extent so specified or to the extent inconsistent with the following Conditions, replace or modify the following Conditions for the purpose of such A\$ Registered Covered Bonds. The applicable Final Terms (or the relevant provisions thereof) will be entered in the A\$ Register in respect of each Series or Tranche of A\$ Registered Covered Bonds. References to the **applicable Final Terms** are to the Final Terms (or the relevant provisions thereof) entered in the A\$ Register in respect of the Series or Tranche of which this A\$ Registered Covered Bond forms part.

This A\$ Registered Covered Bond is one of a Series (as defined below) of A\$ Registered Covered Bonds issued by Commonwealth Bank of Australia (the **Issuer**) in accordance with a trust deed (such trust deed as modified and/or supplemented and/or restated from time to time, the **Bond Trust Deed**) dated 15 November 2011 (the **Programme Date**) made between the Issuer, Perpetual Corporate Trust Limited ABN 99 000 341 533 as trustee of the CBA Covered Bond Trust (the **Trust**) (and in such capacity, the **Covered Bond Guarantor**), Securitisation Advisory Services Pty. Limited ABN 88 064 133 946 as trust manager (the **Trust Manager**) and Deutsche Trustee Company Limited as bond trustee (in such capacity, the **Bond Trustee**, which expression will include any successor bond trustee).

Save as provided for in Conditions 9 and 10, references in these Conditions to the Covered Bonds are references to the Covered Bonds of this Series and mean any A\$ Registered Covered Bond.

The A\$ Registered Covered Bonds have the benefit of The ASX Austraclear Registrar and IPA Services Agreement dated on or about the Programme Date and made between the Issuer, the Covered Bond Guarantor, the Bond Trustee and Austraclear Services Limited ABN 28 003 284 419 (**Austraclear Services**) as A\$ registrar (in such capacity, the **A\$ Registrar**) as amended and/or supplemented and/or restated from time to time (the **A\$ Registry Agreement**). If a calculation agent is required for the purpose of calculating any amount or making any determination under any A\$ Registered Covered Bonds, such appointment will be notified in the applicable Final Terms (the person so specified, the **Calculation Agent**). The Issuer or, following the occurrence of an Issuer Event of Default and the service of an Issuer Acceleration Notice and a Notice to Pay, the Covered Bond Guarantor (acting at the direction of the Trust Manager) may terminate the appointment of the Calculation Agent, appoint additional or other Calculation Agents or elect to have no Calculation Agent. Where no Calculation Agent is appointed the calculation of interest, principal and other payments in respect of A\$ Registered Covered Bonds will be made by the Issuer or, following the occurrence of an Issuer Event of Default and the service of an Issuer Acceleration Notice and a Notice to Pay, the Trust Manager (references herein to the Calculation Agent will include the Issuer or the Trust Manager, when acting as Calculation Agent in accordance with the foregoing).

The Final Terms may specify any other agency agreement that applies to Covered Bonds issued by the Issuer.

As used herein, **A\$ Registrar** will mean, in relation to a Tranche or Series of A\$ Registered Covered Bonds, the A\$ Registrar or such other registrar as the Final Terms for that Tranche or Series may specify and **Calculation Agent** will mean in relation to a Series of A\$ Registered Bonds, the Calculation Agent as the Final Terms for that Tranche or Series may specify.



The Bond Trustee acts as trustee for the holders for the time being of the Covered Bonds (the **Covered Bondholders**) and for holders of each other Series of Covered Bonds in accordance with the provisions of the Bond Trust Deed.

As used in these Conditions, **Tranche** means Covered Bonds which are identical in all respects (including as to listing or admission to trading, if applicable) and **Series** means a Tranche of Covered Bonds together with any further Tranche or Tranches of Covered Bonds which are: (i) expressed to be consolidated and form a single series; and (ii) identical in all respects (including as to listing or admission to trading, if applicable) except for their respective Issue Dates, Interest Commencement Dates, Issue Prices and/or the amount of the first payment of interest (if any).

The Covered Bond Guarantor has, in the Bond Trust Deed, irrevocably and unconditionally guaranteed the due and punctual payment of Guaranteed Amounts in respect of the Covered Bonds as and when the same become due for payment on certain dates in accordance with the Bond Trust Deed (**Due for Payment**), but only after service of a Notice to Pay on the Covered Bond Guarantor following an Issuer Event of Default and service by the Bond Trustee of an Issuer Acceleration Notice on the Issuer or the occurrence of Covered Bond Guarantor Event of Default and service by the Bond Trustee of a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer.

The security for the obligations of the Covered Bond Guarantor under the Covered Bond Guarantee and the other Programme Documents to which it is a party has been created in and pursuant to, and on the terms set out in, a security deed governed by the laws of New South Wales, Australia (such security deed as amended and/or supplemented and/or restated from time to time, the **Security Deed**) dated on or about the 13 November 2011 and made between the Covered Bond Guarantor, the Issuer, the Trust Manager, P.T. Limited ABN 67 004 454 666 (the **Security Trustee**) and certain other Secured Creditors.

These Conditions include summaries of, and are subject to, the provisions of the Bond Trust Deed, the Security Deed and the A\$ Registry Agreement.

Copies of the Bond Trust Deed, the Security Deed, the Definitions Schedule (as defined below), the A\$ Registry Agreement and each of the other Programme Documents are available for inspection and collection free of charge during normal business hours at the specified office of the Issuer at Ground Floor Tower 1, 201 Sussex Street, Sydney NSW 2000.

Copies of the applicable Final Terms for all Covered Bonds of each Series (including in relation to unlisted Covered Bonds of any Series) are obtainable during normal business hours at the specified office of the Issuer and any Covered Bondholder must produce evidence satisfactory to the Issuer as to its holding of Covered Bonds and identity. The Covered Bondholders are deemed to have notice of, are bound by, and are entitled to the benefit of, all the provisions of, and definitions contained in, the Bond Trust Deed, the Security Deed, the Definitions Schedule (as defined below), the A\$ Registry Agreement, each of the other Programme Documents and the applicable Final Terms which are applicable to them and to have notice of the Final Terms relating to each other Series.

Except where the context otherwise requires, capitalised terms used and not otherwise defined in these Conditions bear the meanings given to them in the Bond Trust Deed, the applicable Final Terms and/or the CBA Covered Bond Trust Definitions Schedule made between the parties to the Programme Documents on the Programme Date (the **Definitions Schedule**) (as the same may be amended and/or supplemented and/or restated from time to time), a copy of each of which may be obtained or inspected as described above. In the event of any inconsistency between the Bond Trust Deed and the Definitions Schedule, the Bond Trust Deed will prevail and in the event of any inconsistency between the Bond Trust Deed and the applicable Final Terms, the applicable Final Terms will prevail.

## 1. FORM, DENOMINATION AND TITLE

The Covered Bonds are in registered form as specified in the applicable Final Terms in the Specified Currency and the Specified Denomination(s). Covered Bonds of one Specified Denomination may not be exchanged for Covered Bonds of another Specified Denomination.

This Covered Bond is a Fixed Rate Covered Bond or a Floating Rate Covered Bond depending upon the Interest Basis specified in the applicable Final Terms and depending on the Redemption/Payment Basis specified in the applicable Final Terms, and subject, in each case, to confirmation from the Rating Agencies that the then current credit ratings of any outstanding Series of Covered Bonds will not be adversely affected by the issuance of this Covered Bond.

Subject as set out below, title to the A\$ Registered Covered Bonds will pass upon the registration of transfers in accordance with these Conditions. The Issuer, the Covered Bond Guarantor, the Security Trustee, the Bond Trustee and the A\$ Registrar will (except as otherwise permitted in the Bond Trust Deed and these Conditions or as ordered by a court of competent jurisdiction or as required by law or applicable regulations) deem and treat the registered holder of any A\$ Registered Covered Bond as the absolute owner thereof (notwithstanding any notice to the contrary and whether or not it is overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes.

For so long as any of the A\$ Registered Covered Bonds are lodged in the clearance and settlement system (**Austraclear**) operated by Austraclear Ltd ABN 94 002 060 773 (**Austraclear Ltd**), in accordance with the regulations and related operating procedures of Austraclear (the **Austraclear Regulations**) each person (other than Austraclear Ltd) who is for the time being shown in the records of Austraclear as the holder of such A\$ Registered Covered Bond (in which regard any certificate or other document issued by Austraclear Ltd or the A\$ Registrar as to such A\$ Registered Covered Bonds standing to the account of any person will be conclusive and binding for all purposes save in the case of manifest error and any such certificate or other document may comprise any form of statement or print out of electronic records provided by Austraclear Ltd or the A\$ Registrar in accordance with its usual procedures and in which the holder a particular nominal amount of the A\$ Registered Covered Bonds is clearly identified with the amount of such holding) will (except as otherwise permitted in the Bond Trust Deed and these Conditions or as ordered by a court of a competent jurisdiction or as required by applicable law or regulations) be treated by the Issuer, the Covered Bond Guarantor, the A\$ Registrar and the Bond Trustee as the holder of such A\$ Registered Covered Bonds for all purposes other than with respect to the payment of principal or interest or other amounts on such nominal amounts of such Covered Bonds and for the purpose of voting, giving consents and making requests in relation to such A\$ Registered Covered Bonds and the expression Covered Bondholder and related expressions will be construed accordingly. For so long as any of the A\$ Registered Covered Bonds are lodged in Austraclear, beneficial interests in A\$ Registered Covered Bonds will be transferable only in accordance with the Austraclear Regulations.

Where Austraclear Ltd is recorded in the A\$ Register as the holder of an A\$ Registered Covered Bond, each person in whose Security Record (as defined in the Austraclear Regulations) an A\$ Registered Covered Bond is recorded is deemed to acknowledge in favour of the A\$ Registrar, the Issuer and Austraclear Ltd that:

- (i) the A\$ Registrar's decision to act as the registrar of that A\$ Registered Covered Bond is not a recommendation or endorsement by the A\$ Registrar or Austraclear Ltd in relation to that A\$ Registered Covered Bond, but only indicates that the A\$ Registrar considers that the holding of the A\$ Registered Covered Bonds is compatible with the performance by it of its obligations as A\$ Registrar under the A\$ Registry Agreement; and
- (ii) such person does not rely on any fact, matter or circumstance contrary to paragraph (i).

References to Austraclear will, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or as may otherwise be approved by the Issuer and the Bond Trustee (any such clearing system, an **Alternative Clearing System**).

## **2. TRANSFERS OF A\$ REGISTERED COVERED BONDS**

### **2.1 [Reserved]**

### **2.2 [Reserved]**

### **2.3 Transfers of A\$ Registered Covered Bonds**

- (a) Unless A\$ Registered Covered Bonds are lodged in a clearing system (including Austraclear), and subject to Condition 2.5, all applications to transfer A\$ Registered Covered Bonds must be made by lodging with the A\$ Registrar a properly completed transfer and acceptance form (in such form as the Issuer and the A\$ Registrar approves in accordance with market practice at the relevant time) signed by the transferor and transferee. Each office of the A\$ Registrar will provide prompt marking and transfer services. The A\$ Registrar may also require evidence to prove the identity of the transferor or the transferor's right to transfer the A\$ Registered Covered Bonds. The transfer takes effect when the transferee's name is entered on the A\$ Register.
- (b) Beneficial interests in A\$ Registered Covered Bonds lodged in a clearing system will be transferable only in accordance with the rules and regulations of that clearing system including, in the case of Austraclear, the Austraclear Regulations.
- (c) A\$ Registered Covered Bonds may be transferred in whole but not in part.
- (d) Where a Covered Bondholder executes a transfer of less than all A\$ Registered Covered Bonds registered in its name, and does not identify the specific A\$ Registered Covered Bonds to be transferred, the A\$ Registrar may choose which A\$ Registered Covered Bonds registered in the name of the Covered Bondholder to transfer as the A\$ Registrar thinks fit, provided the total Principal Amount Outstanding of the A\$ Registered Covered Bonds registered as having been transferred equals the total Principal Amount Outstanding of the A\$ Registered Covered Bonds expressed to be transferred in the transfer.
- (e) A transfer of an A\$ Registered Covered Bond will not be effective unless and until entered on the A\$ Register. The A\$ Register will be closed for the purpose of determining entitlements to payments of interest and repayments of any Principal Amount Outstanding at 5.00 pm in the place where the A\$ Register in relation to the A\$ Registered Covered Bonds is maintained on the A\$ Record Date prior to the relevant date for payment. Therefore, transfers must be received by the A\$ Registrar at the relevant office prior to that time.
- (f) If Austraclear Services Limited is the A\$ Registrar and A\$ Registered Covered Bonds are lodged in Austraclear, despite any other provision of these Conditions, these A\$ Registered Covered Bonds are not transferable on the A\$ Register, and the Issuer may not, and must procure that the A\$ Registrar does not, register any transfer of those A\$ Registered Covered Bonds issued by it and no member of Austraclear has the right to request any registration of any transfer of the relevant A\$ Registered Covered Bonds, except:
  - (i) for the purposes of any repurchase, redemption or cancellation (whether on or before the Final Maturity Date of the relevant A\$ Registered Covered Bonds) of the relevant A\$ Registered Covered Bonds, a transfer of the relevant A\$ Registered

Covered Bonds from Austraclear to the Issuer may be entered in the A\$ Register; and

- (ii) if Austraclear Ltd exercises or purports to exercise any power it may have under the Austraclear Regulations from time to time, to require the relevant A\$ Registered Covered Bonds to be transferred on the A\$ Register to a member of Austraclear, the relevant A\$ Registered Covered Bonds may be transferred on the A\$ Register from Austraclear to the member of Austraclear.

In any of these cases, the relevant A\$ Registered Covered Bonds will cease to be held in Austraclear.

## **2.4 Partial redemption**

In the event of a partial redemption of Covered Bonds under Condition 5.3, the Issuer will not be required to register the transfer of any A\$ Registered Covered Bond, or part of any A\$ Registered Covered Bond, called for partial redemption.

## **2.5 Costs of registration**

A\$ Registered Covered Bondholders 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 the A\$ Registrar or by regular mail and except that the Issuer or the A\$ Registrar may require the payment of a sum sufficient to cover any Taxes, including stamp duty, GST or other governmental charge that may be imposed in relation to the registration.

## **2.6 [Reserved]**

## **2.7 [Reserved]**

## **2.8 [Reserved]**

## **2.9 [Reserved]**

## **2.10 [Reserved]**

# **3. STATUS OF THE COVERED BONDS AND THE COVERED BOND GUARANTEE**

## **3.1 Status of the Covered Bonds**

The Covered Bonds of this Series constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* without any preference or priority among themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer (other than any obligation preferred by mandatory provisions of applicable law) from time to time outstanding.

## **3.2 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 (**Australian Banking Act**) and section 86 of the Reserve Bank Act 1959 of the Commonwealth of Australia (**Australian 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, APRA, the RBA and

holders of protected accounts held in Australia, in priority to all other liabilities, including the Covered Bonds.

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

In addition, the Issuer's indebtedness is not guaranteed or insured by any government, government agency or compensation scheme of Australia or any other jurisdiction.

### **3.3 Status of the Covered Bond Guarantee**

The payment of Guaranteed Amounts in respect of the Covered Bonds when the same become Due for Payment has been unconditionally and irrevocably guaranteed by the Covered Bond Guarantor (the **Covered Bond Guarantee**) as set out in the Bond Trust Deed. However, the Covered Bond Guarantor will have no obligation under the Covered Bond Guarantee to pay any Guaranteed Amounts until the occurrence of an Issuer Event of Default, service by the Bond Trustee on the Issuer of an Issuer Acceleration Notice and service by the Bond Trustee on the Covered Bond Guarantor of a Notice to Pay or, if earlier, following the occurrence of a Covered Bond Guarantor Event of Default and service by the Bond Trustee of a Covered Bond Guarantee Acceleration Notice. The obligations of the Covered Bond Guarantor under the Covered Bond Guarantee are (following an Issuer Event of Default, service of an Issuer Acceleration Notice and service of a Notice to Pay or a Covered Bond Guarantor Event of Default and service of a Covered Bond Guarantee Acceleration Notice), direct and unconditional (subject as provided in Condition 15) obligations of the Covered Bond Guarantor, which are secured as provided in the Security Deed.

Any payment made by the Covered Bond Guarantor under the Covered Bond Guarantee will (unless such obligation has been discharged as a result of the payment of Excess Proceeds to the Bond Trustee pursuant to Condition 9) discharge *pro tanto* the obligations of the Issuer in respect of such payment under the Covered Bonds except where such payment has been declared void, voidable or otherwise recoverable in whole or in part and recovered from the Bond Trustee or the Covered Bondholders.

## **4. INTEREST**

### **4.1 Interest on Fixed Rate Covered Bonds**

Each Fixed Rate Covered Bond 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 will accrue in respect of each **Interest Period** (which expression will in these Conditions mean 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 Final Maturity Date. If a Notice to Pay is served on the Covered Bond Guarantor, the Covered Bond Guarantor will pay Guaranteed Amounts in equivalent amounts to those described above under the Covered Bond Guarantee in respect of the Covered Bonds on the applicable Original Due for Payment Dates or, if applicable, the Extended Due for Payment Date.

If a Fixed Coupon Amount is specified in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the 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 6 (unless otherwise specified in the applicable Final Terms). Interest will cease to accrue on each Fixed Rate Covered Bond (or, in the case of the redemption of part only of a Fixed Rate Covered Bond, that part

only of such Covered Bond) on the due date for redemption thereof unless 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 (i) the day on which all sums due in respect of such Fixed Rate Covered Bond up to that day are received by or on behalf of the holder of such Fixed Rate Covered Bond and (ii) the day which is seven days after the date on which the A\$ Registrar has notified the holder in accordance with Condition 12 that it has received all sums due in respect thereof up to that date. Where a Fixed Coupon Amount or Broken Amount, is specified in the applicable Final Terms interest must be calculated in respect of any period by applying the Rate of Interest to the Calculation Amount and, multiplying such amount 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 Covered Bond is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Covered Bond will 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.

In this Condition 4.1, **Day Count Fraction** has the meaning given to it in Condition 4.3.

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.

## 4.2 Interest on Floating Rate Covered Bonds

### (a) *Interest Payment Dates*

Each Floating Rate Covered Bond bears interest in respect of each Interest Period (which expression will in these Conditions mean the period from (and including) a Specified Interest Payment Date (or if none the Interest Commencement Date to (but excluding) the next (or first) Specified Interest Payment Date). For the purposes of this Condition 4.2, **Interest Payment Date** means either:

- (i) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or
- (ii) 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.

Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Final Maturity Date. If a Notice to Pay is served on the Covered Bond Guarantor, the Covered Bond Guarantor will pay Guaranteed Amounts in equivalent amounts to those described above under the Covered Bond Guarantee in respect of the Covered Bonds on the applicable Original Due for Payment Dates or, if applicable, the Extended Due for Payment Date.

### (b) *Interest Payments and Accrual*

Interest will be paid subject to and in accordance with the provisions of Condition 6 (unless otherwise specified in the applicable Final Terms). Interest will cease to accrue on each

Floating Rate Covered Bond (or, in the case of the redemption of part only of a Floating Rate Covered Bond, that part only of such Covered Bond) on the due date for redemption thereof unless 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 (i) the day on which all sums due in respect of such Floating Rate Covered Bond up to that day are received by or on behalf of the holder of such Floating Rate Covered Bond and (ii) the day which is seven days after the date on which the A\$ Registrar has notified the holder in accordance with Condition 12 that it has received all sums due in respect thereof up to that date.

(c) *Rate of Interest*

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

(d) *ISDA Determination for Floating Rate Covered Bonds*

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 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 4.2(d), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent or any other person specified in the applicable Final Terms under an interest rate swap transaction if the Calculation 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 Covered Bonds, (the **ISDA Definitions**) and under which:

- (i) the Floating Rate Option is as specified in the applicable Final Terms;
- (ii) the Designated Maturity is a period specified in the applicable Final Terms; and
- (iii) the relevant Reset Date is either (A) if the applicable Floating Rate Option is based on the London inter-bank offered rate (LIBOR) for a currency or on the Euro-zone inter-bank offered rate (EURIBOR) for calculations of payments in euro, the first day of that Interest Period or (B) in any other case, as the day specified in the applicable Final Terms.

For the purposes of this Condition 4.2(d), **Floating Rate**, **Floating Rate Option**, **Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions.

When this Condition 4.2(d) applies, in respect of each relevant Interest Period:

- (i) the Rate of Interest for such Interest Period will be the rate of interest determined by the Calculation Agent or other person specified in the applicable Final Terms in accordance with this Condition 4.2(d); and
- (ii) the Calculation Agent or other person specified in the applicable Final Terms will be deemed to have discharged its obligations under Condition 4.2(h) in respect of the determination of the Rate of Interest if it has determined the Rate of Interest in respect of such Interest Period in the manner provided in this Condition 4.2(d).

(e) *Screen Rate Determination for Floating Rate Covered Bonds*

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 Interest Period will, subject as provided below, be either:

- (i) the offered quotation; or
- (ii) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (specified in the applicable Final Terms) which appears on the Relevant Screen Page as at 10.00 a.m. (Sydney 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 Calculation 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) must be disregarded by the Calculation Agent or that other person for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

In the case of A\$ Registered Covered Bonds, in the event that the Relevant Screen Page is not available or if, in the case of (i), no such offered quotation appears or, in the case of (ii), fewer than three such offered quotations appear, in each case as at the time specified in the relevant paragraph above, the rate calculated by the Calculation Agent as the average of the Reference Rates quoted by four leading banks in Sydney to leading banks in Sydney at or about 10.30 a.m. (Sydney time) on the Interest Determination Date for a period equivalent to the Interest Period or, if the Calculation Agent is unable to obtain at least two quotes in accordance with the foregoing, the rate the Calculation Agent calculates as the average of the rates per annum (being the nearest equivalent to the Reference Rate) quoted by two or more leading banks in Sydney selected by the Calculation Agent to leading banks in the Sydney at or about 10.30 a.m. (Sydney time) on the Interest Determination Date for a period equivalent to the Interest Period.

If the Reference Rate from time to time in respect of Floating Rate Covered Bonds is specified in the applicable Final Terms as being other than AUD-BBR-BBSW, the Rate of Interest in respect of such Covered Bonds will be determined as provided in the applicable Final Terms.

Where the Bank Bill Rate is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined for A\$ Registered Covered Bonds, the Rate of Interest for each Interest Period will be the relevant Bank Bill Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this Condition 4(f) **Bank Bill Rate** means the rate (expressed as a percentage per annum) which is the average mid-rate for bills of exchange (within the meaning of the Commonwealth of Australia Bills of Exchange Act 1909) for a term of 1, 2, 3, 4, 5, or 6 months (as specified in the applicable Final Terms) as displayed on the page of Reuters Monitor System designated “BBSW” (or any page that replaces that page) at or about 10.30am (Sydney time) on the first Business Day of an Interest Period rounded if necessary to the fourth decimal place, with 0.00005 being rounded upwards), or if there is a manifest error in the calculation of that average rate or that average rate is not displayed at 10.30am (Sydney time) on that date, the rate specified in good faith by the Calculation Agent at or around that time on that date having regard, to the extent possible, to:



- (i) the rates otherwise bid and offered for bills of the specified period or for funds of that tenor displayed on Reuters page BBSW (or any page which replaces that page) at that time on that date; and
- (ii) if bid and offer rates for bills of the specified period are not otherwise available, the rates otherwise bid and offered for funds of that tenor at or around that time on that date,

rounded if necessary to the fourth decimal place, with 0.00005 being rounded upwards.

(f) *[Reserved]*

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

- (i) In this Condition, Business Day has the meaning given to it in Condition 4.3.
- (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.

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

The Calculation Agent or such other person specified in the applicable Final Terms will, as soon as practicable after each time at which the Rate of Interest is set to be determined, determine the Rate of Interest and calculate the amount of interest payable in respect of each Calculation Amount (each, an **Interest Amount**) for the relevant Interest Period as soon as practicable after calculating the same.

The Interest Amount payable on the Floating Rate Covered Bonds for the relevant Interest Period will be calculated by applying the Rate of Interest to the Calculation Amount of the Covered Bonds and 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 Covered Bond is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Covered Bond will 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 or other person specified in the applicable Final Terms will (in the absence of manifest error) be final and binding upon all parties.

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

The Calculation Agent, will cause the Rate of Interest and the Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and, in the case of Floating Rate Covered Bonds 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 Covered Bonds of this Series in accordance with Condition 12 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 Interest Period. Any such amendment will be promptly notified to any stock exchange on which the Covered Bonds affected thereby are for the time being listed.

(j) *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 other Paying Agent (if any) 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 Covered Bond Guarantor, the Calculation Agent and all holders of the Covered Bonds of this Series 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 Covered Bonds of this Series will attach to the Calculation Agent in connection with the exercise or non-exercise by them of their powers, duties and discretions under this Condition.

### 4.3 Day Count Fraction and Business Day Convention

(a) *Day Count Fraction*

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

- (i) if “Actual/Actual (ISDA)” or “Actual/Actual” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of the Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if “Actual/365 (Fixed)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if “Actual/360” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (iv) if “30/360”, “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:

where:

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

**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;

- (v) if “30E/360” or “Eurobond 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 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;

- (vi) if “30E/360 (ISDA)” 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 (A) that day is the last day of February or (B) 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 (A) that day is the last day of February but not the Final Maturity Date or (B) such number would be 31 and D2 will be 30.

(vii) if “Actual/Actual (ICMA)” is specified in the Final Terms:

(A) in the case of Covered Bonds where the number of days in relevant period 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 (defined below) 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 Covered Bonds 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;

(viii) 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.

**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

- (ix) if “RBA Bond Basis” is specified in the Final Terms, one divided by the number of Interest Payment Dates in a year in which the Interest Period falls (a year being each 12 month period on and from the Issue Date).

(b) *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:

- (i) in the case where a Specified Period is specified in accordance with Condition 4.2(a)(ii) above, the Floating Rate Convention, such Interest Payment Date (A) in the case of (x) above, must be the last day that is a Business Day in the relevant month and the provisions of (b) below will apply mutatis mutandis or (B) in the case of (y) above, must be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date (or other date) must be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date will be the last Business Day of the last month which falls in the Interest Period after the preceding applicable Interest Payment Date occurred; or
- (ii) the Following Business Day Convention, such Interest Payment Date will be postponed to the next day which is a Business Day; or
- (iii) the Modified Following Business Day Convention, such Interest Payment Date will 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 will be brought forward to the immediately preceding Business Day; or
- (iv) the Preceding Business Day Convention, such Interest Payment Date will be brought forward to the immediately preceding Business Day.

In this Condition:

**Business Day** means (unless otherwise stated in the applicable Final Terms) 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 Sydney and if any Additional Business Centre(s) is specified in the applicable Final Terms, in such Additional Business Centre(s).

**4.4 [Reserved]**

**4.5 [Reserved]**

**4.6 [Reserved]**

**5. REDEMPTION AND PURCHASE**

**5.1 Final Redemption**

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

Without prejudice to Condition 9, if an Extended Due for Payment Date is specified as applicable in the Final Terms for a Series of Covered Bonds and the Issuer has failed to pay the Final Redemption Amount on the Final Maturity Date specified in the Final Terms (or after expiry of the grace period set out in Condition 9.1(a) and, following the service of a Notice to Pay on the Covered Bond Guarantor by no later than the date falling one Business Day prior to the Extension Determination Date, the Covered Bond Guarantor has insufficient monies available under the Guarantee Priority of Payments to pay the Guaranteed Amounts corresponding to the Final Redemption Amount in full in respect of the relevant Series of Covered Bonds on the date falling on the earlier of (a) the date which falls two Business Days after service of such Notice to Pay on the Covered Bond Guarantor or, if later, the Final Maturity Date (or, in each case, after the expiry of the grace period set out in Condition 9.2(a)) under the terms of the Covered Bond Guarantee and (b) the Extension Determination Date, then (subject as provided below) payment of the unpaid amount by the Covered Bond Guarantor under the Covered Bond Guarantee will be deferred until the Extended Due for Payment Date, provided that the Covered Bond Guarantor may pay any amount representing the Final Redemption Amount on the relevant Final Maturity Date and any amount representing the Final Redemption Amount due and remaining unpaid on the earlier of (a) and (b) above may also be paid by the Covered Bond Guarantor on any Interest Payment Date thereafter up to (and including) the Extended Due for Payment Date. The Issuer must confirm to the A\$ Registrar as soon as reasonably practicable and in any event at least four Business Days prior to the Final Maturity Date of a Series of Covered Bonds whether (x) payment will be made in full of the Final Redemption Amount in respect of a Series of Covered Bonds on that Final Maturity Date or (y) payment will not be made in full of the Final Redemption Amount in respect of a Series of Covered Bonds on that Final Maturity Date. Any failure by the Issuer to notify the A\$ Registrar will not affect the validity or effectiveness of the extension.

The Covered Bond Guarantor must notify the relevant Covered Bondholders (in accordance with Condition 12), the Rating Agencies, the Bond Trustee, the Security Trustee, the Calculation Agent and the A\$ Registrar as soon as reasonably practicable and in any event at least one Business Day prior to the dates specified in (a) and (b) of the preceding paragraph of any inability of the Covered Bond Guarantor to pay in full the Guaranteed Amounts corresponding to the Final Redemption Amount in respect of a Series of Covered Bonds pursuant to the Covered Bond Guarantee. Any failure by the Covered Bond Guarantor to notify such parties will not affect the validity or effectiveness of the extension nor give rise to any rights in any such party. In such circumstances, the Covered Bond Guarantor must on the earlier of (a) the date falling two Business Days after the service of a Notice to Pay on the Covered Bond Guarantor or if later the Final Maturity Date (or, in each case, after the expiry of the grace period set out in Condition 9.2(a)) and (b) the Extension Determination Date, under the Covered Bond Guarantee, apply the monies (if any) available (after paying or providing for payment of higher ranking or *pari passu* amounts in accordance with the Guarantee Priority of Payments) pro rata in part payment of an amount equal to the Final Redemption Amount of each Covered Bond of the relevant Series of Covered Bonds and must pay Guaranteed Amounts constituting the Scheduled Interest in respect of each such Covered Bond on such date. The obligation of the Covered Bond Guarantor to pay any amounts in respect of the balance of the Final Redemption Amount not so paid will be deferred as described above. Such failure to pay by the Covered Bond Guarantor will not constitute a Covered Bond Guarantor Event of Default.

Any discharge of the obligations of the Issuer as the result of the payment of Excess Proceeds to the Bond Trustee must be disregarded for the purposes of determining the amounts to be paid by the Covered Bond Guarantor under the Covered Bond Guarantee in connection with this Condition 5.1.

For the purposes of these Conditions:

**Extended Due for Payment Date** means, in relation to any Series of Covered Bonds, the date, if any, specified as such in the applicable Final Terms to which the payment of all or (as applicable)

part of the Final Redemption Amount payable on the Final Maturity Date will be deferred in the event that the Final Redemption Amount is not paid in full on the Extension Determination Date.

**Extension Determination Date** means, in respect of a Series of Covered Bonds to which an Extended Due for Payment Date applies, the date falling two Business Days after the expiry of seven days starting on (and including) the Final Maturity Date of such Series of Covered Bonds.

**Guarantee Priority of Payments** means the guarantee priority of payments relating to the allocation and distribution of the Available Income Amount and Available Principal Amount following service of a Notice to Pay on the Covered Bond Guarantor, but prior to service of a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer, as set out in clause 15.4 of the Establishment Deed.

**Rating Agency** means any one of Moody's Investors Service Pty Limited and Fitch Australia Pty Ltd (together, the **Rating Agencies**) or their successors, to the extent they provide ratings in respect of the Covered Bonds.

## **5.2 Redemption for Tax Reasons**

The Covered Bonds 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 Covered Bonds other than Floating Rate Covered Bonds) or on any Interest Payment Date (in the case of Floating Rate Covered Bonds), on giving not less than 30 nor more than 60 days' notice in accordance with Condition 12 which notice is irrevocable), at the Early Redemption Amount provided in, or calculated in accordance with, Condition 5.8 (as applicable) below, together with (if provided in such paragraphs) interest accrued up to, but excluding, the date fixed for redemption, if the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 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 Covered Bonds of this Series, the Issue Date for the original Tranche) provided that no such notice of redemption may be given in respect of the Covered Bonds 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 will 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 Covered Bonds of this Series on the day on which any such change or amendment becomes effective.

## **5.3 Redemption at the Option of the Issuer (Issuer Call)**

If Issuer Call is specified 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 five Business Days' notice or such other notice period specified in the applicable Final Terms to the Bond Trustee, the A\$ Registrar and Covered Bondholders of a relevant Series (which notice is irrevocable) in accordance with Condition 12, redeem all or from time to time some only of the Covered Bonds then outstanding on the relevant Optional Redemption Date and at the Optional Redemption Amount specified in the applicable Final Terms together, if applicable, with (in the case of Fixed Rate Covered Bonds) interest accrued to, but excluding, the relevant Optional Redemption Date. In the event of a redemption of some only of such Covered Bonds, such redemption must be for an amount being equal to the Minimum Redemption Amount or a Higher Redemption Amount (if any) specified in the applicable Final Terms. In the case of a partial redemption of Covered Bonds, the Covered Bonds to be redeemed (the **Redeemed Covered Bonds**) will be selected individually by lot, not less than 40 days prior to the date fixed for redemption. Each notice of redemption will specify

the date fixed for redemption and, in the case of a partial redemption, the aggregate nominal amount of the Covered Bonds of this Series which will be outstanding after the partial redemption. In addition, in the case of a partial redemption of a Series of Covered Bonds which includes Registered Covered Bonds, 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 Covered Bonds may not be made as provided for in Condition 2.

#### **5.4 Redemption at the Option of the Covered Bondholders (Investor Put)**

If Investor Put is specified in the applicable Final Terms, upon any Covered Bondholder giving to the Issuer in accordance with Condition 12 not less than 30 nor more than 60 days' notice (the **notice period**) as specified in the applicable Final Terms, the Issuer will, upon the expiry of such notice redeem in whole (but not in part) the Covered Bonds the subject of the notice on the Optional Redemption Date and at the Optional Redemption Amount indicated in the applicable Final Terms together with (in the case of Fixed Rate Covered Bonds) interest accrued up to, but excluding, the Optional Redemption Date.

If this Covered Bond is lodged in Austraclear to exercise the right to require redemption of this Covered Bond the holder of this Covered Bond must deliver, at the specified office of the A\$ Registrar on any business day (as defined in Condition 6.7), falling within the notice period a duly signed and completed notice to the Issuer and the A\$ Registrar of exercise in accordance with the Austraclear Regulations in a form acceptable to the A\$ Registrar.

If this Covered Bond is a Covered Bond held outside of the Austraclear System, to exercise a right to require redemption of this Covered Bond the Covered Bondholder must, within the notice period, give notice to the Issuer and the A\$ Registrar of such exercise in a form acceptable to the A\$ Registrar together with any evidence the A\$ Registrar may require to establish title of the Covered Bondholder to the relevant Covered Bond.

Any Put Notice or other notice given in accordance with the standard procedures of a clearing system by a holder of, or the holder of a beneficial interest in, as applicable, any Covered Bond pursuant to this Condition 5.4 is irrevocable except where, prior to the due date of redemption, an Issuer Event of Default or a Covered Bond Guarantor Event of Default has occurred and is continuing and the Bond Trustee has declared the Covered Bonds to be due and payable pursuant to Condition 9, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 5.4 and instead request or direct the Bond Trustee to declare such Covered Bond forthwith due and payable pursuant to Condition 9.

#### **5.5 Redemption due to Illegality**

The Covered Bonds of all Series may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice as specified in the applicable Final Terms to the Bond Trustee, the Calculation Agent, the A\$ Registrar and, in accordance with Condition 12, all the Covered Bondholders (which notice is irrevocable), if the Issuer satisfies the Bond Trustee immediately before the giving of such notice that it has, or will before the next Interest Payment Date of any Covered Bond of any Series, become unlawful for the Intercompany Loan Provider and/or Demand Loan Provider to make, fund or allow to remain outstanding any Term Advance or the Demand Loan (or, in either case, any part thereof) made by the Intercompany Loan Provider or the Demand Loan Provider, as the case may be, to the Covered Bond Guarantor pursuant to the Intercompany Loan Agreement or the Demand Loan Agreement, as the case may be, as a result of any change in, or amendment to, the applicable laws or regulations or any change in the application or official interpretation of such laws or regulations, which change or amendment has become or will become effective before the next such Interest Payment Date.



Covered Bonds redeemed pursuant to this Condition 5.5 will be redeemed at their Early Redemption Amount referred to in Condition 5.8 together (if appropriate) with interest accrued to (but excluding) the date of redemption.

Prior to the publication of any notice of redemption pursuant to Condition 5.2 and Condition 5.5, the Issuer must deliver to the Bond Trustee a certificate signed by either a Director, authorised representative, attorney or authorised signatory stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer to redeem have occurred and the Bond Trustee will be entitled to accept the certificate as sufficient evidence of the satisfaction of such conditions precedent, in which event it will be conclusive and binding on all holders of the Covered Bonds.

## **5.6 Final Terms**

The applicable Final Terms indicates that either (a) this Covered Bond cannot be redeemed prior to its Final Maturity Date except as provided in Conditions 5.2 and 5.5 above or (b) that this Covered Bond will be redeemable at the option of the Issuer and/or the holder of this Covered Bond prior to such Final Maturity Date in accordance with the provisions of Conditions 5.3 and/or 5.4 an Optional Redemption Date and at an Optional Redemption Amount and in any Minimum Redemption Amount or Higher Redemption Amount indicated therein.

## **5.7 [Reserved]**

## **5.8 Early Redemption Amounts**

For the purposes of Condition 5.2 or Condition 5.5 above and Condition 9, unless otherwise indicated in the applicable Final Terms, Covered Bonds will be redeemed at their Early Redemption Amount, being in the case of Fixed Rate Covered Bonds or Floating Rate Covered Bonds, the Final Redemption Amount.

## **5.9 [Reserved]**

## **5.10 Purchase**

The Issuer or any of its subsidiaries or the Covered Bond Guarantor may (subject as provided below) at any time purchase or otherwise acquire Covered Bonds of this Series in any manner and at any price. If purchases are made by tender, tenders must be available to all the Covered Bondholders alike. Such Covered Bonds may be held, reissued, resold or, at the option of the Issuer or relevant Subsidiary, cancelled by the A\$ Registrar (except that any Covered Bonds purchased or otherwise acquired by the Covered Bond Guarantor must immediately be cancelled by the A\$ Registrar.

## **5.11 [Reserved]**

## **5.12 [Reserved]**

# **6. PAYMENTS**

## **6.1 [Reserved]**

## **6.2 Payments in respect of A\$ Registered Covered Bonds**

Payments of interest and principal in respect of Covered Bonds will be made in accordance with the details recorded in the A\$ Register by 5:00 pm local time in the city in which the A\$ Registrar has its specified office on the eighth calendar day before the relevant due date or any other date specified in or determined in accordance with the Final Terms in respect of that A\$ Registered Covered Bond (the **Record Date**). Where a Covered Bond is recorded on the A\$ Register as being held jointly, payment of interest or principal (as the case may be) by the Issuer will be made to the Covered Bondholders in their joint names unless requested otherwise (and in a form satisfactory to the Issuer) by 5:00 pm local time in the city in which the A\$ Registrar has its specified office.

Payments in respect of the Covered Bonds will be made:

- (a) where the Covered Bonds are lodged in Austraclear, by crediting on the relevant due date the amount due to the relevant Covered Bondholder in accordance with the Austraclear Regulations; or
- (b) if the Covered Bonds have been removed from Austraclear, by crediting on the relevant due date, the amount then due to a bank account in Australia previously notified by the Covered Bondholder to the A\$ Registrar. If an account is not specified to the A\$ Registrar by 5:00 pm local time in the city in which the A\$ Registrar has its specified office on the relevant Record Date, payments in respect of the relevant Covered Bond will be made by cheque mailed on the Local Business Day immediately preceding the relevant Interest Payment Date (in case of payments of interest) or on the due date for repayment or redemption (in the case of payments of principal) at the Covered Bondholder's risk, to the address of the Covered Bondholder (or to the first-named of joint Covered Bondholders) appearing in the Register as at 5:00 pm local time in the city in which the A\$ Registrar has its specified office on the relevant Record Date. Cheques despatched to the nominated address of a Covered Bondholder in accordance with this Condition will be taken to have been received by the Covered Bondholder on the relevant Interest Payment Date (in the case of payments of interest) or the due date for payment or redemption (in the case of payments of principal) and no further amount will be payable by the Issuer as a result of payment not being received by the Covered Bondholder on the due date.

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

None of the Issuer, the Bond Trustee, the Covered Bond Guarantor nor the A\$ Registrar will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Covered Bonds or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

### **6.3 [Reserved]**

### **6.4 [Reserved]**

### **6.5 Payments subject to applicable laws**

Payments in respect of the Covered Bonds will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment but without prejudice to the provisions of Condition 7, 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 otherwise imposed pursuant to Section 1471 through 1474 of the Code (**FATCA**), an intergovernmental agreement between the United States and another jurisdiction to improve tax compliance and to implement FATCA (an **IGA**), or any law or regulation implementing an IGA. Any such amount withheld or

deducted will be treated as paid for all purposes under the Covered Bonds, and no additional amounts will be paid on the Covered Bonds with respect to any such withholding or deduction.

**6.6 [Reserved]**

**6.7 Payments due on non-business days**

If any date for payment of principal in respect of any Registered Covered Bond is not a business day, then the holder thereof will not be entitled to payment of the amount due until the next following business day (unless otherwise specified in the applicable Final Terms) and will not be entitled to any interest or other sum in respect of any such postponed payment. In addition if any date for the payment of interest by transfer to an account specified by the holder in respect of any Registered Covered Bond is not a business day, then the holder will not be entitled to payment to such account until the next following business day and will 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 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) Sydney; and
- (b) any Additional Financial Centre specified in the applicable Final Terms.

**6.8 [Reserved]**

**6.9 [Reserved]**

**6.10 Interpretation of principal and interest**

Any reference in these Conditions to principal in respect of the Covered Bonds will be deemed to include, as applicable:

- (a) any additional amounts which may be payable with respect to principal under Condition 7 or under any undertakings or covenants given in addition thereto, or in substitution therefor, pursuant to the Bond Trust Deed;
- (b) the Final Redemption Amount of the Covered Bonds;
- (c) the Early Redemption Amount of the Covered Bonds; and
- (d) the Optional Redemption Amount(s) (if any) of the Covered Bonds.
- (e) any premium and any other amounts (other than interest) which may be payable under or in respect of the Covered Bonds; and
- (f) any Excess Proceeds which may be payable by the Bond Trustee under or in respect of the Covered Bonds.

Any reference in these Conditions to interest in respect of the Covered Bonds will be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7 or under any undertakings given in addition thereto, or in substitution therefor, pursuant to the Bond Trust Deed.

## 7. TAXATION

All payments of, or in respect of, principal and interest on the Covered Bonds of this Series by or on behalf of the Issuer and all payments of Guaranteed Amounts by or on behalf of the Covered Bond Guarantor, as the case may be, 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 imposed or levied by or on behalf of the Commonwealth of Australia or any political sub-division thereof or any authority thereof or therein having power to tax unless such taxes, duties, assessments or governmental charges are required by Australian law to be withheld or deducted. In that event, in respect of a payment made by it, the Issuer will pay such additional amounts of, or in respect of, principal and/or interest as will result (after deduction of the taxes, duties, assessments or governmental charges) in payment to the holders of the Covered Bonds of this Series of the amounts which would otherwise have been payable in respect of the Covered Bonds of this Series, except that no such additional amounts will be payable with respect to any Covered Bond of this Series:

- (a) by or on behalf of a holder who is subject to such taxes, duties, assessments or governmental charges in respect of such Covered Bond by reason of his being connected with the Commonwealth of Australia other than by reason only of the holding of the Covered Bond;
- (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 (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;
- (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; or
- (e) for, or on account of, any withholding or deduction required pursuant to FATCA (including pursuant to any agreement described in Section 1471(b) of the Code) or any law implementing an intergovernmental approach to FATCA, as described in Condition 6.5.

The **Relevant Date** in relation to any Covered Bond of this Series means whichever is the later of:

- (i) the date on which payment in respect of such Covered Bond first becomes due and payable; or
- (ii) if the full amount of the moneys payable in respect of such Covered Bond has not been duly received by the on or prior to such date, the date on which notice is duly given to the Covered Bondholders of this Series in accordance with Condition 12 that such moneys have been so received.

References in these Conditions to principal and interest will be deemed also to refer (as appropriate) (i) to any additional amounts which may be payable under this Condition 7 and (ii) to any premium which may be payable in respect of the Covered Bonds.

If any withholding or deduction is required by the Covered Bond Guarantor in respect of a payment of a Guaranteed Amount to be made by it, the Covered Bond Guarantor must pay the Guaranteed Amounts net of such withholding or deduction and must account to the appropriate Tax Authority

for the amount required to be withheld or deducted. The Covered Bond Guarantor will not be obliged to pay any additional amount to the Bond Trustee or any holder of Covered Bonds in respect of the amount of such withholding or deduction.

## **8. PRESCRIPTION**

Claims for payment of principal under the Covered Bonds will be prescribed upon the expiry of five years, and claims for payment of interest (if any) in respect of the Covered Bonds will be prescribed upon the expiry of five years, in each case from the Relevant Date (as defined in Condition 7) therefor.

## **9. EVENTS OF DEFAULT AND ENFORCEMENT**

### **9.1 Issuer Events of Default**

The Bond Trustee at its discretion may, and if so requested in writing by the holders of at least 25 per cent. of the aggregate Principal Amount Outstanding of the Covered Bonds (which for this purpose or the purpose of any Extraordinary Resolution referred to in this Condition 9.1 means the Covered Bonds of this Series together with the Covered Bonds of any other Series constituted by the Bond Trust Deed) then outstanding, as if they were a single Series (with the Principal Amount Outstanding of Covered Bonds not denominated in Australian Dollars converted into Australian Dollars at the relevant Swap Rate) or, if so directed by an Extraordinary Resolution of the Covered Bondholders, must (but in the case of the happening of any of the events mentioned in subparagraphs (b) and (c) below, only if the Bond Trustee has certified in writing to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Covered Bondholders of any Series) (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction) give notice (an **Issuer Acceleration Notice**) in writing to the Issuer that as against the Issuer (but not, for the avoidance of doubt, as against the Covered Bond Guarantor under the Covered Bond Guarantee) each Covered Bond of each Series is, and each such Covered Bond will, unless such event has been cured by the Issuer prior to the Issuer's receipt of the notice in writing from the Bond Trustee, thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest as provided in the Bond Trust Deed if any of the following events (each an **Issuer Event of Default**) occurs and is continuing:

- (a) default is made by the Issuer in the payment of any principal or interest when due, in respect of any Covered Bonds and such default continues for a period of 14 days; or
- (b) the Issuer defaults in performance or observance of or compliance with any of its other undertakings set out in the Covered Bonds which default is incapable of remedy or which, if capable of remedy, is not remedied within 30 days after notice of such default has been given to the Issuer by the Bond Trustee; or
- (c) 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 substantially the whole 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
- (d) 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; or

- (e) if an Asset Coverage Test Breach Notice is served and not deemed to be revoked in accordance with the terms of the Establishment Deed on or before the next Determination Date to occur following the service of such Asset Coverage Test Breach Notice; or
- (f) if the Pre-Maturity Test in respect of any Series of Hard Bullet Covered Bonds is breached during the Pre-Maturity Test Period and the amount standing to the credit of the Pre-Maturity Ledger of the GIC Account is less than the aggregate Australian Dollar Equivalent of the Required Redemption Amount for each Series of Hard Bullet Covered Bonds in respect of which the Pre-Maturity Test has been breached, on the earlier to occur of:
  - (A) the later of:
    - I. the date that is 10 Local Business Days from the date that the Seller is notified of that breach; and
    - II. the date that is six months prior to the Final Maturity Date of the relevant Series of Hard Bullet Covered Bonds; and
  - (B) the Final Maturity Date of that Series of Hard Bullet Covered Bonds.

Upon the Covered Bonds becoming immediately due and repayable against the Issuer pursuant to this Condition 9.1, the Bond Trustee must immediately serve a notice to pay (the **Notice to Pay**) on the Covered Bond Guarantor pursuant to the Covered Bond Guarantee and the Covered Bond Guarantor will be required to make payments of Guaranteed Amounts when the same become Due for Payment in accordance with the terms of the Covered Bond Guarantee.

Following the occurrence of an Issuer Event of Default and service of an Issuer Acceleration Notice, the Bond Trustee may or must take such proceedings or other action or step against the Issuer in accordance with Condition 9.3.

The Bond Trust Deed provides that all monies received by or on behalf of the Bond Trustee following the occurrence of an Issuer Event of Default and the delivery of an Issuer Acceleration Notice and a Notice to Pay, from the Issuer or any receiver, liquidator, administrator, receiver and manager, statutory manager or other similar official appointed in relation to the Issuer (the **Excess Proceeds**), must be paid by the Bond Trustee on behalf of the Covered Bondholders of the relevant Series to the Covered Bond Guarantor for its own account, as soon as practicable, and must be held by the Covered Bond Guarantor in the GIC Account and the Excess Proceeds will thereafter form part of the Security and must be used by the Covered Bond Guarantor in the same manner as all other monies from time to time standing to the credit of the GIC Account pursuant to the Security Deed and the Establishment Deed. Any Excess Proceeds received by the Bond Trustee will discharge *pro tanto* the obligations of the Issuer in respect of the payment of the amount of such Excess Proceeds under the Covered Bonds (as applicable and to the extent of the amount so received and subject to restitution of the same if such Excess Proceeds are required to be repaid by the Covered Bond Guarantor) (but will be deemed not to have done so for the purposes of subrogation rights of the Covered Bond Guarantor contemplated by the Bond Trust Deed). However, the obligations of the Covered Bond Guarantor under the Covered Bond Guarantee are (following service of an Issuer Acceleration Notice and a Notice to Pay or if earlier, service of a Covered Bond Guarantee Acceleration Notice) unconditional and irrevocable and the receipt by the Bond Trustee of any Excess Proceeds and payment to the Covered Bond Guarantor of such Excess Proceeds will not reduce or discharge any of such obligations.

By subscribing for Covered Bond(s), each Covered Bondholder will be deemed to have irrevocably directed the Bond Trustee to pay the Excess Proceeds to the Covered Bond Guarantor in the manner as described above.

## 9.2 Covered Bond Guarantor Events of Default

The Bond Trustee at its discretion may, and if so requested in writing by the holders of at least 25 per cent. of the aggregate Principal Amount Outstanding of the Covered Bonds (which for this purpose and the purpose of any Extraordinary Resolution referred to in this Condition 9.2 means the Covered Bonds of this Series together with the Covered Bonds of any other Series constituted by the Bond Trust Deed) then outstanding as if they were a single Series (with the Principal Amount Outstanding of Covered Bonds not denominated in Australian Dollars converted into Australian Dollars at the relevant Swap Rate) or, if so directed by an Extraordinary Resolution of all the Covered Bondholders, must (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction), but in the case of the happening of any of the events described in paragraph (b) or (c), only if the Bond Trustee has certified in writing to the Issuer and the Covered Bond Guarantor that such event is, in its opinion, materially prejudicial to the interests of the Covered Bondholders of any Series, give notice (the **Covered Bond Guarantee Acceleration Notice**) in writing to the Issuer and to the Covered Bond Guarantor, that (x) each Covered Bond of each Series is, and each Covered Bond of each Series will as against the Issuer (if not already due and repayable against it following an Issuer Event of Default), thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest and (y) all amounts payable by the Covered Bond Guarantor under the Covered Bond Guarantee will thereupon immediately become due and payable at the Guaranteed Amount corresponding to the Early Redemption Amount for each Covered Bond of each Series together with accrued interest, in each case as provided in the Bond Trust Deed and thereafter the Security will become enforceable if any of the following events (each a **Covered Bond Guarantor Event of Default**) has occurred and is continuing:

- (a) default is made by the Covered Bond Guarantor for a period of 14 days or more in the payment of any Guaranteed Amounts when Due for Payment in respect of the Covered Bonds of any Series except in the case of the payments of a Guaranteed Amount when Due for Payment on the Extended Due for Payment Date under Condition 5.1 where the Covered Bond Guarantor will be required to make payments of Guaranteed Amounts which relate to the Final Redemption Amount and which are Due for Payment on the Extended Due for Payment Date; or
- (b) if default is made by the Covered Bond Guarantor in the performance or observance of any other obligation, condition or provision binding on it (other than any obligation for the payment of Guaranteed Amounts in respect of the Covered Bonds of any Series) under the Bond Trust Deed, the Security Deed or any other Programme Document to which the Covered Bond Guarantor is a party (other than the Programme Agreements, any Subscription Agreement or any Terms Agreement) and, except where such default is or the effects of such default are, in the opinion of the Bond Trustee, not capable of remedy when no such continuation and notice as is hereinafter mentioned will be required, such default continues for 30 days (or such longer period as the Bond Trustee may permit) after written notice thereof has been given by the Bond Trustee to the Covered Bond Guarantor requiring the same to be remedied; or
- (c) the Covered Bond Guarantor retires or is removed, or is required to retire or be removed as trustee of the Trust in accordance with the Establishment Deed and another trustee is not appointed as trustee of the Trust in accordance with the Establishment Deed within 60 days of the occurrence of that event; or
- (d) a failure to satisfy the Amortisation Test (as set out in the Establishment Deed) on any Determination Date following service of a Notice to Pay on the Covered Bond Guarantor; or

- (e) the Covered Bond Guarantee is not, or is claimed by the Covered Bond Guarantor not to be, in full force and effect.

Following the occurrence of a Covered Bond Guarantor Event of Default and service of a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer, each of the Bond Trustee and the Security Trustee may or must take such proceedings or steps in accordance with the first and third paragraphs, respectively, of Condition 9.3 and the Bond Trustee will have a claim against the Covered Bond Guarantor, under the Covered Bond Guarantee, for an amount equal to the Early Redemption Amount for each Covered Bond of each Series together with accrued interest and any other amount due under the Covered Bonds (other than additional amounts payable under Condition 7) as provided in the Bond Trust Deed in respect of each Covered Bond.

### **9.3 Enforcement**

The Bond Trustee may at any time, at its discretion and without further notice, following service of an Issuer Acceleration Notice (in the case of the Issuer) or, if earlier, following service of a Covered Bond Guarantee Acceleration Notice (in the case of the Covered Bond Guarantor) take such proceedings or other action or step as it may think fit against or in relation to the Issuer and/or the Covered Bond Guarantor, as the case may be, and/or any other person as it may think fit to enforce the provisions of the Bond Trust Deed, the Covered Bonds or any other Programme Document, but it will not be bound to take any such enforcement proceedings or other action or step in relation to the Bond Trust Deed, the Covered Bonds or any other Programme Document unless (i) it has been so directed by an Extraordinary Resolution of the Covered Bondholders of all Series then outstanding (with the Covered Bonds of all Series taken together as a single Series and converted into Australian Dollars at the relevant Swap Rate as aforesaid) or so requested in writing by the holders of not less than 25 per cent. of the aggregate Principal Amount Outstanding of the Covered Bonds of all Series then outstanding (with the Covered Bonds of all Series taken together as a single Series and converted into Australian Dollars at the relevant Swap Rate as aforesaid) and (ii) it has been indemnified and/or secured and/or prefunded to its satisfaction.

In exercising any of its powers, trusts, authorities and discretions the Bond Trustee must only have regard to the interests of the Covered Bondholders of all Series equally or, if only applicable to one Series, the Covered Bondholders of the relevant Series, and must not have regard to the interests of any other Secured Creditors.

The Bond Trustee may at any time, following service of a Covered Bond Guarantee Acceleration Notice at its discretion and without further notice, direct the Security Trustee to take such actions, steps or proceedings against the Covered Bond Guarantor and/or any other person as it may think fit to enforce the provisions of the Security Deed or any other Programme Document and may, at any time after the Security has become enforceable, direct the Security Trustee to take such steps as it may think fit to enforce the Security, but it will not be bound to give any such direction and the Security Trustee or the Bond Trustee will not be bound to take any such proceedings, steps or actions unless: (i) the Bond Trustee has been so directed by an Extraordinary Resolution of the Covered Bondholders of all Series then outstanding (with the Covered Bonds of all Series taken together as a single Series and converted into Australian Dollars at the relevant Swap Rate as aforesaid) or so requested in writing by the holders of not less than 25 per cent. of the aggregate Principal Amount Outstanding of the Covered Bonds of all Series then outstanding (with the Covered Bonds of all Series taken together as a single Series and converted into Australian Dollars at the relevant Swap Rate as aforesaid); and (ii) the Bond Trustee has been indemnified and/or secured and/or prefunded to its satisfaction. In exercising any of its powers, trusts, authorities and discretions under this paragraph each of the Bond Trustee and the Security Trustee must only have regard to the interests of the Covered Bondholders of all Series equally or, if only applicable to one Series, the Covered Bondholders of the relevant Series, and must not have regard to the interests of any other Secured Creditors.



No Covered Bondholder will be entitled to institute proceedings directly against the Issuer or the Covered Bond Guarantor or to take any step or action with respect to the Bond Trust Deed, the Covered Bonds, or the Security unless the Bond Trustee or the Security Trustee, as applicable, having become bound so to proceed, fails so to do within a reasonable time and such failure is continuing in which event any Covered Bondholder may itself institute such proceedings and/or prove in the winding up, administration or liquidation of the Issuer or the Covered Bond Guarantor to the same extent and in the same jurisdiction (but not further or otherwise than the Bond Trustee would have been entitled to do so in respect of the Covered Bonds and/or the Bond Trust Deed).

#### **9.4 Directions of Security Trustee by Bond Trustee**

The Security Trustee will not be obliged to take any steps under any of the Programme Documents or exercise any of its powers, rights, trusts, authorities, duties, functions or discretions under any of the Programme Documents to which the Security Trustee is a party without first taking instructions from the Bond Trustee (provided that the Security Trustee will never be entitled to seek or receive instructions from the Bond Trustee in relation to clause 21 of the Security Deed or in relation to investing in Authorised Investments) and having been indemnified and/or secured to its satisfaction as aforesaid and provided always that the Security Trustee will not be bound to take any enforcement proceedings which may, in the opinion of the Security Trustee in its absolute discretion, result in the Security Trustee failing to receive any payment to which it is or would be entitled. The Security Trustee may exercise a right, power or discretion without receiving any instructions from the Bond Trustee if the Covered Bondholders or, if there are none, the Security Trustee reasonably believes that it is in the best interests of the Secured Creditors that it does so.

In the event that the Bond Trustee is (i) requested by the Security Trustee, or (ii) required by the holders of the Covered Bonds, to provide the Security Trustee with instructions, the Bond Trustee must do so (save where expressly provided otherwise), in relation to (i) only, in its absolute discretion subject to and in accordance with these presents or, in relation to both (i) and (ii) if so requested in writing by the holders of not less than 25 per cent. in aggregate of the Principal Amount Outstanding of the Covered Bonds then outstanding (with the Covered Bonds of all Series taken together as a single Series and, if the nominal amount of the Covered Bonds is not denominated in Australian Dollars, converted into Australian Dollars at the relevant Swap Rate) or directed by an Extraordinary Resolution of the holders of the Covered Bonds then outstanding (with the Covered Bonds of all Series taken together as a single Series and, if the nominal amount of the Covered Bonds is not denominated in Australian Dollars, converted into Australian Dollars at the relevant Swap Rate) subject in each case to the Bond Trustee being indemnified and/or secured and/or prefunded to its satisfaction prior to it giving any instructions to the Security Trustee. The Bond Trustee will be entitled to request the Covered Bondholders (voting as aforesaid) to direct it in relation to any matter in relation to which the Security Trustee has requested instructions, the Bond Trustee will have no obligation to monitor the performance of the Security Trustee and will have no liability to any person for the performance or non-performance of the Security Trustee. In no circumstances will the Bond Trustee be required to indemnify, secure or prefund the Security Trustee.

An Extraordinary Resolution passed at a meeting of Covered Bondholders duly convened and held in accordance with the Bond Trust Deed is binding upon the Security Trustee and all the Secured Creditors whether present or not present at such meeting and each of such Secured Creditors and, subject to the provisions of the Security Deed, the Security Trustee is bound to give effect to the Extraordinary Resolution. The Security Trustee is not required to do or omit to do any act if, in the opinion of the Security Trustee, this might cause it to breach a law, a Programme Document, a fiduciary duty or an obligation owed to another person.

## 10. MEETINGS OF COVERED BONDHOLDERS, MODIFICATION, WAIVER, SUBSTITUTION AND RATINGS AGENCIES

Covered Bondholders and other Secured Creditors should note that the Issuer and the Covered Bond Guarantor may without their consent or the consent of the Bond Trustee or the Security Trustee agree to modify any provision of any Final Terms which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with any mandatory provisions of law.

### 10.1 Meetings

The Bond Trust Deed contains provisions for convening meetings of the Covered Bondholders of any Series to consider any matter affecting their interests, including the modification of these Conditions or the provisions of the Bond Trust Deed. The quorum at any such meeting in respect of the Covered Bonds of any Series for passing an Extraordinary Resolution (other than in respect of a Series Reserved Matter) is one or more persons holding or representing not less than a clear majority of the aggregate Principal Amount Outstanding of the Covered Bonds of such Series for the time being outstanding, or at any adjourned meeting one or more persons being or representing the Covered Bondholders of such Series whatever the Principal Amount Outstanding of the Covered Bonds of such Series so held or represented, except that at any meeting the business of which includes any Series Reserved Matter, the quorum for any such meeting will be one or more persons holding or representing not less than two-thirds of the aggregate Principal Amount Outstanding of the Covered Bonds of such Series for the time being outstanding or at any adjourned meeting, the business of which includes any Series Reserved Matter, the quorum will be one or more persons holding or representing not less than one-third of the aggregate Principal Amount Outstanding of the Covered Bonds of such Series for the time being outstanding. The expression Extraordinary Resolution when used in these Conditions means: (i) a resolution passed at a meeting of the Covered Bondholders duly convened and held in accordance with the Bond Trust Deed by a majority consisting of not less than three-fourths of the persons voting thereat upon a show of hands or if a poll is duly demanded by a majority consisting of not less than three-fourths of the votes cast on such poll; or (ii) a resolution in writing signed by or on behalf of Covered Bondholders holding not less than three-fourths in Principal Amount Outstanding of the Covered Bonds then outstanding, which resolution in writing may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Covered Bondholders; or (iii) a resolution passed by way of electronic consents given by holders through the relevant clearing system(s) (in a form satisfactory to the Bond Trustee) by or on behalf of the Covered Bondholders of not less than three-fourths in Principal Amount Outstanding for the time being outstanding of the Covered Bonds (of the relevant Series or all Series, as applicable). An Extraordinary Resolution passed at any meeting of the Covered Bondholders of a Series will, subject as provided below, be binding on all the Covered Bondholders of such Series, whether or not they are present at the meeting. Pursuant to the Bond Trust Deed, the Bond Trustee may convene a single meeting of the holders of Covered Bonds of more than one Series if in the opinion of the Bond Trustee there is no conflict between the respective interests of such Covered Bondholders, in which event the provisions of this paragraph will apply thereto *mutatis mutandis*.

Notwithstanding the provisions of the immediately preceding paragraph, any Extraordinary Resolution to direct the Bond Trustee to accelerate the Covered Bonds pursuant to Condition 9.1 or to give a Covered Bond Guarantee Acceleration Notice pursuant to Condition 9.2 or to direct the Bond Trustee or the Security Trustee or to direct the Bond Trustee to direct the Security Trustee to take any enforcement action or to direct the Bond Trustee to determine that any Issuer Event of Default, Potential Issuer Event of Default, Covered Bond Guarantor Event of Default or Potential Covered Bond Guarantor Event of Default will not be treated as such for the purposes of the Bond Trust Deed (each a **Programme Resolution**) and will only be capable of being passed at a single meeting of the Covered Bondholders of all Series then outstanding. Any such meeting to consider a Programme Resolution may be convened by the Issuer, the Covered Bond Guarantor or the Bond

Trustee or by the Covered Bondholders of any Series. The quorum at any such meeting for passing a Programme Resolution is one or more persons holding or representing at least a clear majority of the aggregate Principal Amount Outstanding of the Covered Bonds of all Series for the time being outstanding or at any adjourned such meeting one or more persons holding or representing Covered Bonds whatever the Principal Amount Outstanding of the Covered Bonds of any Series so held or represented. A Programme Resolution passed at any meeting of the Covered Bondholders of all Series will be binding on all the Covered Bondholders of all Series, whether or not they are present at the meeting.

In connection with any meeting of the holders of Covered Bonds of more than one Series where such Covered Bonds are not denominated in Australian Dollars, the Principal Amount Outstanding of the Covered Bonds of any Series not denominated in Australian Dollars must be converted into Australian Dollars at the relevant Swap Rate.

## **10.2 Modification and waiver**

The Bond Trustee may, without the consent or sanction of any of the Covered Bondholders of any Series and without the consent or sanction of the other Secured Creditors (other than any Secured Creditor who is party to the relevant document), at any time and from time to time, concur with the Issuer, the Covered Bond Guarantor (acting on the directions of the Trust Manager) or any other party and/or direct the Security Trustee to concur with the Issuer, the Covered Bond Guarantor (acting on the directions of the Trust Manager) or any other party in making:

- (a) any modification (other than in relation to a Series Reserved Matter) to the Covered Bonds of one or more Series or any Programme Document which in the opinion of the Bond Trustee is not materially prejudicial to the interests of the Covered Bondholders of any Series; or
- (b) any modification to the Covered Bonds of one or more Series or any Programme Document which is in the opinion of the Bond Trustee is (A) of a formal, minor or technical nature, (B) made to correct a manifest error or (C) made to comply with mandatory provisions of law (and for the purpose of this item (C), the Bond Trustee may disregard whether any such modification relates to a Series Reserved Matter).

In forming its opinion as to whether the Covered Bonds or any one or more Series or any Programme Document is subject to a manifest error, the Bond Trustee may have regard to any evidence which it considers reasonably to rely on (including a certificate from the Issuer as to certain matters and a Rating Affirmation Notice issued by the Issuer).

Notwithstanding the above the Bond Trustee will not be obliged to agree to any amendment, which, in the sole opinion of the Bond Trustee, would have the effect of: (x) exposing the Bond Trustee, to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction; or (y) increasing the obligations or duties, or decreasing the protections, of the Bond Trustee, in the Programme Documents and/or the Conditions.

The Bond Trustee may without the consent or sanction of any of the Covered Bondholders of any Series and without the consent of any other Secured Creditor and without prejudice to its rights in respect of any subsequent breach, Issuer Event of Default, Potential Issuer Event of Default, Covered Bond Guarantor Event of Default or Potential Covered Bond Guarantor Event of Default from time to time and at any time but only in so far as in its opinion the interests of the Covered Bondholders of any Series will not be materially prejudiced thereby, waive or authorise, or direct the Security Trustee to waive or authorise, any breach or proposed breach by the Issuer or the Covered Bond Guarantor or any other person of any of the covenants or provisions contained in the Bond Trust Deed, the other Programme Documents or the Conditions or determine that any Issuer Event of

Default, Potential Issuer Event of Default, Covered Bond Guarantor Event of Default or Potential Covered Bond Guarantor Event of Default will not be treated as such for the purposes of the Bond Trust Deed, PROVIDED ALWAYS THAT the Bond Trustee must not exercise any powers conferred on it in contravention of any express direction given by Extraordinary Resolution or by a request under Condition 9.1 or 9.2 but so that no such direction or request will affect any waiver, authorisation or determination previously given or made. Any such waiver, authorisation or determination may be given or made on such terms and subject to such conditions (if any) as the Bond Trustee may determine, will be binding on the Covered Bondholders and, if, but only if, the Bond Trustee requires, must be notified by the Issuer or the Trust Manager (on behalf of the Covered Bond Guarantor) (as the case may be) to the Covered Bondholders in accordance with Condition 12 and each Rating Agency as soon as practicable thereafter.

Subject to as provided below, the Bond Trustee will be bound to waive or authorise, or direct the Security Trustee to waive or authorise, any breach or proposed breach by the Issuer or the Covered Bond Guarantor or any other person of any of the covenants or provisions contained in the Bond Trust Deed, the other Programme Documents or the Conditions or determine that any Issuer Event of Default, Potential Issuer Event of Default, Covered Bond Guarantor Event of Default or Potential Covered Bond Guarantor Event of Default will not be treated as such for the purposes of the Bond Trust Deed if it is: (i) in the case of such waiver or authorisation, (a) so directed by an Extraordinary Resolution of the Covered Bondholders of the relevant one or more Series (with the Covered Bonds of all such Series taken together as a single Series in the circumstances provided in the Bond Trust Deed and, if applicable, converted into Australian Dollars at the relevant Swap Rate); or (b) requested to do so in writing by the holders of not less than 25 per cent. of the Principal Amount Outstanding of the Covered Bonds of the relevant one or more Series (with the Covered Bonds of all such Series taken together as a single Series in the circumstances provided in the Bond Trust Deed and, if applicable, converted into Australian Dollars at the relevant Swap Rate); or (ii), in the case of any such determination, (a) so directed by an Extraordinary Resolution of the Covered Bondholders of all Series then outstanding with the Covered Bonds of all Series taken together as a single Series and, if applicable, converted into Australian Dollars at the relevant Swap Rate); or (b) requested to do so in writing by the holders of not less than 25 per cent. of the Principal Amount Outstanding of the Covered Bonds of all Series then outstanding with the Covered Bonds of all Series taken together as a single Series and, if applicable, converted into Australian Dollars as aforesaid), and at all times then only if it is indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing.

The Security Trustee may, without the consent of the Covered Bondholders of any Series and without the consent of the other Secured Creditors and without prejudice to their rights in respect of any subsequent breach, Issuer Event of Default, Potential Issuer Event of Default, Covered Bond Guarantor Event of Default or Potential Covered Bond Guarantor Event of Default from time to time and at any time, but only if (for so long as any Covered Bonds are outstanding) it is instructed by the Bond Trustee in accordance with the Bond Trust Deed or (if no Covered Bonds are outstanding) it is instructed by the Majority Secured Creditors, authorise or waive any breach or proposed breach of any of the covenants or provisions contained in the Covered Bonds of any Series or any Programme Document or determine that any Issuer Event of Default, Potential Issuer Event of Default, Covered Bond Guarantor Event of Default or Potential Covered Bond Guarantor Event of Default will not be treated as such for the purposes of the Security Deed. Any such authorisation, waiver or determination will be binding on the Covered Bondholders and the other Secured Creditors and, unless the Bond Trustee otherwise agrees, must be notified by the Issuer or the Covered Bond Guarantor (acting on the directions of the Trust Manager) (as the case may be) to the Covered Bondholders in accordance with Condition 12 and each Rating Agency as soon as practicable thereafter.

Any such modification, waiver, authorisation or determination will be binding on all the Covered Bondholders of all Series of Covered Bonds for the time being outstanding and the other Secured Creditors, and unless the Bond Trustee otherwise agrees, any such modification must be notified by the Issuer, to the Covered Bondholders of all Series of Covered Bonds in accordance with Condition 12 and to the Rating Agencies as soon as practicable thereafter.

Where in connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or determination), the Bond Trustee and the Security Trustee are required to have regard to the general interests of the Covered Bondholders of each Series as a class (but must not have regard to any interests arising from circumstances particular to individual Covered Bondholders whatever their number) and, in particular but without limitation, must not have regard to the consequences of any such exercise for individual Covered Bondholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Bond Trustee and the Security Trustee will not be entitled to require, nor will any Covered Bondholder be entitled to claim, from the Issuer, the Covered Bond Guarantor, the Bond Trustee, the Security Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Covered Bondholders, except to the extent already provided for in Condition 7 and/or in any undertaking or covenant given in addition to, or in substitution for, Condition 7 pursuant to the Bond Trust Deed.

The Bond Trustee and Security Trustee must concur in and effect any modifications to the Programme Documents that are requested by the Issuer, Covered Bond Guarantor or the Trust Manager to (a) accommodate the accession of a new Servicer, new Swap Provider, new Trust Manager, new Account Bank, new Agent or new Cover Pool Monitor to the Programme provided that (i) each of the Swap Providers provide written confirmation to the Security Trustee and the Bond Trustee consenting to such modification of those documents to which they are a party (such consent not to be unreasonably withheld); (ii) the Trust Manager has certified to the Security Trustee and the Bond Trustee in writing that such modifications are required in order to accommodate the addition of the new Servicer, new Swap Provider, new Trust Manager, new Account Bank, new Agent or new Cover Pool Monitor to the Programme; (iii) the Trust Manager has certified to the Security Trustee and the Bond Trustee that all other conditions precedent to the accession of the new Servicer, new Swap Provider, new Trust Manager, new Account Bank, new Agent or new Cover Pool Monitor to the Programme set out in the Programme Documents have been satisfied at the time of the accession; (b) take into account any changes in the covered bonds ratings criteria of the Rating Agencies where, absent such modifications, the Issuer is reasonably satisfied following discussions with the relevant Rating Agency (and has provided a certificate in writing to the Bond Trustee and the Security Trustee to that effect) that the rating assigned by the relevant Rating Agency to one or more Series of Covered Bonds may be subject to a downgrade, qualification or withdrawal and even if such changes are, or may be, prejudicial or materially prejudicial to the interests of the Covered Bondholders of any Series; (c) allow a Swap Provider to transfer securities as Swap Collateral under a relevant Swap Agreement Credit Support Annex, including to appoint a custodian to hold such securities in a custody account pursuant to a custody agreement; (d) ensure compliance of the Programme or the Issuer, as applicable, with, or ensure that the Issuer may benefit from, any existing, new or amended legislation, regulation, directive, prudential standard or prudential guidance note of any regulatory body (including APRA) in relation to covered bonds provided that the Trust Manager has certified to the Bond Trustee and the Security Trustee in writing that such modifications are required in order to comply with or benefit from such legislation, regulation, directive, prudential standard or prudential guidance note, as the case may be.

### **10.3 Substitution**

The Bond Trust Deed provides that in connection with any scheme of amalgamation or reconstruction of the Issuer not involving the bankruptcy or insolvency of the Issuer and (A) where the Issuer does not survive the amalgamation or reconstruction or (B) where all or substantially all of the assets and business of the Issuer will be disposed of to, or succeeded to, by another entity (whether by operation of law or otherwise), the Bond Trustee will, if requested by the Issuer, be obliged, without the consent or sanction of the Covered Bondholders, at any time to agree to the substitution in the place of the Issuer (or of the previous substitute) as principal debtor under the Bond Trust Deed (the **Substituted Debtor**) being the entity with and into which the Issuer amalgamates or the entity to which all or substantially all of the business and assets of the Issuer is transferred, or succeeded to, pursuant to such scheme of amalgamation or reconstruction (whether by operation of law or otherwise), subject to:

- (i) the Substituted Debtor entering into a supplemental trust deed or some other form of undertaking in form and manner satisfactory to the Bond Trustee agreeing to be bound by the Bond Trust Deed with any consequential amendments which the Bond Trustee may deem appropriate as fully as if the Substituted Debtor had been named in the Bond Trust Deed as principal debtor in place of the Issuer;
- (ii) the Substituted Debtor acquiring or succeeding to pursuant to such scheme of amalgamation or reconstruction all or substantially all of the assets and business of the Issuer;
- (iii) each stock exchange or market on which the Covered Bonds are listed confirming in writing that following the proposed substitution of the Substituted Debtor the Covered Bonds will continue to be listed on such stock exchange or market;
- (iv) the supplemental trust deed containing a warranty and representation by the Substituted Debtor that (A) the Substituted Debtor has obtained all necessary governmental and regulatory approvals and consents necessary for or in connection with the assumption by the Substituted Debtor of liability as principal debtor in respect of, and of its obligations under, the supplemental trust deed and the Covered Bonds; (B) such approvals and consents are at the time of substitution in full force and effect; and (C) the obligations assumed by the Substituted Debtor under the supplemental trust deed are legal, valid and binding in accordance with their respective terms;
- (v) confirmations being received by the Bond Trustee from each Rating Agency that the substitution will not adversely affect the then current rating of the Covered Bonds;
- (vi) where the Substituted Debtor is incorporated, domiciled or resident in, or subject generally to the taxing jurisdiction of a territory other than or in addition to Australia, undertakings or covenants in form and manner satisfactory to the Bond Trustee being given by the Substituted Debtor in terms corresponding to the provisions of Condition 7 with the substitution for (or, as the case may be, the addition to) the references to Australia of references to that other or additional territory in which the Substituted Debtor is incorporated, domiciled or resident or to whose taxing jurisdiction it is subject and (where applicable) Condition 5.2 being modified accordingly;
- (vii) without prejudice to the rights of reliance of the Bond Trustee under the immediately following paragraph, the Bond Trustee being satisfied that the relevant transaction is not materially prejudicial to the interests of the Covered Bondholders;
- (viii) if two directors of the Substituted Debtor (or other officer acceptable to the Bond Trustee) certifying that the Substituted Debtor is solvent both at the time at which the relevant transaction is proposed to be effected and immediately thereafter (which certificate the Bond Trustee may rely on absolutely without liability to any person) and the Bond Trustee must

not have regard to the financial condition, profits or prospects of the Substituted Debtor or compare the same with those of the Issuer;

- (ix) the Issuer and the Trust Manager, delivering to the Bond Trustee legal opinions obtained from lawyers of international repute in (a) England and Wales and (b) the jurisdiction of incorporation of the Substituted Debtor in form and substance satisfactory to the Bond Trustee; and
- (x) the Covered Bond Guarantee remaining in place or being modified to apply mutatis mutandis and continuing in full force and effect in relation to any Substituted Debtor.

Any such supplemental trust deed or undertaking will, if so expressed, operate to release the Issuer or in either case the previous substitute as aforesaid from all of its obligations as principal debtor under the Bond Trust Deed.

In addition, subject as further provided in the Bond Trust Deed, the Bond Trustee may without the consent or sanction of the Covered Bondholders, at any time agree to the substitution in place of the Issuer (or any previous substitute under this Condition) as the principal debtor under the Covered Bonds, and the Bond Trust Deed or any other corporation subject to certain other conditions set out in the Bond Trust Deed being complied with.

Any substitution pursuant to this Condition 10.3 will be binding on the Covered Bondholders and must be notified in a form previously approved by the Bond Trustee by the new Issuer to the Covered Bondholders not later than 14 days after any such substitution in accordance with Condition 12.

#### **10.4 Rating Agencies**

If:

- (i) a confirmation or affirmation of rating or other response by a Rating Agency is a condition to any action or step under any Programme Document; and
- (ii) the Issuer has delivered to the Covered Bond Guarantor (copied to the Seller and each Rating Agency) written confirmation that it has notified the Rating Agencies of the action or step and that the Trust Manager is satisfied, following discussions with the Rating Agencies, that the action or step, as applicable, will not result in a reduction, qualification or withdrawal of the ratings then assigned by the Rating Agencies and the Rating Agency does not consider such confirmation necessary,

the parties will be entitled to assume that the then current rating of the Covered Bonds from that Rating Agency will not be downgraded, qualified or withdrawn by such Rating Agency as a result of such action or step.

The Bond Trustee will be entitled to treat as conclusive a certificate signed by an Authorised Officer of the Issuer or the Covered Bond Guarantor as to any matter referred to in (ii) above and the Bond Trustee will not be responsible for any Liability that may be caused as a result.

For the purposes of this Condition 10:

**Potential Issuer Event of Default** means any condition, event or act which, with the lapse of time and/or the issue, making or giving of any notice, certification, declaration, demand, determination and/or request and/or the taking of any similar action and/or the fulfilment of any similar condition, would constitute an Issuer Event of Default;

**Potential Covered Bond Guarantor Event of Default** means any condition, event or act which, with the lapse of time and/or the issue, making or giving of any notice, certification, declaration, demand, determination and/or request and/or the taking of any similar action and/or the fulfilment of any similar condition, would constitute a Covered Bond Guarantor Event of Default; and

**Series Reserved Matter** in relation to Covered Bonds of a Series means any proposal:

(i) to amend the dates of maturity or redemption of the Covered Bonds, or any date for payment of interest or Interest Amounts on the Covered Bonds or the obligation of the Issuer to pay additional amounts pursuant to Condition 7, (ii) to reduce or cancel the Principal Amount Outstanding of, or any premium payable on redemption of, the Covered Bonds, (iii) to reduce the rate or rates of interest in respect of the Covered Bonds or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Covered Bonds, (iv) if a Minimum and/or a Maximum Rate of Interest, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount is set out in the Final Terms, to reduce any such amount, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or Specified Denomination of the Covered Bonds, (vii) to take any steps that as specified in the Final Terms may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply, (viii) to modify the provisions concerning the quorum required at any meeting of Covered Bondholders or the majority required to pass the Extraordinary Resolution, (ix) to amend the Covered Bond Guarantee or the Security Deed (other than any amendment that the Bond Trustee may consent to without the consent of the Covered Bondholders under the Bond Trust Deed); and (x) to alter this proviso or the quorum requirements for an adjourned meeting of Covered Bondholders for the transaction of business comprising any Series Reserved Matter or the alteration of this definition.

**11. [RESERVED]**

**12. NOTICES**

Unless otherwise specified, all notices and other communications to the Covered Bondholders must be in writing and either (i) sent by prepaid post (airmail if appropriate) to or left at the address of the A\$ Registered Covered Bondholders (as shown in the A\$ Register at the close of business on the day which is three Business Days before the date of the notice or communication) or (ii) (if available) issued to A\$ Registered Covered Bondholders through Austraclear in accordance with the Austraclear Regulations.

Notices to be given by any A\$ Registered Covered Bondholder must be in writing and given by lodging the same, together with the relative A\$ Registered Covered Bond or A\$ Registered Covered Bonds with the A\$ Registrar.

**13. FURTHER ISSUES**

The Issuer will be at liberty from time to time without the consent of the Covered Bondholders to create and issue further bonds having terms and conditions the same as the Covered Bonds of any Series or the same in all respects save for the amount and date of the first payment of interest thereon, issue date and/or purchase price and so that the same can be consolidated and form a single Series with the outstanding Covered Bonds of such Series.



**14. INDEMNIFICATION OF THE BOND TRUSTEE AND THE SECURITY TRUSTEE AND THE *BOND* TRUSTEE AND SECURITY TRUSTEE CONTRACTING WITH THE ISSUER AND/OR THE COVERED BOND GUARANTOR**

If, in connection with the exercise of its powers, trusts, authorities or discretions the Bond Trustee is of the opinion that the interests of the Covered Bondholders of any one or more Series would be materially prejudiced thereby, the Bond Trustee must not exercise such power, trust, authority or discretion without the approval of such Covered Bondholders of the relevant Series by Extraordinary Resolution or by a direction in writing of such Covered Bondholders of at least 25 per cent. of the Principal Amount Outstanding of Covered Bonds of the relevant Series then outstanding or as otherwise required under the Programme Documents.

The Bond Trust Deed and the Security Deed contain provisions for the indemnification of the Bond Trustee and the Security Trustee and for their relief from responsibility, including provisions relieving them from taking any action unless indemnified and/or secured and/or prefunded to their satisfaction.

The Bond Trust Deed and the Security Deed also contain provisions pursuant to which each of the Bond Trustee and Security Trustee, respectively, is entitled, inter alia: (i) to enter into business transactions with the Issuer, the Covered Bond Guarantor and/or any of their respective Subsidiaries and affiliates and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer, the Covered Bond Guarantor and/or any of their respective Subsidiaries and affiliates; (ii) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Covered Bondholders or the other Secured Creditors and (iii) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

Neither the Bond Trustee nor the Security Trustee will be responsible for any loss, expense or liability which may be suffered as a result of any Mortgage Loan Rights or any Charged Property, or any deeds or documents of title thereto, being uninsured or inadequately insured or being held by clearing organisations or their operators or by intermediaries such as banks, brokers or other similar persons whether or not on behalf of the Bond Trustee and/or the Security Trustee. Neither the Bond Trustee nor the Security Trustee will be responsible for inter alia: (i) supervising the performance by the Issuer or any other party to the Programme Documents of their respective obligations under the Programme Documents and the Bond Trustee and the Security Trustee will be entitled to assume, until they each have written notice to the contrary, that all such persons are properly performing their duties; (ii) considering the basis on which approvals or consents are granted by the Issuer or any other party to the Programme Documents under the Programme Documents; (iii) monitoring the Mortgage Loan Rights forming part of the Assets of the Trust, including whether the Asset Coverage Test is satisfied or otherwise or the Amortisation Test is satisfied or otherwise; (iv) monitoring whether Mortgage Loans are Eligible Mortgage Loans or (v) monitoring whether the Issuer is in breach of the Pre-Maturity Test. Neither the Bond Trustee nor the Security Trustee will be liable to any Covered Bondholder or other Secured Creditor for any failure to make or to cause to be made on their behalf the searches, investigations and enquiries which would normally be made by a prudent secured creditor in relation to the Security and have no responsibility in relation to the legality, validity, sufficiency and enforceability of the Security and the Programme Documents.

The Bond Trustee may refrain from taking any action or exercising any right, power, authority or discretion vested in it relating to the transactions contemplated in the Programme Documents until it has been indemnified and/or secured and/or prefunded to its satisfaction against any and all actions, charges, claims, costs, damages, demands, expenses, liabilities, losses and proceedings which might be sustained by it as a result and will not be required to do anything which may cause it to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties or

in the exercise of any of its rights, powers, authorities or discretions if it has reasonable grounds for believing that repayment of such funds or adequate indemnity, security or prefunding against such liability is not assured to it.

## **15. LIMITED RECOURSE AND NON-PETITION**

15.1 Only the Security Trustee may pursue the remedies available under the general law or under the Security Deed to enforce the Security and no Transaction Party will be entitled to proceed directly against the Covered Bond Guarantor to enforce the Security. In particular, each Transaction Party (other than the Covered Bond Guarantor and the Security Trustee) has agreed with and acknowledges to each of the Covered Bond Guarantor and the Security Trustee, and the Security Trustee agreed with and acknowledged to the Covered Bond Guarantor, that:

- (a) none of the Transaction Parties (nor any person on their behalf, other than the Security Trustee where appropriate) is entitled, otherwise than as permitted by the Programme Documents, to direct the Security Trustee to enforce the Security or take any proceedings against the Covered Bond Guarantor to enforce the Security;
- (b) none of the Transaction Parties (other than the Security Trustee) will have the right to take or join any person in taking any steps against the Covered Bond Guarantor for the purpose of obtaining payment of any amount due from the Covered Bond Guarantor to any of such Transaction Parties;
- (c) until the date falling two years after the Vesting Date none of the Transaction Parties nor any person on their behalf may initiate or join any person in initiating an Insolvency Event in relation to the Trust other than a Receiver appointed under clause 15 of the Security Deed; and
- (d) none of the Transaction Parties is entitled to take or join in the taking of any corporate action, legal proceedings or other procedure or step which would result in the Priorities of Payments not being complied with.

15.2 The Covered Bondholders agree with and acknowledge to each of the Covered Bond Guarantor and the Security Trustee, and the Security Trustee has agreed with and acknowledged to the Covered Bond Guarantor, that notwithstanding any other provision of any Programme Document, all obligations of the Covered Bond Guarantor to such party including, without limitation, the Secured Obligations, are limited in recourse to the Covered Bond Guarantor as set out below:

- (a) it will have a claim only in respect of the Charged Property and will not have any claim, by operation of law or otherwise, against, or recourse to, any of the Covered Bond Guarantor's other assets;
- (b) sums payable to each party in terms of the Covered Bond Guarantor's obligations to such party will be limited to the lesser of (a) the aggregate amount of all sums due and payable to such party and (b) the aggregate amounts received, realised or otherwise recovered and immediately available for payment by or for the account of the Covered Bond Guarantor in respect of the Charged Property whether pursuant to enforcement of the Security or otherwise, net of any sums which are payable by the Covered Bond Guarantor in accordance with the Priorities of Payments in priority to or pari passu with sums payable to such party; and
- (c) upon the Security Trustee giving written notice to the relevant party that it has determined in its opinion, and the Servicer having certified to the Security Trustee, that there is no reasonable likelihood of there being any further realisations in respect of the Charged

Property (whether arising from an enforcement of the Security or otherwise) which would be available to pay unpaid amounts outstanding under the relevant Programme Document, the relevant party will have no further claim against the Covered Bond Guarantor in respect of any such unpaid amounts and the obligations to pay such unpaid amounts will be discharged in full,

save that this limitation will not apply to a liability of the Covered Bond Guarantor to the extent it results from the Covered Bond Guarantor's fraud, negligence or wilful default.

- 15.3 The Covered Bondholders agree with and acknowledge to the Security Trustee that the Security Trustee enters into each Programme Document to which it is a party only in its capacity as trustee of the Security Trust and in no other capacity and that the Security Trustee will have no liability under or in connection with this deed or any other Programme Document (whether to the Secured Creditors, the Covered Bond Guarantor or any other person) other than to the extent to which the liability is able to be satisfied out of the property of the Security Trust from which the Security Trustee is actually indemnified for the liability. This limitation will not apply to a liability of the Security Trustee to the extent it results from the Security Trustee's fraud, negligence or wilful default.
- 15.4 To the extent permitted by law, no recourse under any obligation, covenant, or agreement of any person contained in the Programme Documents may be had against any shareholder, officer, agent or director of such person as such, by the enforcement of any assessment or by any legal proceeding, by virtue of any statute or otherwise; it being expressly agreed and understood that the Programme Documents are corporate obligations of each person expressed to be a party thereto and no personal liability will attach to or be incurred by the shareholders, officers, agents or directors of such person as such, or any of them, under or by reason of any of the obligations, covenants or agreements of such person contained in the Programme Documents, or implied therefrom, and that any and all personal liability for breaches by such person of any of such obligations, covenants or agreements, either under any applicable law or by statute or constitution, of every such shareholder, officer, agent or director is expressly waived by each person expressed to be a party thereto as a condition of and consideration for execution of the Programme Documents.

**16. [RESERVED]**

**17. GOVERNING LAW**

The A\$ Registry Agreement, the A\$ Registered Covered Bonds, and any non contractual obligations arising out of or in connection with them are governed by, and will be construed in accordance with the laws applying in the State of New South Wales, Australia. The covenant to pay made by the Issuer to the Bond Trustee in respect of the A\$ Registered Covered Bonds, in the Bond Trust Deed, the provisions relating to the issuance of A\$ Registered Covered Bonds and the maintenance of the A\$ Register in respect of the A\$ Registered Covered Bonds in the Bond Trust Deed and the provisions relating to limiting recourse to the Covered Bond Guarantor and the Security Trustee in the Bond Trust Deed are governed by, and will be construed in accordance with, the laws applying in the State of New South Wales, Australia and all other provisions of the Bond Trust Deed are governed by English law.

**18. JURISDICTION**

- 18.1 Each of the Issuer and the Covered Bond Guarantor hereby irrevocably submits to the jurisdiction of the English courts in any action or proceeding arising out of or related to the Covered Bonds. The courts of England and (in the case of any action involving the Issuer or the Covered Bond Guarantor) the Commonwealth of Australia are to have jurisdiction to settle any dispute (including a dispute relating to any non-contractual obligations arising out of or in connection with the Covered Bonds),

and each party hereby irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined by such courts. Each party hereby irrevocably waives, to the fullest extent it may possibly do so, any defence or claim that the English or the Commonwealth of Australia courts (as applicable) are an inconvenient forum for the maintenance or hearing of such action or proceeding. Each party may take any suit, action or proceeding arising out of or in connection with the Covered Bonds (including any proceedings relating to any non-contractual obligations arising out of or in connection with the Covered Bonds) against any of the Issuer and the Covered Bond Guarantor in any other court of competent jurisdiction and concurrent proceedings in any number of jurisdictions.

**19. [RESERVED]**

## **SCHEDULE 4**

### **FORMS OF GLOBAL AND DEFINITIVE COVERED BONDS, COUPONS AND TALONS**

#### **PART 1**

##### **FORM OF TEMPORARY BEARER GLOBAL COVERED BOND**

**[ANY UNITED STATES PERSON 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 THE INTERNAL REVENUE CODE.]<sup>1</sup>**

**[THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN ACCORDANCE WITH THE PRINCIPAL AGENCY AGREEMENT IN RESPECT OF THIS SECURITY (THE "PRINCIPAL AGENCY AGREEMENT") AND PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT]**

[(\*) The following legend will appear on the face of each Temporary Bearer Global Covered Bond which is exchangeable for Bearer Covered Bonds in definitive form according to the relevant Final Terms:]

[NO OFFSHORE ASSOCIATE OF THE ISSUER (AS DEFINED BELOW) MAY (DIRECTLY OR INDIRECTLY) ACQUIRE THIS COVERED BOND OR ANY INTEREST IN OR RIGHT IN RESPECT OF THIS COVERED BOND (OTHER THAN AN OFFSHORE ASSOCIATE WHO ACQUIRES THIS COVERED BOND OR SUCH INTEREST OR RIGHT IN THE CAPACITY OF A DEALER, MANAGER OR UNDERWRITER IN RELATION TO THE PLACEMENT OF THE COVERED BOND, INTEREST OR RIGHT, OR A CLEARING HOUSE, CUSTODIAN, FUNDS MANAGER OR RESPONSIBLE ENTITY OF A REGISTERED SCHEME WITHIN THE MEANING OF THE CORPORATIONS ACT 2001 OF AUSTRALIA).

**"OFFSHORE ASSOCIATE" MEANS AN ASSOCIATE (AS DEFINED IN SECTION 128F OF THE INCOME TAX ASSESSMENT ACT 1936 (THE "TAX ACT", WHICH TERM INCLUDES ANY SUCCESSOR LEGISLATION)) OF THE ISSUER THAT IS EITHER A NON-RESIDENT OF THE COMMONWEALTH OF AUSTRALIA WHICH DOES NOT ACQUIRE THE COVERED BONDS IN CARRYING ON A BUSINESS AT OR THROUGH A PERMANENT ESTABLISHMENT IN AUSTRALIA OR, ALTERNATIVELY, A RESIDENT OF AUSTRALIA THAT ACQUIRES THE COVERED BONDS IN CARRYING ON BUSINESS AT OR THROUGH A PERMANENT ESTABLISHMENT OUTSIDE OF AUSTRALIA.**

EACH PERSON WHO SO ACQUIRES THIS COVERED BOND OR SUCH INTEREST OR RIGHT IS TAKEN TO HAVE WARRANTED IN FAVOUR OF THE ISSUER THAT THE PERSON IS NOT AN OFFSHORE ASSOCIATE, RESIDENT OF AUSTRALIA OR NON-

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<sup>1</sup> Delete where the original maturity of the Covered Bonds is 1 year or less.

RESIDENT OF AUSTRALIA WHO HAS ENGAGED IN CARRYING ON BUSINESS IN AUSTRALIA AT OR THROUGH A PERMANENT ESTABLISHMENT WITHIN AUSTRALIA.

ANY OFFSHORE ASSOCIATE, RESIDENT OF AUSTRALIA OR NON-RESIDENT OF AUSTRALIA WHO HAS ENGAGED IN CARRYING ON BUSINESS IN AUSTRALIA AT OR THROUGH A PERMANENT ESTABLISHMENT WITHIN AUSTRALIA WHO ACQUIRES THIS COVERED BOND OR ANY INTEREST OR RIGHT IN RESPECT OF THIS COVERED BOND CONTRARY TO THE RESTRICTION ABOVE MAY BE SUBJECT TO AUSTRALIAN TAX AND, IF SO, WILL NOT BE ENTITLED TO RECEIVE ANY PAYMENT OF ADDITIONAL AMOUNTS FROM THE ISSUER ON ACCOUNT OF SUCH TAX FROM AMOUNTS PAYABLE UNDER OR IN RESPECT OF THIS COVERED BOND.]

[(\*) The following legend will appear on the face of each Temporary Bearer Global Covered Bond other than any Temporary Bearer Global Covered Bond which is exchangeable for Bearer Covered Bonds in definitive form according to the relevant Final Terms:]

NO OFFSHORE ASSOCIATE OF THE ISSUER (AS DEFINED BELOW) MAY (DIRECTLY OR INDIRECTLY) ACQUIRE THIS COVERED BOND OR ANY INTEREST IN OR RIGHT IN RESPECT OF THIS COVERED BOND (OTHER THAN AN OFFSHORE ASSOCIATE WHO ACQUIRES THIS COVERED BOND OR SUCH INTEREST OR RIGHT IN THE CAPACITY OF A DEALER, MANAGER OR UNDERWRITER IN RELATION TO THE PLACEMENT OF THE COVERED BOND, INTEREST OR RIGHT, OR A CLEARING HOUSE, CUSTODIAN, FUNDS MANAGER OR RESPONSIBLE ENTITY OF A REGISTERED SCHEME WITHIN THE MEANING OF THE CORPORATIONS ACT 2001 OF AUSTRALIA).

**"OFFSHORE ASSOCIATE"** MEANS AN ASSOCIATE (AS DEFINED IN SECTION 128F OF THE INCOME TAX ASSESSMENT ACT 1936 (THE "**TAX ACT**", WHICH TERM INCLUDES ANY SUCCESSOR LEGISLATION)) OF THE ISSUER THAT IS EITHER A NON-RESIDENT OF THE COMMONWEALTH OF AUSTRALIA WHICH DOES NOT ACQUIRE THE COVERED BONDS IN CARRYING ON A BUSINESS AT OR THROUGH A PERMANENT ESTABLISHMENT IN AUSTRALIA OR, ALTERNATIVELY, A RESIDENT OF AUSTRALIA THAT ACQUIRES THE COVERED BONDS IN CARRYING ON BUSINESS AT OR THROUGH A PERMANENT ESTABLISHMENT OUTSIDE OF AUSTRALIA.

EACH PERSON WHO SO ACQUIRES THIS COVERED BOND OR SUCH INTEREST OR RIGHT IS TAKEN TO HAVE WARRANTED IN FAVOUR OF THE ISSUER THAT THE PERSON IS NOT AN OFFSHORE ASSOCIATE, RESIDENT OF AUSTRALIA OR NON-RESIDENT OF AUSTRALIA WHO HAS ENGAGED IN CARRYING ON BUSINESS IN AUSTRALIA AT OR THROUGH A PERMANENT ESTABLISHMENT WITHIN AUSTRALIA.

ANY OFFSHORE ASSOCIATE, RESIDENT OF AUSTRALIA OR NON-RESIDENT OF AUSTRALIA WHO HAS ENGAGED IN CARRYING ON BUSINESS IN AUSTRALIA AT OR THROUGH A PERMANENT ESTABLISHMENT WITHIN AUSTRALIA WHO ACQUIRES THIS COVERED BOND OR ANY INTEREST OR RIGHT IN RESPECT OF THIS COVERED BOND CONTRARY TO THE RESTRICTION ABOVE MAY BE SUBJECT TO AUSTRALIAN TAX AND, IF SO, WILL NOT BE ENTITLED TO RECEIVE ANY PAYMENT OF ADDITIONAL AMOUNTS FROM THE ISSUER ON ACCOUNT OF SUCH TAX FROM AMOUNTS PAYABLE UNDER OR IN RESPECT OF THIS COVERED BOND.

**COMMONWEALTH BANK OF AUSTRALIA**  
**ABN 48 123 123 124**

**(the Issuer)**

**TEMPORARY BEARER GLOBAL COVERED BOND**

*Unconditionally and irrevocably guaranteed as to payment of interest and principal by*

**PERPETUAL CORPORATE TRUST LIMITED**  
**ABN 99 000 341 533**  
**(AS TRUSTEE OF THE CBA COVERED BOND TRUST)**  
**(the Covered Bond Guarantor)**

This Covered Bond is a **Temporary Bearer Global Covered Bond** in respect of a duly authorised issue of Covered Bonds of the Issuer (the **Covered Bonds**) of the Principal Amount Outstanding, Specified Currency(ies) and Specified Denomination(s) as are specified in the Final Terms applicable to the Covered Bonds (the **Final Terms**), a copy of which is annexed hereto. References herein to the Conditions will be to the Terms and Conditions of the Covered Bonds as set out in Schedule 1 (Terms and Conditions of the Covered Bonds) to the Bond Trust Deed (as defined below) as supplemented, replaced and modified by the Final Terms but, in the event of any conflict between the provisions of the said Conditions and the information in the Final Terms, the Final Terms will prevail.

Words and expressions defined in the Conditions bear the same meanings when used in this Temporary Bearer Global Covered Bond.

This Temporary Bearer Global Covered Bond is issued subject to, and with the benefit of, the Conditions and a bond trust deed (such bond trust deed as modified and/or supplemented and/or restated from time to time, the **Bond Trust Deed**) dated 16 November 2012 and made between the Issuer, the Covered Bond Guarantor and Deutsche Trustee Company Limited (the **Bond Trustee**).

For value received, the Issuer, subject as hereinafter provided and subject to and in accordance with the Conditions and the Bond Trust Deed, promises to pay to the bearer hereof on each Instalment Date (if the Covered Bonds are repayable in instalments) and on the Final Maturity Date and/or on such earlier date(s) as all or any of the Covered Bonds represented by this Temporary Bearer Global Covered Bond may become due and repayable in accordance with the Conditions and the Bond Trust Deed, the amount payable under the Conditions in respect of such Covered Bonds on each such date and to pay interest (if any) on the Principal Amount Outstanding of the Covered Bonds from time to time represented by this Temporary Bearer Global Covered Bond calculated and payable as provided in the Conditions and the Bond Trust Deed together with any other sums payable under the Conditions and the Bond Trust Deed, upon presentation and, at maturity, surrender of this Temporary Bearer Global Covered Bond to or to the order of the Principal Paying Agent or any of the other Paying Agents located outside the United States and its possessions (except as provided in the Conditions) from time to time appointed by the Issuer in respect of the Covered Bonds.

The nominal amount of the Covered Bonds represented by this Temporary Bearer Global Covered Bond will be the amount stated in the Final Terms or, if lower, the nominal amount most recently entered by or on behalf of the Issuer in the relevant column in Part II, III or IV of Schedule One or Schedule Two (*Exchanges*).

On any redemption or payment of an instalment or interest being made in respect of, or purchase and cancellation of, any of the Covered Bonds represented by this Temporary Bearer Global Covered Bond, the Issuer must procure that: details of such redemption, payment, purchase and cancellation (as the case may be) will be entered by or on behalf of the Issuer in Schedule 1 hereto and the relevant space in Schedule 1 hereto recording any such redemption, payment, purchase and cancellation (as the case may be) will be

signed by or on behalf of the Issuer. Upon any such redemption, payment of an instalment, purchase and cancellation the Principal Amount Outstanding of this Temporary Bearer Global Covered Bond and the Covered Bonds represented by this Temporary Bearer Global Covered Bond will be reduced by the Principal Amount Outstanding of such Covered Bonds so redeemed or purchased and cancelled or the amount of such instalment.

Payments due in respect of Covered Bonds for the time being represented by this Temporary Bearer Global Covered Bond must be made to the bearer of this Temporary Bearer Global Covered Bond and each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries referred to above will not affect such discharge.

Payments of principal and interest (if any) due prior to the Exchange Date (as defined below) will only be made to the bearer hereof to the extent that there is presented to the Principal Paying Agent by a relevant Clearing System a certificate to the effect that it has received from or in respect of a person entitled to a particular principal amount of the Covered Bonds represented by this Temporary Bearer Global Covered Bond (as shown by its records) a certificate of non-US beneficial ownership in the form required by it. The bearer of this Temporary Bearer Global Covered Bond will not (unless upon due presentation of this Temporary Bearer Global Covered Bond for exchange, delivery of the appropriate number of Bearer Definitive Covered Bonds (together, if applicable, with the Coupons and Talons appertaining thereto in or substantially in the forms set out in Part 3, Part 4, Part 5 and Part 6 of Schedule 2 (*Forms of Global and Definitive Covered Bonds, Coupons and Talons*) to the Bond Trust Deed) or, as the case may be, issue and delivery (or, as the case may be, endorsement) of the Permanent Bearer Global Covered Bond is improperly withheld or refused and such withholding or refusal is continuing at the relevant payment date) be entitled to receive any payment hereon due on or after the Exchange Date.

On or after the date (the **Exchange Date**) which is 40 days after the Issue Date, this Temporary Bearer Global Covered Bond may be exchanged (free of charge) in whole or in part for, as specified in the Final Terms, either (a) security printed Bearer Definitive Covered Bonds and (if applicable) Coupons and/or Talons (on the basis that all the appropriate details have been included on the face of such Bearer Definitive Covered Bonds and (if applicable) Coupons and/or Talons and the relevant information supplementing, replacing or modifying the Conditions appearing in the Final Terms has been endorsed or attached to such Bearer Definitive Covered Bonds) or (b) a Permanent Bearer Global Covered Bond which is in or substantially in the form set out in Part 2 of Schedule 2 (Form of Permanent Bearer Global Covered Bond) to the Bond Trust Deed (together with the Final Terms attached thereto), in each case upon notice being given by a relevant Clearing System acting on the instruction of any holder of an interest in this Temporary Bearer Global Covered Bond and subject, in the case of Bearer Definitive Covered Bonds, to such notice period as is specified in the Final Terms.

If Bearer Definitive Covered Bonds and (if applicable) Coupon and/or Talons have already been issued in exchange for all the Covered Bonds represented for the time being by the Permanent Bearer Global Covered Bond, then this Temporary Bearer Global Covered Bond may only thereafter be exchanged for Bearer Definitive Covered Bonds and (if applicable) Coupons and/or Talons pursuant to the terms hereof.

This Temporary Bearer Global Covered Bond may be exchanged by the bearer hereof on any Business Day in London. The Issuer must procure that Bearer Definitive Covered Bonds or (as the case may be) the interests in the Permanent Bearer Global Covered Bond will be (in the case of Bearer Definitive Covered Bonds) issued and delivered in exchange for only that portion of this Temporary Bearer Global Covered Bond in respect of which there has been presented to the Principal Paying Agent by a relevant Clearing System a certificate to the effect that it has received from or in respect of a person entitled to a beneficial interest in particular nominal amount of the Covered Bonds represented by this Temporary Bearer Global Covered Bond (as shown by its records) a certificate of non-US beneficial ownership in the form required by it.



On an exchange of the whole of this Temporary Bearer Global Covered Bond, this Temporary Bearer Global Covered Bond must be surrendered to or to the order of the Principal Paying Agent. On an exchange of part only of this Temporary Bearer Global Covered Bond, the Issuer must procure that details of such exchange will be entered by or on behalf of the Issuer in Schedule Two hereto and the relevant space in Schedule Two hereto recording such exchange will be signed by or on behalf of the Issuer, whereupon the nominal amount of this Temporary Bearer Global Covered Bond and the Covered Bonds represented by this Temporary Bearer Global Covered Bond will be reduced by the Principal Amount Outstanding of this Temporary Bearer Global Covered Bond so exchanged. On any exchange of this Temporary Bearer Global Covered Bond for a Permanent Bearer Global Covered Bond, details of such exchange will be entered by or on behalf of the Issuer in Schedule 2 to the Permanent Bearer Global Covered Bond and the relevant space in Schedule 2 thereto recording such exchange will be signed by or on behalf of the Issuer.

Until the exchange of the whole of this Temporary Bearer Global Covered Bond as aforesaid, the bearer hereof will (subject as provided in the next paragraph) in all respects (except as otherwise provided herein) be entitled to the same benefits as if he were the bearer of Bearer Definitive Covered Bonds and the relative Coupons and/or Talons (if any) in the form(s) set out in Parts 3, 4, 5 and 6 (as applicable) of Schedule 2 (Forms of Global and Definitive Covered Bonds, Coupons and Talons) to the Bond Trust Deed.

Each person (other than Euroclear Bank S.A./N.V. (**Euroclear**) or Clearstream Banking, société anonyme (**Clearstream, Luxembourg** and together with Euroclear, the **relevant Clearing Systems**)) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular principal amount of the Covered Bonds represented by this Temporary Bearer Global Covered Bond (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Covered Bonds standing to the account of any person will be conclusive and binding for all purposes save in the case of manifest error) will be treated by the Issuer, the Covered Bond Guarantor, the Bond Trustee, the Security Trustee, the Principal Paying Agent and any other Paying Agent as the holder of such principal amount of such Covered Bonds for all purposes other than with respect to the payment of principal and interest on such principal amount of such Covered Bonds, the right to which will be vested, as against the Issuer, solely in the bearer of this Temporary Bearer Global Covered Bond in accordance with and subject to the terms of this Temporary Bearer Global Covered Bond and the Bond Trust Deed.

This Temporary Bearer Global Covered Bond and any non-contractual obligations arising out of or in connection with it are governed by, and will be construed in accordance with, English law.

A person who is not a party to this Temporary Bearer Global Covered Bond has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Temporary Bearer Global Covered Bond, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

This Temporary Bearer Global Covered Bond will not be valid unless authenticated by [●] as Principal Paying Agent.

**IN WITNESS WHEREOF** the Issuer has caused this Temporary Bearer Global Covered Bond to be signed manually or in facsimile by a person duly authorised on its behalf.

Issued as of the Issue Date specified in the Final Terms.

**COMMONWEALTH BANK OF AUSTRALIA ABN 48 123 123 124**

By: .....  
**Authorised Officer<sup>2</sup>**

Authenticated by  
**Deutsche Bank AG, London Branch**  
as Principal Paying Agent

By: .....  
**Authorised Officer**

**Important Notes:**

The Covered Bond Guarantor has guaranteed certain obligations of the Issuer in respect of this Temporary Bearer Global Covered Bond only in its role as trustee of the Trust and in no other capacity. Any obligation or liability of the Covered Bond Guarantor arising under or in any way connected with the Trust under the Establishment Deed, the Bond Trust Deed, this Temporary Bearer Global Covered Bond or any other Programme Document to which the Covered Bond Guarantor is a party is limited to the extent to which it can be satisfied out of the assets of the Trust out of which the Covered Bond Guarantor is actually indemnified for the obligation or liability. This limitation will not apply to any obligation or liability of the Covered Bond Guarantor only to the extent that it is not so satisfied because of any fraud, negligence or wilful default on the part of the Covered Bond Guarantor. A more detailed description of this limitation of liability is set out in the Programme Documents.

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<sup>2</sup> This signature may be affixed manually or by facsimile – see clause 3.1(b) of the Bond Trust Deed.

## Schedule One to Part 1

## PART I

## INTEREST PAYMENTS

[illegible]

## PART II

## PAYMENT OF INSTALMENT AMOUNTS

[illegible]

\* See most recent entry in Part II, III or IV or Schedule One in order to determine this amount.

## PART III

## REDEMPTIONS

[illegible]

<sup>20</sup> See most recent entry in Part II, III or IV or Schedule One in order to determine this amount.

## PART IV

## PURCHASES AND CANCELLATIONS

[illegible]

<sup>10</sup> See most recent entry in Part II, III or IV or Schedule One in order to determine this amount.

## Schedule Two to Part 1

## EXCHANGES

The following exchanges of a part of this Temporary Bearer Global Covered Bond for Bearer Definitive Covered Bonds or a part of a Permanent Bearer Global Covered Bond have been made.

[illegible]

\* See most recent entry in Part II, III or IV of Schedule One or in this Schedule Two in order to determine this amount.

## **PART 2**

### **FORM OF PERMANENT BEARER GLOBAL COVERED BOND**

**[ANY UNITED STATES PERSON 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 THE INTERNAL REVENUE CODE.]<sup>1</sup>**

**THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT), OR ANY APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN ACCORDANCE WITH THE PRINCIPAL AGENCY AGREEMENT IN RESPECT OF THIS SECURITY (THE PRINCIPAL AGENCY AGREEMENT) AND PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT.**

**NO OFFSHORE ASSOCIATE OF THE ISSUER (AS DEFINED BELOW) MAY (DIRECTLY OR INDIRECTLY) ACQUIRE THIS COVERED BOND OR ANY INTEREST IN OR RIGHT IN RESPECT OF THIS COVERED BOND (OTHER THAN AN OFFSHORE ASSOCIATE WHO ACQUIRES THIS COVERED BOND OR SUCH INTEREST OR RIGHT IN THE CAPACITY OF A DEALER, MANAGER OR UNDERWRITER IN RELATION TO THE PLACEMENT OF THE COVERED BOND, INTEREST OR RIGHT, OR A CLEARING HOUSE, CUSTODIAN, FUNDS MANAGER OR RESPONSIBLE ENTITY OF A REGISTERED SCHEME WITHIN THE MEANING OF THE CORPORATIONS ACT 2001 OF AUSTRALIA).**

**"OFFSHORE ASSOCIATE" MEANS AN ASSOCIATE (AS DEFINED IN SECTION 128F OF THE INCOME TAX ASSESSMENT ACT 1936 (THE "TAX ACT", WHICH TERM INCLUDES ANY SUCCESSOR LEGISLATION)) OF THE ISSUER THAT IS EITHER A NON-RESIDENT OF THE COMMONWEALTH OF AUSTRALIA WHICH DOES NOT ACQUIRE THE COVERED BONDS IN CARRYING ON A BUSINESS AT OR THROUGH A PERMANENT ESTABLISHMENT IN AUSTRALIA OR, ALTERNATIVELY, A RESIDENT OF AUSTRALIA THAT ACQUIRES THE COVERED BONDS IN CARRYING ON BUSINESS AT OR THROUGH A PERMANENT ESTABLISHMENT OUTSIDE OF AUSTRALIA.**

**EACH PERSON WHO SO ACQUIRES THIS COVERED BOND OR SUCH INTEREST OR RIGHT IS TAKEN TO HAVE WARRANTED IN FAVOUR OF THE ISSUER THAT THE PERSON IS NOT AN OFFSHORE ASSOCIATE, RESIDENT OF AUSTRALIA OR NON-RESIDENT OF AUSTRALIA WHO HAS ENGAGED IN CARRYING ON BUSINESS IN AUSTRALIA AT OR THROUGH A PERMANENT ESTABLISHMENT WITHIN AUSTRALIA..**

**ANY OFFSHORE ASSOCIATE, RESIDENT OF AUSTRALIA OR NON-RESIDENT OF AUSTRALIA WHO HAS ENGAGED IN CARRYING ON BUSINESS IN AUSTRALIA AT OR THROUGH A PERMANENT ESTABLISHMENT WITHIN AUSTRALIA WHO ACQUIRES**

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<sup>1</sup> Delete where original maturity dates of Covered Bonds is 1 year or less.



THIS COVERED BOND OR ANY INTEREST OR RIGHT IN RESPECT OF THIS COVERED BOND CONTRARY TO THE RESTRICTION ABOVE MAY BE SUBJECT TO AUSTRALIAN TAX AND, IF SO, WILL NOT BE ENTITLED TO RECEIVE ANY PAYMENT OF ADDITIONAL AMOUNTS FROM THE ISSUER ON ACCOUNT OF SUCH TAX FROM AMOUNTS PAYABLE UNDER OR IN RESPECT OF THIS COVERED BOND.

**COMMONWEALTH BANK OF AUSTRALIA**  
**ABN 48 123 123 124**

**(the Issuer)**

**PERMANENT BEARER GLOBAL COVERED BOND**

*Unconditionally and irrevocably guaranteed as to payment of interest and principal by*

**PERPETUAL CORPORATE TRUST LIMITED**  
**ABN 99 000 341 533**  
**(AS TRUSTEE OF THE CBA COVERED BOND TRUST)**  
**(the Covered Bond Guarantor)**

This Covered Bond is a **Permanent Bearer Global Covered Bond** in respect of a duly authorised issue of Covered Bonds of the Issuer (the **Covered Bonds**) of the Principal Amount Outstanding, Specified Currency(ies) and Specified Denomination(s) as are specified in the Final Terms applicable to the Covered Bonds (the **Final Terms**), a copy of which is annexed hereto, and which are constituted by a Bond Trust Deed (as defined below). References herein to the **Conditions** are to the Terms and Conditions of the Covered Bonds as set out in Schedule 1 (*Terms and Conditions of the Covered Bonds*) to the Bond Trust Deed (as defined below) as supplemented, replaced and modified by the Final Terms but, in the event of any conflict between the provisions of the said Conditions and the information in the Final Terms, the Final Terms will prevail.

Words and expressions defined in the Conditions bear the same meanings when used in this Permanent Bearer Global Covered Bond.

This Permanent Bearer Global Covered Bond is issued subject to, and with the benefit of, the Conditions and a bond trust deed (such bond trust deed as modified and/or supplemented and/or restated from time to time, the **Bond Trust Deed**) dated 16 November 2012 and made between the Issuer, the Covered Bond Guarantor and Deutsche Trustee Company Limited (the **Bond Trustee**).

For value received, the Issuer, subject as hereinafter provided and subject to and in accordance with the Conditions and the Bond Trust Deed, promises to pay to the bearer hereof on each Instalment Date (if the Covered Bonds are repayable in instalments) and on the Final Maturity Date and/or on such earlier date(s) as all or any of the Covered Bonds represented by this Permanent Bearer Global Covered Bond may become due and repayable in accordance with the Conditions and the Bond Trust Deed, the amount payable under the Conditions in respect of such Covered Bonds on each such date and to pay interest (if any) on the Principal Amount Outstanding of the Covered Bonds from time to time represented by this Permanent Bearer Global Covered Bond calculated and payable as provided in the Conditions and the Bond Trust Deed together with any other sums payable under the Conditions and the Bond Trust Deed, upon presentation and, at maturity, surrender of this Permanent Bearer Global Covered Bond to or to the order of the Principal Paying Agent or any of the other Paying Agents located outside the United States and its possessions (except as provided in the Conditions) from time to time appointed by the Issuer in respect of the Covered Bonds.

The Principal Amount Outstanding of the Covered Bonds represented by this Permanent Bearer Global Covered Bond will be the amount stated in the Final Terms or, if lower, the Principal Amount Outstanding most recently entered by or on behalf of the Issuer in the relevant column in Part II, III, or IV of Schedule One hereto or in Schedule Two hereto.

On any redemption of, or payment of an instalment or interest being made in respect of, or purchase and cancellation of, any of the Covered Bonds represented by this Permanent Bearer Global Covered Bond the

Issuer must procure that details of such redemption, payment, or purchase and cancellation (as the case may be) will be entered by or on behalf of the Issuer in Schedule Two hereto and the relevant space in Schedule Two hereto recording such redemption, payment, or purchase and cancellation (as the case may be) will be signed by or on behalf of the Issuer, whereupon the Principal Amount Outstanding of this Permanent Bearer Global Covered Bond and the Covered Bonds represented by this Permanent Bearer Global Covered Bond will be reduced by the nominal amount of such Covered Bonds so redeemed or purchased and cancelled or the amount of such instalment so paid.

Payments due in respect of Covered Bonds for the time being represented by this Permanent Bearer Global Covered Bond must be made to the bearer of this Permanent Bearer Global Covered Bond and each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries referred to above will not affect such discharge.

If the Covered Bonds represented by this Permanent Bearer Global Covered Bond were, on issue, represented by a Temporary Bearer Global Covered Bond then on any exchange of such Temporary Bearer Global Covered Bond for this Permanent Bearer Global Covered Bond or any part hereof, the Issuer must procure that details of such exchange will be entered by or on behalf of the Issuer in Schedule Two hereto and the relevant space in Schedule Two hereto recording such exchange will be signed by or on behalf of the Issuer, whereupon the Principal Amount Outstanding of this Permanent Bearer Global Covered Bond and the Covered Bonds represented by this Bearer Global Covered Bond will be increased by the nominal amount of the Temporary Bearer Global Covered Bond so exchanged.

This Permanent Bearer Global Covered Bond may be exchanged (free of charge) in whole, but not in part, for Bearer Definitive Covered Bonds and (if applicable) Coupons and/or Talons in or substantially in the forms set out in Part 3 (*Form of Bearer Definitive Covered Bond*), **Error! Reference source not found.** (*Form of Coupon*) and Part 5 (*Form of Talon*) of Schedule 2 (*Forms of Global and Definitive Covered Bonds, Coupons and Talons*) to the Bond Trust Deed (on the basis that all the appropriate details have been included on the face of such Bearer Definitive Covered Bonds and (if applicable) Coupons and/or Talons and the relevant information supplementing, replacing or modifying the Conditions appearing in the Final Terms has been endorsed on or attached to such Bearer Definitive Covered Bonds) either, as specified in the applicable Final Terms:

- (a) upon not less than 60 days' written notice being given to the Principal Paying Agent by Euroclear Bank S.A./N.V. (**Euroclear**) and/or Clearstream Banking, société anonyme (**Clearstream, Luxembourg** and together with Euroclear, the **relevant Clearing Systems**) (acting on the instructions of any holder of an interest in this Permanent Bearer Global Covered Bond); or
- (b) upon the occurrence of an Exchange Event.

An **Exchange Event** means the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, whether 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.

If this Permanent Bearer Global Covered Bond is exchangeable following the occurrence of an Exchange Event:

- (a) the Issuer will promptly give notice to Covered Bondholders in accordance with Condition 12 (Notices) upon the occurrence of such Exchange Event; and
- (b) Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in this Permanent Bearer Global Covered Bond) or the Bond Trustee may give notice to the Principal Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as

described in (b) above, the Issuer may also give notice to the Principal Paying Agent requesting exchange.

Any such exchange must occur on a date specified in the notice not more than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

The first notice requesting exchange in accordance with the above provisions will give rise to the issue of Bearer Definitive Covered Bonds for the Principal Amount Outstanding of Covered Bonds represented by this Permanent Bearer Global Covered Bond.

Any such exchange as aforesaid will be made upon presentation of this Permanent Bearer Global Covered Bond by the bearer hereof on any Business Day in London at the office of the Principal Paying Agent specified above.

The aggregate Principal Amount Outstanding of Bearer Definitive Covered Bonds issued upon an exchange of this Permanent Bearer Global Covered Bond will be equal to the aggregate Principal Amount Outstanding of this Permanent Bearer Global Covered Bond. Upon exchange of this Permanent Bearer Global Covered Bond for Bearer Definitive Covered Bonds, the Principal Paying Agent must cancel it or procure that it is cancelled.

Until the exchange of the whole of this Permanent Bearer Global Covered Bond as aforesaid, the bearer hereof will (subject as provided in the next paragraph) in all respects be entitled to the same benefits as if he were the bearer of Bearer Definitive Covered Bonds and the relative Coupons and/or Talons (if any) in the form(s) set out in Part 3 (*Form of Bearer Definitive Covered Bond*), **Error! Reference source not found.** (*Form of Coupon*) and Part 5 (*Form of Talon*) (as applicable) of Schedule 2 (*Forms of Global and Definitive Covered Bonds, Coupons and Talons*) to the Bond Trust Deed.

Each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular principal amount of the Covered Bonds represented by this Permanent Bearer Global Covered Bond (each an **Accountholder**) (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Covered Bonds standing to the account of any person will be conclusive and binding for all purposes save in the case of manifest error) will be treated by the Issuer, the Covered Bond Guarantor, the Bond Trustee, the Security Trustee, the Principal Paying Agent and any other Paying Agent as the holder of such principal amount of such Covered Bonds for all purposes other than with respect to the payment of principal and interest on such principal amount of such Covered Bonds, the right to which will be vested, as against the Issuer and the Covered Bond Guarantor, solely in the bearer of this Permanent Bearer Global Covered Bond in accordance with and subject to the terms of this Permanent Bearer Global Covered Bond and the Bond Trust Deed. Each Accountholder must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of each payment or delivery made to the bearer of this Permanent Bearer Global Covered Bond.

This Permanent Bearer Global Covered Bond and any non-contractual obligations arising out of or in connection with it will be governed by, and will be construed in accordance with, English law.

A person who is not a party to this Permanent Bearer Global Covered Bond has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Permanent Bearer Global Covered Bond, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

This Permanent Bearer Global Covered Bond will not be valid unless authenticated by Deutsche Bank AG, London Branch as Principal Paying Agent.

IN WITNESS whereof the Issuer has caused this Permanent Bearer Global Covered Bond to be signed manually or in facsimile by a person duly authorised on its behalf.

Issued as of the Issue Date specified in the Final Terms.

**COMMONWEALTH BANK OF AUSTRALIA ABN 48 123 123 124**

By: .....  
**Authorised Officer<sup>3</sup>**

Authenticated by  
**Deutsche Bank AG, London Branch**  
as Principal Paying Agent

By: .....  
**Authorised Officer**

**Important Notes:**

The Covered Bond Guarantor has guaranteed certain obligations of the Issuer in respect of this Permanent Bearer Global Covered Bond only in its role as trustee of the Trust and in no other capacity. Any obligation or liability of the Covered Bond Guarantor arising under or in any way connected with the Trust under the Establishment Deed, the Bond Trust Deed, this Permanent Bearer Global Covered Bond or any other Programme Document to which the Covered Bond Guarantor is a party is limited to the extent to which it can be satisfied out of the assets of the Trust out of which the Covered Bond Guarantor is actually indemnified for the obligation or liability. This limitation will not apply to any obligation or liability of the Covered Bond Guarantor only to the extent that it is not so satisfied because of any fraud, negligence or wilful default on the part of the Covered Bond Guarantor. A more detailed description of this limitation of liability is set out in the Programme Documents.

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<sup>3</sup> This signature may be affixed manually or by facsimile – see clause 3.1(b) of the Bond Trust Deed.

## Schedule One to Part 2

## PART I

## INTEREST PAYMENTS

[illegible]

## PART II

## PAYMENT OF INSTALMENT AMOUNTS

[illegible]

\* See most recent entry in Part II, III or IV or Schedule Two in order to determine this amount.

## PART III

## REDEMPTIONS

[illegible]

<sup>20</sup> See most recent entry in Part II, III or IV or Schedule Two in order to determine this amount.



## PART IV

## PURCHASES AND CANCELLATIONS

[illegible]

<sup>9</sup> See most recent entry in Part II, III or IV or Schedule Two in order to determine this amount.

## Schedule Two to Part 2

## EXCHANGES

(only applicable where the Covered Bonds represented by this Permanent Bearer Global Covered Bond were, on issue, represented by a Temporary Bearer Global Covered Bond)

[illegible]

\* See most recent entry in Part II, III or IV of Schedule One or in this Schedule Two in order to determine this amount.

### **PART 3**

#### **FORM OF BEARER DEFINITIVE COVERED BOND**

**[ANY UNITED STATES PERSON 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 THE INTERNAL REVENUE CODE.]<sup>4</sup>**

NO OFFSHORE ASSOCIATE OF THE ISSUER (AS DEFINED BELOW) MAY (DIRECTLY OR INDIRECTLY) ACQUIRE THIS COVERED BOND OR ANY INTEREST IN OR RIGHT IN RESPECT OF THIS COVERED BOND (OTHER THAN AN OFFSHORE ASSOCIATE WHO ACQUIRES THIS COVERED BOND OR SUCH INTEREST OR RIGHT IN THE CAPACITY OF A DEALER, MANAGER OR UNDERWRITER IN RELATION TO THE PLACEMENT OF THE COVERED BOND, INTEREST OR RIGHT, OR A CLEARING HOUSE, CUSTODIAN, FUNDS MANAGER OR RESPONSIBLE ENTITY OF A REGISTERED SCHEME WITHIN THE MEANING OF THE CORPORATIONS ACT 2001 OF AUSTRALIA).

**"OFFSHORE ASSOCIATE"** MEANS AN ASSOCIATE (AS DEFINED IN SECTION 128F OF THE INCOME TAX ASSESSMENT ACT 1936 (THE "**TAX ACT**", WHICH TERM INCLUDES ANY SUCCESSOR LEGISLATION)) OF THE ISSUER THAT IS EITHER A NON-RESIDENT OF THE COMMONWEALTH OF AUSTRALIA WHICH DOES NOT ACQUIRE THE COVERED BONDS IN CARRYING ON A BUSINESS AT OR THROUGH A PERMANENT ESTABLISHMENT IN AUSTRALIA OR, ALTERNATIVELY, A RESIDENT OF AUSTRALIA THAT ACQUIRES THE COVERED BONDS IN CARRYING ON BUSINESS AT OR THROUGH A PERMANENT ESTABLISHMENT OUTSIDE OF AUSTRALIA.

EACH PERSON WHO SO ACQUIRES THIS COVERED BOND OR SUCH INTEREST OR RIGHT IS TAKEN TO HAVE WARRANTED IN FAVOUR OF THE ISSUER THAT THE PERSON IS NOT AN OFFSHORE ASSOCIATE, RESIDENT OF AUSTRALIA OR NON-RESIDENT OF AUSTRALIA WHO HAS ENGAGED IN CARRYING ON BUSINESS IN AUSTRALIA AT OR THROUGH A PERMANENT ESTABLISHMENT WITHIN AUSTRALIA.

ANY OFFSHORE ASSOCIATE, RESIDENT OF AUSTRALIA OR NON-RESIDENT OF AUSTRALIA WHO HAS ENGAGED IN CARRYING ON BUSINESS IN AUSTRALIA AT OR THROUGH A PERMANENT ESTABLISHMENT WITHIN AUSTRALIA WHO ACQUIRES THIS COVERED BOND OR ANY INTEREST OR RIGHT IN RESPECT OF THIS COVERED BOND CONTRARY TO THE RESTRICTION ABOVE MAY BE SUBJECT TO AUSTRALIAN TAX AND, IF SO, WILL NOT BE ENTITLED TO RECEIVE ANY PAYMENT OF ADDITIONAL AMOUNTS FROM THE ISSUER ON ACCOUNT OF SUCH TAX FROM AMOUNTS PAYABLE UNDER OR IN RESPECT OF THIS COVERED BOND.

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<sup>4</sup> Delete where the original maturity of the Covered Bonds is 1 year or less.

**COMMONWEALTH BANK OF AUSTRALIA**  
**ABN 48 123 123 124**

(the **Issuer**)

[Specified Currency and Nominal Amount of Tranche]  
**COVERED BONDS DUE**

[**Year of Maturity**]

unconditionally and irrevocably guaranteed as to payments of interest and principal by

**PERPETUAL CORPORATE TRUST LIMITED**  
**ABN 99 000 341 533**  
(AS TRUSTEE OF THE CBA COVERED BOND TRUST)  
(the **Covered Bond Guarantor**)

This Covered Bond is a **Bearer Definitive Covered Bond** in respect of a duly authorised issue of Covered Bonds of [Specified Currency(ies) and Specified Denomination(s)] each of the Issuer (**Covered Bonds**) of the Principal Amount Outstanding, Specified Currency(ies) and Specified Denomination(s) as are specified in the Final Terms applicable to the Covered Bonds (the **Final Terms**), a copy of which is annexed hereto. References herein to the **Conditions** are to the Terms and Conditions [endorsed hereon/set out in Schedule 1 (*Terms and Conditions of the Covered Bonds*) to the Bond Trust Deed (as defined below) which are incorporated by reference herein and have effect as if set out herein] as supplemented, replaced and modified by the relevant information appearing in the Final Terms (the **Final Terms**) endorsed hereon but, in the event of any conflict between the provisions of the said Conditions and such information in the Final Terms, such information will prevail.

Words and expressions defined in the Conditions bear the same meanings when used in this Bearer Definitive Covered Bond.

This Bearer Definitive Covered Bond is issued subject to, and with the benefit of, the Conditions and a bond trust deed (such bond trust deed as modified and/or supplemented and/or restated from time to time, the **Bond Trust Deed**) dated 16 November 2012 and made between the Issuer, the Covered Bond Guarantor and Deutsche Trustee Company Limited (the **Bond Trustee**).

For value received, the Issuer, subject to and in accordance with the Conditions and the Bond Trust Deed, hereby promises to pay to the bearer hereof on [each Instalment Date and] the Final Maturity Date and/or on such earlier date as this Bearer Definitive Covered Bond may become due and repayable in accordance with the Conditions and the Bond Trust Deed, the amount payable on redemption of this Bearer Definitive Covered Bond and to pay interest (if any) on the Principal Amount Outstanding of this Bearer Definitive Covered Bond calculated and payable as provided in the Conditions and the Bond Trust Deed together with any other sums payable under the Conditions and the Bond Trust Deed.

This Bearer Definitive Covered Bond and any non-contractual obligations arising out of or in connection with it will be governed by, and will be construed in accordance with, English law.

Neither this Bearer Definitive Covered Bond nor the Coupons appertaining hereto will be valid or obligatory for any purpose unless and until this Bearer Definitive Covered Bond has been authenticated by Deutsche Bank AG, London Branch as Principal Paying Agent.

IN WITNESS whereof this Bearer Definitive Covered Bond has been executed on behalf of the Issuer.

Issued as of [●], 20[●].

**COMMONWEALTH BANK OF AUSTRALIA ABN 48 123 123 124**

By: .....  
**Authorised Officer<sup>5</sup>**

Authenticated by  
**Deutsche Bank AG, London Branch**  
as Principal Paying Agent

By: .....  
**Authorised Officer**

**Important Notes:**

The Covered Bond Guarantor has guaranteed certain obligations of the Issuer in respect of this Bearer Definitive Covered Bond only in its role as trustee of the Trust and in no other capacity. Any obligation or liability of the Covered Bond Guarantor arising under or in any way connected with the Trust under the Establishment Deed, the Bond Trust Deed, this Bearer Definitive Covered Bond or any other Programme Document to which the Covered Bond Guarantor is a party is limited to the extent to which it can be satisfied out of the assets of the Trust out of which the Covered Bond Guarantor is actually indemnified for the obligation or liability. This limitation will not apply to any obligation or liability of the Covered Bond Guarantor only to the extent that it is not so satisfied because of any fraud, negligence or wilful default on the part of the Covered Bond Guarantor. A more detailed description of this limitation of liability is set out in the Programme Documents.

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|                |        |          |              |
|----------------|--------|----------|--------------|
| [0,000/00,000] | [ISIN] | [Series] | [Serial No.] |
|----------------|--------|----------|--------------|

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<sup>5</sup> This signature may be affixed manually or by facsimile – see clause 3.3(c) of the Bond Trust Deed.

## **[CONDITIONS]**

[Conditions to be as set out in Schedule 1 (*Terms and Conditions of the Covered Bonds*) to this document or such other form as may be agreed between the Issuer, the Principal Paying Agent, the Bond Trustee and the relevant Dealer(s), but will not be endorsed if not required by the relevant Stock Exchange (if any)]

## **FINAL TERMS**

[Here to be set out the text of the relevant information supplementing, replacing or modifying the Conditions which appears in the Final Terms relating to the Covered Bonds]

## PART 4

### FORM OF COUPON

[Face of Coupon]

**COMMONWEALTH BANK OF AUSTRALIA**

**ABN 48 123 123 124**

**SPECIFIED CURRENCY/NOMINAL AMOUNT**

**COVERED BONDS DUE [Year of Maturity]**

unconditionally and irrevocably guaranteed as to payments of interest and principal by

**PERPETUAL CORPORATE TRUST LIMITED**

**ABN 99 000 341 533**

**(AS TRUSTEE OF THE CBA COVERED BOND TRUST)**

**(the Covered Bond Guarantor)**

**Series No. [●]\***

**[ANY UNITED STATES PERSON 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 THE INTERNAL REVENUE CODE.]<sup>6</sup>**

NO OFFSHORE ASSOCIATE OF THE ISSUER (AS DEFINED ABOVE) MAY (DIRECTLY OR INDIRECTLY) ACQUIRE THIS COUPON OR ANY INTEREST IN OR RIGHT IN RESPECT OF THIS COUPON (OTHER THAN AN OFFSHORE ASSOCIATE WHO ACQUIRES THIS COUPON OR SUCH INTEREST OR RIGHT IN THE CAPACITY OF A DEALER, MANAGER OR UNDERWRITER IN RELATION TO THE PLACEMENT OF THE COUPON, INTEREST OR RIGHT, OR A CLEARING HOUSE, CUSTODIAN, FUNDS MANAGER OR RESPONSIBLE ENTITY OF A REGISTERED SCHEME WITHIN THE MEANING OF THE CORPORATIONS ACT 2001 OF AUSTRALIA).

**"OFFSHORE ASSOCIATE"** MEANS AN ASSOCIATE (AS DEFINED IN SECTION 128F OF THE INCOME TAX ASSESSMENT ACT 1936 (THE **"TAX ACT"**, WHICH TERM INCLUDES ANY SUCCESSOR LEGISLATION)) OF THE ISSUER THAT IS EITHER A NON-RESIDENT OF THE COMMONWEALTH OF AUSTRALIA WHICH DOES NOT ACQUIRE THE COVERED BONDS IN CARRYING ON A BUSINESS AT OR THROUGH A PERMANENT ESTABLISHMENT IN AUSTRALIA OR, ALTERNATIVELY, A RESIDENT OF AUSTRALIA THAT ACQUIRES THE COVERED BONDS IN CARRYING ON BUSINESS AT OR THROUGH A PERMANENT ESTABLISHMENT OUTSIDE OF AUSTRALIA.

EACH PERSON WHO SO ACQUIRES THIS COUPON OR SUCH INTEREST OR RIGHT IS TAKEN TO HAVE WARRANTED IN FAVOUR OF THE ISSUER THAT THE PERSON IS NOT AN OFFSHORE ASSOCIATE, RESIDENT OF AUSTRALIA OR NON-RESIDENT OF AUSTRALIA WHO HAS ENGAGED IN CARRYING ON BUSINESS IN AUSTRALIA AT OR THROUGH A PERMANENT ESTABLISHMENT WITHIN AUSTRALIA.

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1. <sup>6</sup> Delete where the original maturity of the Covered Bonds is 1 year or less.



ANY OFFSHORE ASSOCIATE, RESIDENT OF AUSTRALIA OR NON-RESIDENT OF AUSTRALIA WHO HAS ENGAGED IN CARRYING ON BUSINESS IN AUSTRALIA AT OR THROUGH A PERMANENT ESTABLISHMENT WITHIN AUSTRALIA WHO ACQUIRES THIS COUPON OR ANY INTEREST OR RIGHT IN RESPECT OF THIS COUPON CONTRARY TO THE RESTRICTION ABOVE MAY BE SUBJECT TO AUSTRALIAN TAX AND, IF SO, WILL NOT BE ENTITLED TO RECEIVE ANY PAYMENT OF ADDITIONAL AMOUNTS FROM THE ISSUER ON ACCOUNT OF SUCH TAX FROM AMOUNTS PAYABLE UNDER OR IN RESPECT OF THIS COUPON.

[Coupon appertaining to a Covered Bond in the denomination of [Specified Currency and Specified Denomination]].<sup>7</sup>

**Part A**

**[For Fixed Rate Covered Bonds:**

This Coupon is payable to bearer, separately negotiable and subject to the Terms and Conditions of the said Covered Bonds. Coupon for [●] due on [●], [●]]

**Part B**

**[For Floating Rate Covered Bonds:**

Coupon for the amount due in accordance with the Terms and Conditions endorsed on, attached to or incorporated by reference into the said Covered Bonds on [the Interest Payment Date falling in [●] [●]/[●]].

This Coupon is payable to bearer, separately negotiable and subject to such Terms and Conditions, under which it may become void before its due date.

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|       |                |        |          |              |
|-------|----------------|--------|----------|--------------|
| [No.] | [0,000/00,000] | [ISIN] | [Series] | [Serial No.] |
|-------|----------------|--------|----------|--------------|

<sup>7</sup> Delete where the Covered Bonds are all of the same denomination

## PART 5

### FORM OF TALON

[ANY UNITED STATES PERSON 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 THE INTERNAL REVENUE CODE.]<sup>8</sup>

NO OFFSHORE ASSOCIATE OF THE ISSUER (AS DEFINED BELOW) MAY (DIRECTLY OR INDIRECTLY) ACQUIRE THIS TALON OR ANY INTEREST IN OR RIGHT IN RESPECT OF THIS TALON (OTHER THAN AN OFFSHORE ASSOCIATE WHO ACQUIRES THIS TALON OR SUCH INTEREST OR RIGHT IN THE CAPACITY OF A DEALER, MANAGER OR UNDERWRITER IN RELATION TO THE PLACEMENT OF THE TALON, INTEREST OR RIGHT, OR A CLEARING HOUSE, CUSTODIAN, FUNDS MANAGER OR RESPONSIBLE ENTITY OF A REGISTERED SCHEME WITHIN THE MEANING OF THE CORPORATIONS ACT 2001 OF AUSTRALIA).

"**OFFSHORE ASSOCIATE**" MEANS AN ASSOCIATE (AS DEFINED IN SECTION 128F OF THE INCOME TAX ASSESSMENT ACT 1936 (THE "**TAX ACT**", WHICH TERM INCLUDES ANY SUCCESSOR LEGISLATION)) OF THE ISSUER THAT IS EITHER A NON-RESIDENT OF THE COMMONWEALTH OF AUSTRALIA WHICH DOES NOT ACQUIRE THE COVERED BONDS IN CARRYING ON A BUSINESS AT OR THROUGH A PERMANENT ESTABLISHMENT IN AUSTRALIA OR, ALTERNATIVELY, A RESIDENT OF AUSTRALIA THAT ACQUIRES THE COVERED BONDS IN CARRYING ON BUSINESS AT OR THROUGH A PERMANENT ESTABLISHMENT OUTSIDE OF AUSTRALIA.

EACH PERSON WHO SO ACQUIRES THIS TALON OR SUCH INTEREST OR RIGHT IS TAKEN TO HAVE WARRANTED IN FAVOUR OF THE ISSUER THAT THE PERSON IS NOT AN OFFSHORE ASSOCIATE, RESIDENT OF AUSTRALIA OR NON-RESIDENT OF AUSTRALIA WHO HAS ENGAGED IN CARRYING ON BUSINESS IN AUSTRALIA AT OR THROUGH A PERMANENT ESTABLISHMENT WITHIN AUSTRALIA.

ANY OFFSHORE ASSOCIATE, RESIDENT OF AUSTRALIA OR NON-RESIDENT OF AUSTRALIA WHO HAS ENGAGED IN CARRYING ON BUSINESS IN AUSTRALIA AT OR THROUGH A PERMANENT ESTABLISHMENT WITHIN AUSTRALIA WHO ACQUIRES THIS TALON OR ANY INTEREST OR RIGHT IN RESPECT OF THIS TALON CONTRARY TO THE RESTRICTION ABOVE MAY BE SUBJECT TO AUSTRALIAN TAX AND, IF SO, WILL NOT BE ENTITLED TO RECEIVE ANY PAYMENT OF ADDITIONAL AMOUNTS FROM THE ISSUER ON ACCOUNT OF SUCH TAX FROM AMOUNTS PAYABLE UNDER OR IN RESPECT OF THIS TALON.

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<sup>8</sup> Delete where the original maturity of the Covered Bonds is 1 year or less.

[Face of Talon]

**COMMONWEALTH BANK OF AUSTRALIA**  
**ABN 48 123 123 124**

Specified Currency/Nominal Amount  
**COVERED BONDS DUE [Year of Maturity]**

unconditionally and irrevocably guaranteed as to payments of interest and principal by

**PERPETUAL CORPORATE TRUST LIMITED**  
**ABN 99 000 341 533**  
(AS TRUSTEE OF THE CBA COVERED BOND TRUST)  
(the **Covered Bond Guarantor**)

**Series No. [●]**

[Talon appertaining to a Covered Bond in the denomination of Specified Currency/Nominal Amount]<sup>9</sup>

On and after [●] further Coupons [and a further Talon]<sup>10</sup> appertaining to the Covered Bond to which this Talon appertains will be issued at the specified office of any of the Paying Agents set out on the reverse hereof (and/or any other or further Paying Agents and/or specified offices as may from time to time be duly appointed and notified to the Covered Bondholders) upon production and surrender of this Talon.

This Talon may, in certain circumstances, become void under the Terms and Conditions endorsed on the Covered Bond to which this Talon appertains.

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| [No.] | [0,000/00,000] | [ISIN] | [Series] | [Serial No.] |
|-------|----------------|--------|----------|--------------|
|-------|----------------|--------|----------|--------------|

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<sup>9</sup> Delete where the Covered Bonds are all of the same denomination.  
<sup>10</sup> Not required on last Coupon sheet.

## **PART 6**

### **FORM OF REGISTERED GLOBAL COVERED BOND**

**[THIS SECURITY AND ANY GUARANTEE IN RESPECT THEREOF HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING THIS SECURITY FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS; (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THIS SECURITY EXCEPT IN ACCORDANCE WITH THE PRINCIPAL AGENCY AGREEMENT IN RESPECT OF THIS SECURITY (THE PRINCIPAL AGENCY AGREEMENT) AND, PRIOR TO THE DATE WHICH IS ONE YEAR AFTER THE LATER OF THE LAST ISSUE DATE FOR THE SERIES OR TRANCHE AND THE LAST DATE ON WHICH THE ISSUER OR AN AFFILIATE OF THE ISSUER WAS THE OWNER OF SUCH SECURITY OTHER THAN (1) TO THE ISSUER OR ANY AFFILIATE THEREOF, (2) INSIDE THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING THE SECURITY FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (3) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT, (4) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE), (5) PURSUANT TO AN EXEMPTION FROM REGISTRATION REQUIREMENTS AS CONFIRMED IN AN OPINION OF COUNSEL SATISFACTORY TO THE ISSUER OR (6) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION; AND (C) IT AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.**

**THIS SECURITY AND RELATED DOCUMENTATION (INCLUDING, WITHOUT LIMITATION, THE PRINCIPAL AGENCY AGREEMENT REFERRED TO HEREIN) MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, WITHOUT THE CONSENT OF, BUT UPON NOTICE TO, THE HOLDER OF SUCH SECURITY SENT TO ITS REGISTERED ADDRESS, TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR REALES AND OTHER TRANSFERS OF THIS SECURITY TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO REALES OR OTHER TRANSFERS OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS SECURITY WILL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH WILL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THIS SECURITY AND ANY SECURITIES ISSUED IN EXCHANGE OR SUBSTITUTION THEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON).**

**EXCEPT AS OTHERWISE PROVIDED IN THE APPLICABLE FINAL TERMS, BY ITS PURCHASE AND HOLDING OF THIS COVERED BOND (OR ANY INTEREST THEREIN), EACH PURCHASER AND HOLDER WILL BE DEEMED TO HAVE REPRESENTED AND AGREED, THAT EITHER (1) IT IS NOT AN "EMPLOYEE BENEFIT PLAN" AS DESCRIBED IN**

**SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (ERISA) AND SUBJECT TO TITLE I OF ERISA, OR A "PLAN" SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE CODE), OR AN ENTITY WHOSE UNDERLYING ASSETS ARE DEEMED FOR PURPOSES OF ERISA OR THE CODE TO INCLUDE THE ASSETS OF ANY SUCH EMPLOYEE BENEFIT PLAN OR PLAN, OR A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (SIMILAR LAW), OR (2) ITS PURCHASE, HOLDING AND DISPOSITION OF THIS COVERED BOND DOES NOT AND WILL NOT CONSTITUTE OR RESULT IN A PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (OR IN THE CASE OF A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, ANY SUCH SUBSTANTIALLY SIMILAR LAW) FOR WHICH AN EXEMPTION IS NOT AVAILABLE.**

**PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT THE SELLER OF THIS SECURITY MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A.]<sup>1</sup>**

**[THIS SECURITY AND ANY GUARANTEE IN RESPECT THEREOF HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT), OR ANY APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN ACCORDANCE WITH THE PRINCIPAL AGENCY AGREEMENT IN RESPECT OF THIS SECURITY (THE PRINCIPAL AGENCY AGREEMENT) AND PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT. UNTIL THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING AND THE ISSUE DATE, SALES MAY NOT BE MADE IN THE UNITED STATES OR TO U.S. PERSONS UNLESS MADE PURSUANT TO RULE 903 OR 904 OF REGULATION S UNDER THE SECURITIES ACT.]<sup>2</sup>**

**NO OFFSHORE ASSOCIATE OF THE ISSUER (AS DEFINED BELOW) MAY (DIRECTLY OR INDIRECTLY) ACQUIRE THIS COVERED BOND OR ANY INTEREST IN OR RIGHT IN RESPECT OF THIS COVERED BOND (OTHER THAN AN OFFSHORE ASSOCIATE WHO ACQUIRES THIS COVERED BOND OR SUCH INTEREST OR RIGHT IN THE CAPACITY OF A DEALER, MANAGER OR UNDERWRITER IN RELATION TO THE PLACEMENT OF THE COVERED BOND, INTEREST OR RIGHT, OR A CLEARING HOUSE, CUSTODIAN, FUNDS MANAGER OR RESPONSIBLE ENTITY OF A REGISTERED SCHEME WITHIN THE MEANING OF THE CORPORATIONS ACT 2001 OF AUSTRALIA).**

**"OFFSHORE ASSOCIATE" MEANS AN ASSOCIATE (AS DEFINED IN SECTION 128F OF THE INCOME TAX ASSESSMENT ACT 1936 (THE "TAX ACT", WHICH TERM INCLUDES ANY SUCCESSOR LEGISLATION)) OF THE ISSUER THAT IS EITHER A NON-RESIDENT OF THE COMMONWEALTH OF AUSTRALIA WHICH DOES NOT ACQUIRE THE COVERED BONDS IN CARRYING ON A BUSINESS AT OR THROUGH A PERMANENT ESTABLISHMENT IN AUSTRALIA OR, ALTERNATIVELY, A RESIDENT OF AUSTRALIA THAT ACQUIRES THE COVERED BONDS IN CARRYING ON BUSINESS AT OR THROUGH A PERMANENT ESTABLISHMENT OUTSIDE OF AUSTRALIA.**

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<sup>1</sup> This legend shall be borne by each Rule 144A Global Covered Bond

<sup>1</sup> This legend shall be borne by each Rule 144A Global Covered Bond

<sup>2</sup> This legend shall be borne by each Regulation S Global Covered Bond.

EACH PERSON WHO SO ACQUIRES THIS COVERED BOND OR SUCH INTEREST OR RIGHT IS TAKEN TO HAVE WARRANTED IN FAVOUR OF THE ISSUER THAT THE PERSON IS NOT AN OFFSHORE ASSOCIATE.

ANY OFFSHORE ASSOCIATE WHO ACQUIRES THIS COVERED BOND OR ANY INTEREST OR RIGHT IN RESPECT OF THIS COVERED BOND CONTRARY TO THE RESTRICTION ABOVE MAY BE SUBJECT TO AUSTRALIAN WITHHOLDING TAX AND, IF SO, WILL NOT BE ENTITLED TO RECEIVE ANY PAYMENT OF ADDITIONAL AMOUNTS FROM THE ISSUER IN RESPECT OF ANY AMOUNT DEDUCTED BY THE BANK ON ACCOUNT OF SUCH TAX FROM AMOUNTS PAYABLE UNDER OR IN RESPECT OF THIS COVERED BOND.

**[FOR THE PURPOSES OF APPLYING THE ORIGINAL ISSUE DISCOUNT RULES UNDER SECTIONS 1273 AND 1275 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, (1) THE ISSUE DATE OF THIS REGISTERED GLOBAL COVERED BOND IS [ ]; (2) THE YIELD TO MATURITY IS [ ]% (COMPOUNDED SEMI- ANNUALLY); (3) THIS COVERED BOND IS BEING ISSUED WITH ORIGINAL ISSUE DISCOUNT IN THE AMOUNT OF U.S.\$[ ] PER U.S.\$1,000 PRINCIPAL AMOUNT; (4) THE [ ] METHOD SPECIFIED IN THE PROPOSED TREASURY REGULATIONS HAS BEEN USED TO DETERMINE YIELD AND THE AMOUNT OF ORIGINAL ISSUE DISCOUNT ALLOCABLE TO THE SHORT INITIAL ACCRUAL PERIOD BEGINNING [ ] AND ENDING [ ]; AND (5) THE AMOUNT OF ORIGINAL ISSUE DISCOUNT ALLOCABLE TO SUCH ACCRUAL PERIOD IS U.S.\$[ ] PER U.S.\$[ ] PRINCIPAL AMOUNT.]<sup>3</sup>**

**[THIS REGISTERED GLOBAL COVERED BOND IS A GLOBAL COVERED BOND WITHIN THE MEANING OF THE BOND TRUST DEED REFERRED TO HEREINAFTER. THIS REGISTERED GLOBAL COVERED BOND MAY NOT BE EXCHANGED, IN WHOLE OR IN PART, FOR A COVERED BOND REGISTERED IN THE NAME OF ANY PERSON OTHER THAN THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION, OR A NOMINEE THEREOF EXCEPT IN THE LIMITED CIRCUMSTANCES SET FORTH IN THIS REGISTERED GLOBAL COVERED BOND, AND MAY NOT BE TRANSFERRED, IN WHOLE OR IN PART, EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THIS LEGEND. BENEFICIAL INTERESTS IN THIS REGISTERED GLOBAL COVERED BOND MAY NOT BE TRANSFERRED EXCEPT IN ACCORDANCE WITH THIS LEGEND.]<sup>1</sup>**

**[UNLESS THIS REGISTERED GLOBAL COVERED BOND IS PRESENTED BY AN AUTHORISED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION, (DTC), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY REGISTERED GLOBAL COVERED BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORISED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORISED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL IN AS MUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.]<sup>4</sup>**

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<sup>3</sup> Insert and complete if original issue discount applies.

<sup>4</sup> This legend shall be borne by each Registered Global Covered Bond held by DTC

**COMMONWEALTH BANK OF AUSTRALIA**  
**ABN 48 123 123 124**

**(the Issuer)**

**REGISTERED GLOBAL COVERED BOND**

*Unconditionally and irrevocably guaranteed as to payment of interest and principal by*

**PERPETUAL CORPORATE TRUST LIMITED**  
**ABN 99 000 341 533**  
**(AS TRUSTEE OF THE CBA COVERED BOND TRUST)**  
**(the Covered Bond Guarantor)**

This Covered Bond is a **Registered Global Covered Bond** in respect of a duly authorised issue of Covered Bonds of the Issuer (the **Covered Bonds**) of the Principal Amount Outstanding, Specified Currency(ies) and Specified Denomination(s) as are specified in the Final Terms applicable to the Covered Bonds (the **Final Terms**), a copy of which is annexed hereto. References herein to the Conditions are to the Conditions of the Covered Bonds as set out in Schedule 1 (*Terms and Conditions of the Covered Bonds*) to the Bond Trust Deed (as defined below) as supplemented, replaced and modified by the Final Terms but, in the event of any conflict between the provisions of the said Conditions and the information in the Final Terms, the Final Terms will prevail.

Words and expressions defined in the Conditions bear the same meanings when used in this Registered Global Covered Bond.

This Registered Global Covered Bond is issued subject to, and with the benefit of, the Conditions and a bond trust deed (as modified and/or supplemented and/or restated from time to time, the **Bond Trust Deed**) dated 16 November 2012 and made between the Issuer, the Covered Bond Guarantor and Deutsche Trustee Company Limited (the **Bond Trustee**).

The Issuer, subject to and in accordance with the Conditions and the Bond Trust Deed, agrees to pay to such registered holder on the Final Maturity Date and/or on such earlier date(s) as all or any of the Covered Bonds represented by this Registered Global Covered Bond may become due and repayable in accordance with the Conditions and the Bond Trust Deed, the amount payable under the Conditions in respect of such Covered Bonds on each such date and to pay interest (if any) on the Principal Amount Outstanding of the Covered Bonds from time to time represented by this Registered Global Covered Bond calculated and payable as provided in the Conditions and the Bond Trust Deed together with any other sums payable under the Conditions and the Bond Trust Deed, upon presentation and, at maturity, surrender of this Registered Global Covered Bond at the specified office of the Registrar at [●] or such other specified office as may be specified in the Final Terms. On any redemption in whole or in part or payment of interest being made in respect of, or purchase and cancellation of, any of the Covered Bonds represented by this Registered Global Covered Bond details of such redemption, payment or purchase and cancellation (as the case may be) will be entered by or on behalf of the Issuer in Schedule One hereto and the relevant space in Schedule One hereto recording any such redemption, payment or purchase and cancellation (as the case may be) will be signed by or on behalf of the Issuer. Upon any such redemption or purchase and cancellation the Principal Amount Outstanding of this Registered Global Covered Bond and the Covered Bonds held by the registered holder hereof will be reduced by the Principal Amount Outstanding of such Covered Bonds so redeemed or purchased and cancelled. The Principal Amount Outstanding of this Registered Global Covered Bond and of the Covered Bonds held by the registered holder hereof following any such redemption or purchase and cancellation as aforesaid or any transfer or exchange as referred to below will be the Principal Amount Outstanding most recently entered in the relevant column in Part II or III of Schedule One hereto or in Schedule Two hereto.

This Registered Global Covered Bond may be exchanged (free of charge) in whole, but not in part, for Registered Definitive Covered Bonds without Coupons or Talons attached only upon the occurrence of an Exchange Event.

An "**Exchange Event**" means:

- (a) in the case of Covered Bonds registered in the name of the Depository Trust Company at its office at [55 Water Street, New York, NY 10041, United States of America] (**DTC**) or its nominee, (i) DTC has notified the Issuer that it is unwilling or unable to continue to act as depository for the Covered Bonds and no alternative clearing system is available or DTC has ceased to constitute a clearing agency registered under the Exchange Act, (ii) an Issuer Event of Default or a Covered Bond Guarantor Event of Default (as defined in the Conditions) has occurred and is continuing with respect to such Covered Bond (in which case such Covered Bond may be exchanged in part at the direction of DTC) or (iii) a request for certificates has been made upon 60 days' prior written notice given to the Principal Paying Agent in accordance with DTC's customary procedures and a copy of such notice has been received by the Issuer from the Principal Paying Agent (in which case such Covered Bond may be exchanged in part at the direction of DTC); or
- (b) in the case of Covered Bonds registered in the name of a common depository for Euroclear Bank S.A./N.V. (**Euroclear**) and/or Clearstream Banking, *société anonyme* (**Clearstream, Luxembourg**) or its nominee, the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, whether 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.

Upon the occurrence of an Exchange Event:

- (i) the Issuer will promptly give notice to Covered Bondholders in accordance with Condition [12] (Notices) of the occurrence of such Exchange Event; and
- (ii) DTC, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in this Registered Global Covered Bond) or the Bond Trustee may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (b) above the Issuer may also give notice to the Registrar requesting exchange. Any such exchange must occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

Covered Bonds represented by this Registered Global Covered Bond are transferable only in accordance with, and subject to, the provisions hereof and of the applicable Principal Agency Agreement (as amended, supplemented, restated and/or novated from time to time) and the rules and operating procedures of Euroclear and/or Clearstream, Luxembourg and/or DTC.

On any exchange or transfer pursuant to which either (i) Covered Bonds represented by this Registered Global Covered Bond are no longer to be so represented or (ii) Covered Bonds not so represented are to be so represented, details of such exchange or transfer must be entered by or on behalf of the Issuer in Schedule Two hereto and the relevant space in Schedule Two hereto recording such transfer must be signed by or on behalf of the Issuer, whereupon the Principal Amount Outstanding of this Registered Global Covered Bond and the Covered Bonds held by the registered holder hereof will be increased or reduced (as the case may be) by the Principal Amount Outstanding so exchanged or transferred.

Subject as provided in the following two paragraphs, until the exchange of the whole of this Registered Global Covered Bond as aforesaid, the registered holder hereof will in all respects be entitled to the same



benefits as if he were the registered holder of Registered Definitive Covered Bonds in the form set out in Part 7 (Form of *Registered Definitive Covered Bond*) of Schedule 2 (*Forms of Global and Definitive Covered Bonds, Coupons and Talons*) to the Bond Trust Deed.

Where this Registered Global Covered Bond is registered in the name of a common depositary for Euroclear and/or Clearstream, Luxembourg or its nominee, and subject as provided in the Bond Trust Deed, each person who is for the time being shown in the records of Euroclear and/or Clearstream, Luxembourg as entitled to a particular Principal Amount Outstanding of the Covered Bonds represented by this Registered Global Covered Bond (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the Principal Amount Outstanding of such Covered Bonds standing to the account of any person will be conclusive and binding for all purposes save in the case of manifest error) will be deemed to be the holder of such Principal Amount Outstanding of the Covered Bonds for all purposes other than with respect to payments of principal and interest on such Principal Amount Outstanding of such Covered Bonds for which purpose the registered holder of this Registered Global Covered Bond will be deemed to be the holder of such Principal Amount Outstanding of the Covered Bonds in accordance with and subject to the terms of this Registered Global Covered Bond and the Bond Trust Deed.

Where this Registered Global Covered Bond is registered in the name of DTC or its nominee, and subject as provided in the Bond Trust Deed, each person who is for the time being shown in the records of DTC as entitled to a particular Principal Amount Outstanding of the Covered Bonds represented by this Registered Global Covered Bond (in which regard any certificate or other document issued by DTC as to the Principal Amount Outstanding of such Covered Bonds standing to the account of any person will be conclusive and binding for all purposes save in the case of manifest error) will be deemed to be the holder of such Principal Amount Outstanding of the Covered Bonds for all purposes other than with respect to payments of principal and interest on and voting, giving consents and making requests in respect of, such Principal Amount Outstanding of such Covered Bonds for which purpose the registered holder of this Registered Global Covered Bond will be deemed to be the holder of such Principal Amount Outstanding of the Covered Bonds in accordance with and subject to the terms of this Registered Global Covered Bond and the Bond Trust Deed.

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

This Registered Global Covered Bond and any non-contractual obligations arising out of or in connection with it will be governed by, and will be construed in accordance with, English law.

This Registered Global Covered Bond will not be valid unless authenticated by [●], as Registrar.

**IN WITNESS** whereof the Issuer has caused this Registered Global Covered Bond to be signed manually or in facsimile by a person duly authorised on its behalf

**COMMONWEALTH BANK OF AUSTRALIA ABN 48 123 123 124:**

By: .....  
**Authorised Officer<sup>11</sup>**

Authenticated by  
**Deutsche Bank, Luxembourg S.A.**  
as Registrar

By: .....  
**Authorised Officer**

**Important Notes:**

The Covered Bond Guarantor has guaranteed certain obligations of the Issuer in respect of this Registered Global Covered Bond only in its role as trustee of the Trust and in no other capacity. Any obligation or liability of the Covered Bond Guarantor arising under or in any way connected with the Trust under the Establishment Deed, the Bond Trust Deed, this Registered Global Covered Bond or any other Programme Document to which the Covered Bond Guarantor is a party is limited to the extent to which it can be satisfied out of the assets of the Trust out of which the Covered Bond Guarantor is actually indemnified for the obligation or liability. This limitation will not apply to any obligation or liability of the Covered Bond Guarantor only to the extent that it is not so satisfied because of any fraud, negligence or wilful default on the part of the Covered Bond Guarantor. A more detailed description of this limitation of liability is set out in the Programme Documents.

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<sup>11</sup> This signature may be affixed manually or by facsimile – see clause 3.2(c) of the Bond Trust Deed.

## Schedule One to Part 7

## Part I

## INTEREST PAYMENTS

[illegible]



## Part III

## PURCHASES AND CANCELLATIONS

[illegible]

\* See most recent entry in Part II or III or Schedule Two in order to determine this amount.

## SCHEDULE OF TRANSFERS

[illegible]

0013279-0000431 AU:2317370.6

## **PART 7**

### **FORM OF REGISTERED DEFINITIVE COVERED BOND**

**[THIS SECURITY AND ANY GUARANTEE IN RESPECT THEREOF HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING THIS SECURITY FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS; (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THIS SECURITY EXCEPT IN ACCORDANCE WITH THE PRINCIPAL AGENCY AGREEMENT IN RESPECT OF THIS SECURITY (THE PRINCIPAL AGENCY AGREEMENT) AND, PRIOR TO THE DATE WHICH IS ONE YEAR AFTER THE LATER OF THE LAST ISSUE DATE FOR THE SERIES OR TRANCHE AND THE LAST DATE ON WHICH THE ISSUER OR AN AFFILIATE OF THE ISSUER WAS THE OWNER OF SUCH SECURITY OTHER THAN (1) TO THE ISSUER OR ANY AFFILIATE THEREOF, (2) INSIDE THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING THE SECURITY FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (3) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT, (4) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE), (5) PURSUANT TO AN EXEMPTION FROM REGISTRATION REQUIREMENTS AS CONFIRMED IN AN OPINION OF COUNSEL SATISFACTORY TO THE ISSUER OR (6) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION; AND (C) IT AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.**

**THIS SECURITY AND RELATED DOCUMENTATION (INCLUDING, WITHOUT LIMITATION, THE PRINCIPAL AGENCY AGREEMENT REFERRED TO HEREIN) MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, WITHOUT THE CONSENT OF, BUT UPON NOTICE TO, THE HOLDER OF SUCH SECURITY SENT TO ITS REGISTERED ADDRESS, TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR REALES AND OTHER TRANSFERS OF THIS SECURITY TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO REALES OR OTHER TRANSFERS OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS SECURITY WILL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH WILL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THIS SECURITY AND ANY SECURITIES ISSUED IN EXCHANGE OR SUBSTITUTION THEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON).**

**IF REQUESTED BY THE ISSUER OR BY A DEALER, THE PURCHASER AGREES TO PROVIDE THE INFORMATION NECESSARY TO DETERMINE WHETHER THE TRANSFER OF THIS REGISTERED DEFINITIVE COVERED BOND IS PERMISSIBLE UNDER THE SECURITIES ACT. THIS REGISTERED DEFINITIVE COVERED BOND AND RELATED DOCUMENTATION MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR RESALES AND OTHER TRANSFERS OF THIS REGISTERED DEFINITIVE COVERED BOND TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO THE RESALE OR TRANSFERS OF RESTRICTED SECURITIES GENERALLY. BY THE ACCEPTANCE OF THIS REGISTERED DEFINITIVE COVERED BOND, THE HOLDER HEREOF WILL BE DEEMED TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT.**

**EXCEPT AS OTHERWISE PROVIDED IN THE APPLICABLE FINAL TERMS, BY ITS PURCHASE AND HOLDING OF THIS REGISTERED DEFINITIVE COVERED BOND (OR ANY INTEREST THEREIN), EACH PURCHASER AND HOLDER WILL BE DEEMED TO HAVE REPRESENTED AND AGREED, THAT EITHER (1) IT IS NOT AN "EMPLOYEE BENEFIT PLAN" AS DESCRIBED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (ERISA) AND SUBJECT TO TITLE I OF ERISA, OR A "PLAN" SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE CODE), OR AN ENTITY WHOSE UNDERLYING ASSETS ARE DEEMED FOR PURPOSES OF ERISA OR THE CODE TO INCLUDE THE ASSETS OF ANY SUCH EMPLOYEE BENEFIT PLAN OR PLAN, OR A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (SIMILAR LAW), OR (2) ITS PURCHASE, HOLDING AND DISPOSITION OF THIS REGISTERED DEFINITIVE COVERED BOND DOES NOT AND WILL NOT CONSTITUTE OR RESULT IN A PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (OR IN THE CASE OF A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, ANY SUCH SUBSTANTIALLY SIMILAR LAW) FOR WHICH AN EXEMPTION IS NOT AVAILABLE.**

**PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT THE SELLER OF THIS SECURITY MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A.<sup>1</sup>**

**[THIS SECURITY AND ANY GUARANTEE IN RESPECT THEREOF HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT), OR ANY APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN ACCORDANCE WITH THE PRINCIPAL AGENCY AGREEMENT IN RESPECT OF THIS SECURITY (THE PRINCIPAL AGENCY AGREEMENT) AND PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT. UNTIL THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING AND THE ISSUE DATE, SALES MAY NOT BE MADE IN THE UNITED STATES OR TO U.S. PERSONS UNLESS MADE PURSUANT TO RULE 903 OR 904 OF REGULATION S UNDER THE SECURITIES ACT.]<sup>2</sup>**

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<sup>1</sup> This legend shall be borne by Registered Definitive Covered Bonds issued in exchange for a Rule 144A Global Covered Bond.

<sup>2</sup> This legend shall be borne by Registered Definitive Covered Bonds issued in exchange for a Regulation S Global Covered Bond.



NO OFFSHORE ASSOCIATE (AS DEFINED IN SECTION 128F(9) OF THE INCOME TAX ASSESSMENT ACT 1936 OF THE COMMONWEALTH OF AUSTRALIA) OF THE ISSUER (AS DEFINED BELOW) ("ASSOCIATE") MAY (DIRECTLY OR INDIRECTLY) ACQUIRE THIS COVERED BOND OR ANY INTEREST IN OR RIGHT IN RESPECT OF THIS COVERED BOND (OTHER THAN AN OFFSHORE ASSOCIATE WHO ACQUIRES THIS COVERED BOND OR SUCH INTEREST OR RIGHT IN THE CAPACITY OF A DEALER, MANAGER OR UNDERWRITER IN RELATION TO THE PLACEMENT OF THE COVERED BOND, INTEREST OR RIGHT, OR A CLEARING HOUSE, CUSTODIAN, FUNDS MANAGER OR RESPONSIBLE ENTITY OF A REGISTERED SCHEME WITHIN THE MEANING OF THE CORPORATIONS ACT 2001 OF AUSTRALIA).

**"OFFSHORE ASSOCIATE"** MEANS AN ASSOCIATE (AS DEFINED IN SECTION 128F OF THE INCOME TAX ASSESSMENT ACT 1936 (THE "TAX ACT", WHICH TERM INCLUDES ANY SUCCESSOR LEGISLATION)) OF THE ISSUER THAT IS EITHER A NON-RESIDENT OF THE COMMONWEALTH OF AUSTRALIA WHICH DOES NOT ACQUIRE THE COVERED BONDS IN CARRYING ON A BUSINESS AT OR THROUGH A PERMANENT ESTABLISHMENT IN AUSTRALIA OR, ALTERNATIVELY, A RESIDENT OF AUSTRALIA THAT ACQUIRES THE COVERED BONDS IN CARRYING ON BUSINESS AT OR THROUGH A PERMANENT ESTABLISHMENT OUTSIDE OF AUSTRALIA.

EACH PERSON WHO SO ACQUIRES THIS COVERED BOND OR SUCH INTEREST OR RIGHT IS TAKEN TO HAVE WARRANTED IN FAVOUR OF THE ISSUER THAT THE PERSON IS NOT AN OFFSHORE ASSOCIATE.

ANY OFFSHORE ASSOCIATE WHO ACQUIRES THIS COVERED BOND OR ANY INTEREST OR RIGHT IN RESPECT OF THIS COVERED BOND CONTRARY TO THE RESTRICTION ABOVE MAY BE SUBJECT TO AUSTRALIAN WITHHOLDING TAX AND, IF SO, WILL NOT BE ENTITLED TO RECEIVE ANY PAYMENT OF ADDITIONAL AMOUNTS FROM THE ISSUER IN RESPECT OF ANY AMOUNT DEDUCTED BY THE BANK ON ACCOUNT OF SUCH TAX FROM AMOUNTS PAYABLE UNDER OR IN RESPECT OF THIS COVERED BOND.

**[FOR THE PURPOSES OF APPLYING THE ORIGINAL ISSUE DISCOUNT RULES UNDER SECTION 1273 AND 1275 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, (1) THE ISSUE DATE OF THIS REGISTERED DEFINITIVE COVERED BOND IS [ ]; (2) THE YIELD TO MATURITY IS [ ]% (COMPOUNDED SEMI- ANNUALLY); (3) THIS REGISTERED DEFINITIVE COVERED BOND IS BEING ISSUED WITH ORIGINAL ISSUE DISCOUNT IN THE AMOUNT OF U.S.\$[ ] PER U.S.\$1,000 PRINCIPAL AMOUNT; (4) THE [ ] METHOD SPECIFIED IN THE TREASURY REGULATIONS HAS BEEN USED TO DETERMINE YIELD AND THE AMOUNT OF ORIGINAL ISSUE DISCOUNT ALLOCABLE TO THE SHORT INITIAL ACCRUAL PERIOD BEGINNING [ ] AND ENDING [ ]; AND (5) THE AMOUNT OF ORIGINAL ISSUE DISCOUNT ALLOCATED TO SUCH ACCRUAL PERIOD IS U.S.\$[ ] PER U.S.\$[ ] PRINCIPAL AMOUNT.]<sup>3</sup>**

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<sup>3</sup> Insert and complete if original issue discount applies.

**COMMONWEALTH BANK OF AUSTRALIA**  
**ABN 48 123 123 124**  
**(the Issuer)]**

**REGISTERED DEFINITIVE COVERED BOND**  
*Unconditionally and irrevocably guaranteed as to payment of interest and principal by*

**PERPETUAL CORPORATE TRUST LIMITED**  
**ABN 99 000 341 533**  
**(AS TRUSTEE OF THE CBA COVERED BOND TRUST)**  
**(the Covered Bond Guarantor)**

This Covered Bond is a **Registered Definitive Covered Bond** in respect of a duly authorised issue of Covered Bonds of [Specified Currency(ies) and Specified Denomination(s)] each of the Issuer (the **Covered Bonds**) of the Aggregate Principal Amount Outstanding, Specified Currency(ies) and the Specified Denomination(s) as are specified in the Final Terms applicable to the Covered Bonds (the **Final Terms**), a copy of which is annexed hereto. References herein to the Conditions are to the Terms and Conditions of the Covered Bonds as set out in Schedule 1 (*Terms and Conditions of the Covered Bonds*) to the Bond Trust Deed (as defined below) as supplemented, replaced and modified by the Final Terms but, in the event of any conflict between the provisions of the said Conditions and the information in the Final Terms, the Final Terms will prevail.

Words and expressions defined in the Conditions bear the same meanings when used in this Registered Definitive Covered Bond.

This Registered Definitive Covered Bond is issued subject to, and with the benefit of, the Conditions and a bond trust deed (such bond trust deed as modified and/or supplemented and/or restated from time to time, the **Bond Trust Deed**) dated [●] 2012 and made between (*inter alios*) the Issuer, the Covered Bond Guarantor and Deutsche Trustee Company Limited.

THIS IS TO CERTIFY that [ ] is/are the registered holder(s) of one or more of the above-mentioned Registered Definitive Covered Bonds and is/are entitled on the Final Maturity Date and/or on such earlier date as this Registered Definitive Covered Bond may become due and repayable in accordance with the Conditions and the Bond Trust Deed, to the amount payable or assets deliverable, as the case may be, on redemption of this Registered Definitive Covered Bond and to receive interest (if any) on the Principal Amount Outstanding of this Registered Definitive Covered Bond calculated and payable as provided in the Conditions and the Bond Trust Deed together with any other sums payable under the Conditions and the Bond Trust Deed.

This Registered Definitive Covered Bond and any non-contractual obligations arising out of or in connection with it will be governed by, and will be construed in accordance with, English law.

This Registered Definitive Covered Bond will not be valid unless authenticated by Deutsche Bank Luxembourg, S.A., as Registrar.

**IN WITNESS** whereof this Registered Definitive Covered Bond has been executed on behalf of the Issuer.

Issued as of [ ], 20[ ].

**COMMONWEALTH BANK OF AUSTRALIA ABN 48 123 123 124**

By: .....  
**Authorised Officer<sup>12</sup>**

Authenticated by  
**Deutsche Bank Luxembourg, S.A.**  
as Registrar

By: .....  
**Authorised Officer**

**Important Notes:**

The Covered Bond Guarantor has guaranteed certain obligations of the Issuer in respect of this Registered Definitive Covered Bond only in its role as trustee of the Trust and in no other capacity. Any obligation or liability of the Covered Bond Guarantor arising under or in any way connected with the Trust under the Establishment Deed, the Bond Trust Deed, this Registered Definitive Covered Bond or any other Programme Document to which the Covered Bond Guarantor is a party is limited to the extent to which it can be satisfied out of the assets of the Trust out of which the Covered Bond Guarantor is actually indemnified for the obligation or liability. This limitation will not apply to any obligation or liability of the Covered Bond Guarantor only to the extent that it is not so satisfied because of any fraud, negligence or wilful default on the part of the Covered Bond Guarantor. A more detailed description of this limitation of liability is set out in the Programme Documents.

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<sup>12</sup> This signature may be affixed manually or by facsimile – see clause 3.3(c) of the Bond Trust Deed.

**- FORM OF TRANSFER OF REGISTERED DEFINITIVE COVERED BOND -**

FOR VALUE RECEIVED the undersigned hereby sell(s), assign(s) and transfer(s) to

.....  
.....  
.....

(Please print or type name and address (including postal code) of transferee)

[Specified Currency][ ] Principal Amount Outstanding of this Registered Definitive Covered Bond and all rights hereunder, hereby irrevocably constituting and appointing as attorney to transfer such Principal Amount Outstanding of this Registered Definitive Covered Bond in the Register maintained by the Registrar on behalf of COMMONWEALTH BANK OF AUSTRALIA ABN 48 123 123 124 with full power of substitution.

Signature(s) .....  
.....

Date: .....

**N.B.:** This form of transfer must be accompanied by such documents, evidence and information as may be required pursuant to the Conditions and must be executed under the hand of the transferor or, if the transferor is a corporation, either under its common seal or under the hand of two of its officers duly authorised in writing and, in such latter case, the document so authorising such officers must be delivered with this form of transfer.

**[Conditions]**

[Conditions to be as set out in Schedule 1 (*Terms and Conditions of the Covered Bonds*) to this document or such other form as may be agreed between the Issuer, the Principal Paying Agent, the Bond Trustee and the relevant Dealer(s), but will not be endorsed if not required by the relevant Stock Exchange (if any).]

### **Final Terms**

[Here to be set out text of the relevant information supplementing, replacing or modifying the Conditions which appear in the Final Terms relating to the Covered Bonds]

## SCHEDULE 5

### FORM OF NOTICE TO PAY

*[On the letterhead of the Bond Trustee]*

[insert date]

To: Perpetual Corporate Trust Limited ABN 99 000 341 533 (the **Covered Bond Guarantor**)

Copy: Securitisation Advisory Services Pty Ltd ABN 88 064 133 946 (the **Trust Manager**)

P.T. Limited ABN 67 004 454 666 (the **Security Trustee**)

Dear Sirs,

#### **Notice to Pay under Covered Bond Guarantee**

We refer to the €[●] CBA Covered Bond Programme of the Issuer and the Bond Trust Deed dated [●] made between the Issuer, the Covered Bond Guarantor and the Bond Trustee (the **Bond Trust Deed**).

We hereby confirm that an Issuer Event of Default has occurred and that we have served an Issuer Acceleration Notice on the Issuer. Accordingly, this notice will constitute a Notice to Pay which is served upon the Covered Bond Guarantor pursuant to clause 7 of the Bond Trust Deed.

Unless the context otherwise requires, capitalised terms used in this Notice to Pay and not defined herein will have the meanings provided in the Definitions Schedule entered into between, *inter alios*, the Issuer, the Covered Bond Guarantor and the Bond Trustee.

Yours faithfully,

**[Deutsche Trustee Company Limited]**

## SCHEDULE 6

### PROVISIONS FOR MEETINGS OF COVERED BONDHOLDERS

1. (a) As used in this Schedule the following expressions have the following meanings unless the context otherwise requires:
  - (i) **voting certificate** means an English language certificate issued by a Paying Agent and dated in which it is stated:
    - (A) that on the date thereof Bearer Covered Bonds (whether in definitive form or represented by a Bearer Global Covered Bond and not being Bearer Covered Bonds in respect of which a block voting instruction has been issued and is outstanding in respect of the meeting specified in such voting certificate or any adjourned such meeting) were deposited with such Paying Agent or (to the satisfaction of such Paying Agent) were held to its order or under its control or blocked in an account with a clearing system and that no such Bearer Covered Bonds will cease to be so deposited or held or blocked until the first to occur of:
      - I. the conclusion of the meeting specified in such certificate or, if later, of any adjourned such meeting; and
      - II. the surrender of the certificate to the Paying Agent who issued the same; and
    - (B) that the bearer thereof is entitled to attend and vote at such meeting and any adjourned such meeting in respect of the Bearer Covered Bonds represented by such certificate;
  - (ii) **block voting instruction** means an English language document issued by a Paying Agent and dated in which:
    - (A) it is certified that Bearer Covered Bonds (whether in definitive form or represented by a Bearer Global Covered Bond and not being Bearer Covered Bonds in respect of which a voting certificate has been issued and is outstanding in respect of the meeting specified in such block voting instruction or any adjourned such meeting) have been deposited with such Paying Agent or (to the satisfaction of such Paying Agent) were held to its order or under its control or blocked in an account with a clearing system and that no such Bearer Covered Bonds will cease to be so deposited or held or blocked until the first to occur of:
      - I. the conclusion of the meeting specified in such document if later, of any adjourned such meeting; and
      - II. the surrender to the Paying Agent not less than 48 hours before the time for which such meeting or any adjourned such meeting is convened of the receipt issued by such Paying Agent in respect of each such deposited Bearer Covered Bond which is to be released or (as the case may require) the Bearer Covered Bond or Bearer Covered Bonds ceasing with the agreement of the Paying Agent to be held to its order or under its control or so blocked and the giving



of notice by the Paying Agent to the Issuer in accordance with paragraph 17 hereof of the necessary amendment to the block voting instruction;

- (B) it is certified that each holder or depositor of such Bearer Covered Bonds or a duly authorised agent on his or its behalf has instructed such Paying Agent that the vote(s) attributable to the Bearer Covered Bond or Bearer Covered Bonds so deposited or held or blocked should be cast in a particular way in relation to the resolution or resolutions to be put to such meeting or any adjourned such meeting and that all such instructions are during the period commencing 48 hours prior to the time for which such meeting or any adjourned such meeting is convened and ending at the conclusion or adjournment thereof, neither revocable nor capable of amendment;
  - (C) the total number, amount and (in the case only of Bearer Definitive Covered Bonds and if available) the serial numbers of the Bearer Covered Bonds so deposited or held or blocked are listed distinguishing with regard to each such resolution between those in respect of which instructions have been given as aforesaid that the votes attributable thereto should be cast in favour of the resolution and those in respect of which instructions have been so given that the votes attributable thereto should be cast against the resolution; and
  - (D) one or more persons named in such document (each hereinafter called a **proxy**) is or are authorised and instructed by such Paying Agent to cast the votes attributable to the Bearer Covered Bonds so listed in accordance with the instructions referred to in (B) above as set out in such document;
- (iii) **24 hours** means a period of 24 hours including all or part of a day upon which banks are open for business in both the place where the relevant meeting is to be held and in each of the places where the Paying Agents have their specified offices and in the location of the Register maintained by the A\$ Registrar (disregarding for this purpose the day upon which such meeting is to be held) and such period will be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of a day upon which banks are open for business in all of the places as aforesaid; and
- (iv) **48 hours** means a period of 48 hours including all or part of two days upon which banks are open for business both in the place where the relevant meeting is to be held and in each of the places where the Paying Agents have their specified offices and in the location of the Register maintained by the A\$ Registrar (disregarding for this purpose the day upon which such meeting is to be held) and such period will be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of two days upon which banks are open for business in all of the places as aforesaid.
- (b) A holder of a Bearer Covered Bond (whether in definitive form or represented by a Bearer Global Covered Bond) may obtain a voting certificate in respect of such Covered Bond from a Paying Agent or require a Paying Agent to issue a block voting instruction in respect of such Covered Bond by depositing such Bearer Covered Bond with such Paying Agent or (to the satisfaction of such Paying Agent) by such Bearer Covered Bond being held to its order or under its control or being blocked in an account with a clearing system, in each case not less than 48 hours before the time fixed for the relevant meeting and on the terms set out in subparagraph 1(a)(i)(A) or 1(a)(ii)(A) above (as the case may be), and (in the case of a block

voting instruction) instructing such Paying Agent to the effect set out in subparagraph 1(a)(ii)(B) above. The holder of any voting certificate or the proxies named in any block voting instruction will for all purposes in connection with the relevant meeting or adjourned meeting of Covered Bondholders be deemed to be the holder of the Bearer Covered Bonds to which such voting certificate or block voting instruction relates and the Paying Agent with which such Bearer Covered Bonds have been deposited or the person holding the same to the order or under the control of such Paying Agent or the clearing system in which such Bearer Covered Bonds have been blocked will be deemed for such purposes not to be the holder of those Bearer Covered Bonds.

(c)

- (i) A holder of Registered Covered Bonds (including, for the avoidance of doubt, an N Covered Bond for the purposes of this schedule) (whether in definitive form or represented by a Registered Global Covered Bond or A\$ Registered Covered Bonds may, by an instrument in writing in the English language (a **form of proxy**) signed by the holder or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation and delivered to the specified office of the Registrar not less than 48 hours before the time fixed for the relevant meeting, appoint any person (a **proxy**) to act on his or its behalf in connection with any meeting of the Covered Bondholders and any adjourned such meeting.
- (ii) Any holder of Registered Covered Bonds (whether in definitive form or represented by a Registered Global Covered Bond) or A\$ Registered Covered Bonds which is a corporation may by resolution of its directors or other governing body authorise any person to act as its representative (a **representative**) in connection with any meeting of the Covered Bondholders and any adjourned such meeting.
- (iii) Any proxy appointed pursuant to subparagraph (i) above or representative appointed pursuant to subparagraph (ii) above will so long as such appointment remains in force be deemed, for all purposes in connection with the relevant meeting or adjourned meeting of the Covered Bondholders, to be the holder of the Registered Covered Bonds or the A\$ Registered Covered Bonds to which such appointment relates and the holder of the Registered Covered Bonds or A\$ Registered Covered Bonds will be deemed for such purposes not to be the holder.
- (iv) For so long as any of the Registered Covered Bonds are represented by a Global Covered Bond registered in the name of DTC or its nominee, DTC or such nominee (a **Depository**) may mail an Omnibus Proxy to the Issuer in accordance with and in the form used by DTC as part of its usual procedures from time to time in relation to meetings of Covered Bondholders. Such Omnibus Proxy will assign the voting rights in respect of the relevant meeting to DTC's Participants as of the record date specified therein. Any such DTC Participant may, by an instrument in writing in the English language signed by such DTC Participant or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation and delivered to the specified office of the Registrar or any Transfer Agent at least 48 hours before the time fixed for the relevant meeting, appoint any person (a **sub-proxy**) to act on his or its behalf in connection with any meeting of Covered Bondholders and any adjourned such meeting. All references to **proxy** or **proxies** in this Schedule other than in this paragraph must be read so as to include references to **sub-proxy** or **sub-proxies**.

- (v) If the Bond Trustee so determines any proxy appointed by DTC as described above may, by arranging for delivery of an Agent's Message by DTC to the Depositary or another specified agent, appoint the person(s) names therein (or indicated by reference to or deemed incorporation or application of such other documents as the Bond Trustee may approve) and any such specified agent shall be deemed to appoint the person(s) named therein (the **sub-proxy**) to act on his or its behalf in connection with any meeting or proposed meeting provided that (1) a print out of such Agent's Message has been delivered not later than 48 hours before the time fixed for the meeting to the Registrar, (2) the Agent's Message refers to the DTC Participant on whose behalf DTC has delivered the Agent's Message and (3) where applicable, the Covered Bonds which are the subject of the Agent's Message have been blocked in DTC in accordance with its Automated Tender Offer Program and will not be released until the conclusion of the meeting. An **Agent's Message** is a message delivered by DTC to the Depositary or such specified agent for those purposes in accordance with its Automated Tender Offer Program. A **DTC Participant** is a person holding an interest in the Covered Bonds who is a participant in DTC, including, for the avoidance of doubt, the depositaries for Euroclear and/or Clearstream, Luxembourg.
- (vi) For so long as the Covered Bonds are eligible for settlement through DTC's book entry settlement system, the Issuer and/or the Covered Bond Guarantor may fix a record date for the purpose of any meeting.

2. The Issuer, the Covered Bond Guarantor, the Trust Manager or the Bond Trustee or (in relation to a meeting for the passing of a Programme Resolution) the Covered Bondholders of any Series may at any time and the Issuer must upon a requisition in writing in the English language signed by the holders of not less than one tenth of the Principal Amount Outstanding of the Covered Bonds for the time being outstanding convene a meeting of the Covered Bondholders and if the Issuer defaults for a period of seven days in convening such a meeting the same may be convened by the Bond Trustee or the requisitionists. Every such meeting must be held at such time and place as the Bond Trustee may approve. The Bond Trustee may convene a single meeting of the holders of Covered Bonds of more than one Series if in the opinion of the Bond Trustee there is no conflict between the holders of the relevant Series, in which event the provisions of this Schedule will apply thereto *mutatis mutandis*.
3. At least 21 days' notice (exclusive of the day on which the notice is given and the day on which the meeting is to be held) specifying the place, day and hour of meeting must be given to the holders of the relevant Covered Bonds prior to any meeting of such holders in the manner provided by Condition 12 (Notices) or Condition 9 of the N Covered Bond Conditions. Such notice, which must be in the English language, must state generally the nature of the business to be transacted at the meeting thereby convened but (except for an Extraordinary Resolution) it will not be necessary to specify in such notice the terms of any resolution to be proposed. Such notice shall include statements, if applicable, to the effect that: (a) Bearer Covered Bonds may, not less than 48 hours before the time fixed for the meeting, be deposited with Paying Agents or (to their satisfaction) held to their order or under their control or blocked in an account with a clearing system for the purpose of obtaining voting certificates or appointing proxies under block voting instructions; and (b) the holders of Registered Covered Bonds and A\$ Registered Covered Bonds may appoint proxies by executing and delivering a form of proxy in the English language to the specified office of the Registrar not less than 48 hours before the time fixed for the meeting or, in the case of corporations, may appoint representatives by resolution of their directors or other governing body. A copy of the notice must be sent to the Bond Trustee (unless the meeting is convened by the Bond Trustee), the Issuer (unless the meeting is convened by the Issuer), and to the Covered Bond Guarantor (unless the meeting is convened by the Covered Bond Guarantor).

4. A person (who may but need not be a Covered Bondholder) nominated in writing by the Bond Trustee will be entitled to take the chair at the relevant meeting or adjourned meeting but if no such nomination is made or if at any meeting or adjourned meeting the person nominated is not present within 15 minutes after the time appointed for holding the meeting or adjourned meeting the Covered Bondholders present may choose one of their number to be Chairman, failing which the Issuer may appoint a Chairman. The Chairman of an adjourned meeting need not be the same person as was Chairman of the meeting from which the adjournment took place.
5. At any such meeting one or more persons present holding Definitive Covered Bonds or voting certificates or being proxies or representatives and holding or representing in the aggregate not less than one-twentieth of the Principal Amount Outstanding of the Covered Bonds of the relevant Series for the time being outstanding will (except for the purpose of passing an Extraordinary Resolution or a Programme Resolution) form a quorum for the transaction of business and no business (other than the choosing of a Chairman) may be transacted at any meeting unless the requisite quorum be present at the commencement of the relevant business. The quorum at any such meeting for passing an Extraordinary Resolution or Extraordinary Resolution in relation to a Programme Resolution (subject as provided below) will be one or more persons present holding Definitive Covered Bonds or voting certificates or being proxies or representatives and holding or representing in the aggregate a clear majority in Principal Amount Outstanding of the Covered Bonds (in the case of an Extraordinary Resolution not in relation to a Programme Resolution) of the relevant Series or (in the case of an Extraordinary Resolution in relation to a Programme Resolution) of all Series, in each case, for the time being outstanding provided that at any meeting the business of which includes any of the following matters (each of which will, subject only to Clause 21.1, only be capable of being effected after having been approved by Extraordinary Resolution) namely:
- (a) the amendment to the dates of maturity or redemption of the Covered Bonds, or any date for payment of interest or Interest Amounts on the Covered Bonds or the obligation of the Issuer to pay additional amounts pursuant to Condition 7 (Taxation);
  - (b) the reduction or cancellation of the Principal Amount Outstanding of, or any premium payable on redemption of, the Covered Bonds;
  - (c) the reduction of the rate or rates of interest in respect of the Covered Bonds or the variation to the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Covered Bonds;
  - (d) if a Minimum and/or a Maximum Rate of Interest, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount is set out in the Final Terms, the reduction of any such amount;
  - (e) the variation of any method of, or basis for, calculating the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, including the method of calculating the Amortised Face Amount;
  - (f) the variation of the currency or currencies of payment or Specified Denomination of the Covered Bonds;
  - (g) the taking of any steps that as specified in the Final Terms may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply;
  - (h) the modification of the provisions concerning the quorum required at any meeting of Covered Bondholders or the majority required to pass the Extraordinary Resolution;

- (i) any amendment to the Covered Bond Guarantee or the Security Deed (other than any amendment that Bond Trustee may consent to without the consent of the Covered Bondholders pursuant to the Bond Trust Deed; and
- (j) alteration of this proviso or the proviso to paragraph 6 below or the alteration of the definition of Series Reserved Matter in Condition 10 (Meetings of Covered Bondholders, Modification, Waiver and Substitution),

(each a **Series Reserved Matter**), the quorum will be one or more persons present holding Definitive Covered Bonds or voting certificates or being proxies or representatives and holding or representing in the aggregate not less than two-thirds of the aggregate Principal Amount Outstanding of the Covered Bonds of the relevant Series (in the case of an Extraordinary Resolution not in relation to a Programme Resolution) or all Series (in the case of an Extraordinary Resolution in relation to a Programme Resolution) for the time being outstanding.

6. If within 20 minutes after the time appointed for any such meeting a quorum is not present for the transaction of any particular business, then, subject and without prejudice to the transaction of the business (if any) for which a quorum is present, the meeting will if convened upon the request of Covered Bondholders be dissolved. In any other case it will stand adjourned to such day, time and place being not less than 21 days nor more than 42 days thereafter as may be appointed by the Chairman. If within 20 minutes after the time appointed for any adjourned meeting a quorum is not present for the transaction of any particular business, then, subject and without prejudice to the transaction of the business (if any) for which a quorum is present, the meeting will be dissolved. At any adjourned meeting one or more persons present holding Definitive Covered Bonds or voting certificates or being proxies or representatives (whatever the Principal Amount Outstanding of the Covered Bonds then outstanding so held or represented by them) of the relevant Series (in the case of an Extraordinary Resolution not in relation to a Programme Resolution) or any Series (in the case of an Extraordinary Resolution in relation to a Programme Resolution)) will form a quorum and will have power to pass any Extraordinary Resolution, or other resolution and to decide upon all matters which could properly have been dealt with at the meeting from which the adjournment took place had the requisite quorum been present provided that at any adjourned meeting the quorum for the transaction of business comprising any Series Reserved Matter will be one or more persons present holding Definitive Covered Bonds or voting certificates or being proxies or representatives and holding or representing in the aggregate not less than one-third of the aggregate Principal Amount Outstanding of the Covered Bonds of the relevant Series (in the case of an Extraordinary Resolution not in relation to a Programme Resolution) or all Series (in the case of an Extraordinary Resolution in relation to a Programme Resolution) for the time being outstanding.
7. Notice of any adjourned meeting at which an Extraordinary Resolution is to be submitted must be given in the same manner as notice of an original meeting but as if 14 were substituted for 21 in paragraph 3 above and such notice must state the relevant quorum. Subject as aforesaid it will not be necessary to give any notice of an adjourned meeting.
8. Every question submitted to a meeting will be decided in the first instance by a show of hands and in case of equality of votes the Chairman will both on a show of hands and on a poll have a casting vote in addition to the vote or votes (if any) to which he may be entitled as a Covered Bondholder or as a holder of a voting certificate or as a proxy or as a representative.
9. At any meeting unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairman, the Issuer, the Covered Bond Guarantor, the Bond Trustee or any person present holding a Definitive Covered Bond or a voting certificate or being a proxy or representative (whatever the Principal Amount Outstanding of the Covered Bonds so held or represented by him) a declaration by the Chairman that a resolution has been carried or carried by a particular majority or lost or not carried by a particular majority will be conclusive evidence of the

fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

10. Subject to paragraph 12 below, if at any such meeting a poll is so demanded it must be taken in such manner and subject as hereinafter provided either at once or after an adjournment as the Chairman directs and the result of such poll will be deemed to be the resolution of the meeting at which the poll was demanded as at the date of the taking of the poll. The demand for a poll will not prevent the continuance of the meeting for the transaction of any business other than the motion on which the poll has been demanded.
11. The Chairman may with the consent of (and must if directed by) any such meeting adjourn the same from time to time and from place to place but no business may be transacted at any adjourned meeting except business which might lawfully (but for lack of required quorum) have been transacted at the meeting from which the adjournment took place.
12. Any poll demanded at any such meeting on the election of a Chairman or on any question of adjournment will be taken at the meeting without adjournment.
13. The Bond Trustee and its lawyers and financial advisers and any director, officer or employee of a corporation being a bond trustee of the trusts established under this document and any director or officer of the Issuer, the Covered Bond Guarantor and its or their lawyers and financial advisers and any other person authorised so to do by the Bond Trustee may attend and speak at any meeting. Save as aforesaid, but without prejudice to the proviso to the definition of **outstanding** in the Definitions Schedule, no person will be entitled to attend and speak nor will any person be entitled to vote at any meeting of Covered Bondholders or join with others in requesting the convening of such a meeting or to exercise the rights conferred on Covered Bondholders by Condition 9 (Events of Default and Enforcement) unless he either produces the Bearer Definitive Covered Bond or Bearer Definitive Covered Bonds of which he is the holder or a voting certificate or is a proxy or a representative or is the holder of an A\$ Registered Covered Bond, a Registered Definitive Covered Bond or Registered Definitive Covered Bonds. No person will be entitled to vote at any meeting in respect of Covered Bonds held by, for the benefit of, or on behalf of, the Issuer or the Covered Bond Guarantor, any Subsidiary of the Issuer or the Covered Bond Guarantor, any holding company of the Issuer or the Covered Bond Guarantor or any other Subsidiary of any such holding company. Nothing herein will prevent any of the proxies named in any block voting instruction or form of proxy or any representative from being a director, officer or representative of or otherwise connected with the Issuer or the Covered Bond Guarantor.
14. Subject as provided in paragraph 13 hereof at any meeting:
  - (a) on a show of hands every person who is present in person and produces a Bearer Definitive Covered Bond or voting certificate or is a holder of an A\$ Registered Covered Bond, a Registered Definitive Covered Bond or is a proxy or representative will have one vote; and
  - (b) on a poll every person who is so present will have one vote in respect of each A\$1 or such other amount as the Bond Trustee may in its absolute discretion stipulate (or, in the case of meetings of holders of Covered Bonds denominated in another currency, such amount in such other currency as the Bond Trustee in its absolute discretion may stipulate) in the Principal Amount Outstanding of the Bearer Definitive Covered Bonds so produced or represented by the voting certificate so produced or in respect of which he is a proxy or representative or in respect of which (being an A\$ Registered Covered Bond or a Registered Definitive Covered Bond) he is the registered holder.

Without prejudice to the obligations of the proxies named in any block voting instruction or form of proxy any person entitled to more than one vote need not use all his votes or cast all the votes to which he is entitled in the same way.

15. The proxies named in any block voting instruction or form of proxy and representatives need not be Covered Bondholders.
16. Each block voting instruction together (if so requested by the Bond Trustee) with proof satisfactory to the Bond Trustee of its due execution on behalf of the relevant Paying Agent and each form of proxy must be deposited by the relevant Paying Agent, the Transfer Agent or (as the case may be) by the Registrar at such place as the Bond Trustee approves not less than 24 hours before the time appointed for holding the meeting or adjourned meeting at which the proxies named in the block voting instruction or form of proxy propose to vote and in default the block voting instruction or form of proxy will not be treated as valid unless the Chairman of the meeting decides otherwise before such meeting or adjourned meeting proceeds to business. A copy of each block voting instruction and form of proxy must (if the Bond Trustee so requires) be deposited with the Bond Trustee before the commencement of the meeting or adjourned meeting but the Bond Trustee will not thereby be obliged to investigate or be concerned with the validity of, or the authority of the proxies named in, any such block voting instruction or form of proxy.
17. Any vote given in accordance with the terms of a block voting instruction or form of proxy or by a representative will be valid notwithstanding the previous revocation or amendment of the block voting instruction or form of proxy or of any of the relevant Covered Bondholders' instructions pursuant to which it was executed provided that no intimation in writing of such revocation or amendment has been received from the relevant Paying Agent or in the case of an A\$ Registered Covered Bond or a Registered Covered Bond from the holder thereof by the Issuer at its registered office (or such other place as may have been required or approved by the Bond Trustee for the purpose) by the time being 48 hours respectively before the time appointed for holding the meeting or adjourned meeting at which the block voting instruction or form of proxy is to be used.
18. A meeting of the Covered Bondholders will in addition to the powers hereinbefore given have the following powers exercisable only by Extraordinary Resolution (subject to the provisions relating to quorum contained in paragraphs 5 and 6 above) namely:
  - (a) Power to sanction any compromise or any arrangement proposed to be made between the Issuer, the Covered Bond Guarantor, the Bond Trustee, the Security Trustee, any Appointee and the Covered Bondholders and Couponholders or any of them.
  - (b) Power to sanction any abrogation, modification, compromise or arrangement in respect of the rights of the Bond Trustee, any Appointee, the Covered Bondholders, Couponholders, the Issuer or the Covered Bond Guarantor or against any other or others of them or against any of their property whether such rights arise under this document or otherwise.
  - (c) Power to assent to any modification of the provisions of this document or any other Programme Document which may be proposed by the Issuer, the Covered Bond Guarantor, the Bond Trustee, the Security Trustee or any Covered Bondholder.
  - (d) Power to sanction any consent or approval or direction to be given by the Bond Trustee or the Security Trustee under or in relation to any of the Programme Documents.
  - (e) Power to give any sanction, direction or request which under the provisions of this document or the Covered Bonds is required to be given by Extraordinary Resolution.

- (f) Power to appoint any persons (whether Covered Bondholders or not) as a committee or committees to represent the interests of the Covered Bondholders and to confer upon such committee or committees any powers or discretions which the Covered Bondholders could themselves exercise by Extraordinary Resolution.
  - (g) Power to approve any person proposed to be appointed a new trustee of the trusts established under this document or the Trust and power to remove any trustee or trustees for the time being hereof.
  - (h) Power to agree to the release or exoneration of any trustee of the trusts established under this document from any liability in respect of anything done or omitted to be done by such trustee before the giving of such release or exoneration and for which such trustee may have become responsible under this document.
  - (i) Power to authorise the Bond Trustee to concur in and execute and do all such documents, acts and things as may be necessary to carry out and give effect to any Extraordinary Resolution.
  - (j) Power to sanction any scheme or proposal for the exchange or sale of the Covered Bonds for or the conversion of the Covered Bonds into or the cancellation of the Covered Bonds in consideration of shares, stock, covered bonds, bonds, debentures, debenture stock and/or other obligations and/or securities of the Issuer or any other company formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of such shares, stock, bonds, covered bonds, debentures, debenture stock and/or other obligations and/or securities as aforesaid and partly for or into or in consideration of cash and for the appointment of some person with power on behalf of the Covered Bondholders to execute an instrument of transfer of the A\$ Registered Covered Bonds or Registered Covered Bonds held by them in favour of the persons with or to whom the Covered Bonds are to be exchanged or sold respectively.
  - (k) Power to approve the substitution or replacement of any entity for the Issuer or the Covered Bond Guarantor (or any previous substitute or replacement) as principal debtor or guarantor under this document.
19. Any resolution (i) passed at a meeting of the Covered Bondholders duly convened and held in accordance with this document, (ii) passed as a resolution in writing in accordance with this document or (iii) passed by way of electronic consents given by holders through the relevant clearing system(s) in accordance with this document will be binding upon all the Covered Bondholders whether present or not present at any meeting and whether or not voting on the resolution and upon all and Couponholders and each of them will be bound to give effect thereto accordingly and the passing of any such resolution will be conclusive evidence that the circumstances justified the passing thereof. Notice of the result of the voting on any resolution duly considered by the Covered Bondholders must be published in accordance with Condition 12 (Notices) or, in the case of an N Covered Bond, in accordance with Condition 9 of the N Covered Bond Conditions (if applicable) by the Issuer within 14 days of such result being known provided that the non-publication of such notice will not invalidate such result.
20. The expression **Extraordinary Resolution** when used in this document means: (a) a resolution passed at a meeting of the Covered Bondholders duly convened and held in accordance with this document by a majority consisting of not less than three-fourths of the persons voting thereat upon a show of hands or if a poll is duly demanded by a majority consisting of not less than three-fourths of the votes cast on such poll; or (b) a resolution in writing signed by or on behalf of Covered Bondholders holding not less than three-fourths in Principal Amount Outstanding of the Covered Bonds (of the relevant Series or all Series, as applicable) then outstanding, which resolution in



writing may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Covered Bondholders or (c) passed by way of electronic consents given by holders through the relevant clearing system(s) (in a form satisfactory to the Bond Trustee) by or on behalf of the Covered Bondholders of not less than three-fourths in Principal Amount Outstanding for the time being outstanding.

21. Minutes of all resolutions and proceedings at every meeting of the Covered Bondholders must be made and entered in books to be from time to time provided for that purpose by the Issuer and any such minutes as aforesaid if purporting to be signed by the Chairman of the meeting at which such resolutions were passed or proceedings transacted will be conclusive evidence of the matters therein contained and until the contrary is proved every such meeting in respect of the proceedings of which minutes have been made will be deemed to have been duly held and convened and all resolutions passed or proceedings transacted thereat to have been duly passed or transacted.
22. (a) If and whenever the Issuer has issued and has outstanding Covered Bonds of more than one Series the foregoing provisions of this Schedule will have effect subject to the following modifications:
  - (i) a resolution which in the opinion of the Bond Trustee affects the Covered Bonds of only one Series will be deemed to have been duly passed if passed at a separate meeting of the holders of the Covered Bonds of that Series or if approved by a resolution in writing made in accordance with this document by the holders of the Covered Bonds of that Series;
  - (ii) a resolution which in the opinion of the Bond Trustee affects the Covered Bonds of more than one Series but does not give rise to a conflict of interest between the holders of Covered Bonds of any of the Series so affected will be deemed to have been duly passed if passed at a single meeting of the holders of the Covered Bonds of all the Series so affected or if approved by a resolution in writing made in accordance with this document by the holders of the Covered Bonds of all Series so affected;
  - (iii) a resolution which in the opinion of the Bond Trustee affects the Covered Bonds of more than one Series and gives or may give rise to a conflict of interest between the holders of the Covered Bonds of one Series or group of Series so affected and the holders of the Covered Bonds of another Series or group of Series so affected will be deemed to have been duly passed only if passed at separate meetings of the holders of the Covered Bonds of each Series or group of Series so affected or if approved by a resolution in writing made in accordance with this document by the holders of the Covered Bonds of all Series so affected;
  - (iv) a Programme Resolution will be deemed to have been duly passed only if passed at a single meeting of the Covered Bondholders of all Series; and
  - (v) to all such meetings all the preceding provisions of this Schedule will *mutatis mutandis* apply as though references therein to Covered Bonds and Covered Bondholders were references to the Covered Bonds of the Series or group of Series in question or to the holders of such Covered Bonds, as the case may be.
- (b) If the Issuer has issued and has outstanding Covered Bonds which are not denominated in Australian Dollars, in the case of any meeting of holders of Covered Bonds of more than one currency, the Principal Amount Outstanding of such Covered Bonds will:

- (i) for the purposes of paragraph 2 above be the equivalent in Australian Dollars, converted at the relevant Swap Rate; and
- (ii) for the purposes of paragraphs 5, 6 and 14 above (whether in respect of the meeting or any adjourned such meeting or any poll resulting therefrom) be the equivalent in Australian Dollars, converted at the relevant Swap Rate. In such circumstances, on any poll each person present will have one vote for each A\$1 (or such other Australian Dollar amount as the Bond Trustee may in its absolute discretion stipulate) in Principal Amount Outstanding of the Covered Bonds (converted at the Swap Rate) which he holds or represents.

23. Subject to all other provisions of this document the Bond Trustee may without the consent of the Issuer, the Covered Bond Guarantor, the Covered Bondholders or the Couponholders prescribe such further, alternative or other regulations regarding the requisitioning and/or the holding of meetings of Covered Bondholders and attendance and voting thereat as the Bond Trustee may in its sole discretion think fit.

## SCHEDULE 7

### FORM OF FINAL TERMS

[Date]

Commonwealth Bank of Australia

**Issue of [Aggregate Nominal Amount of Tranche or Series] [Title of Covered Bonds]  
irrevocably and unconditionally guaranteed as to payment of principal and interest by  
Perpetual Corporate Trust Limited as trustee of the CBA Covered Bond Trust (the Trust)  
under the U.S.\$30,000,000,000 CBA Covered Bond Programme**

#### PART A – CONTRACTUAL TERMS

[Terms used herein will be deemed to be defined as such for the purposes of the terms and conditions (the **Conditions**) set forth in the Prospectus dated [date] [and the supplement to the Prospectus dated [date]] ([together,] the **Prospectus**) which constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**). This document constitutes the Final Terms of the Covered Bonds described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Prospectus [as so supplemented]. Full information on the Issuer and the Covered Bond Guarantor and the offer of the Covered Bonds is only available on the basis of the combination of this Final Terms and the Prospectus. Copies of the Prospectus [and the supplemental Prospectus] are available for viewing during normal business hours at the head office of the Issuer at Ground Floor, Tower 1, 201 Sussex Street, Sydney NSW 2000, Australia and copies may be obtained free of charge to the public from the specified office of the Principal Paying Agent. The Prospectus has been published on the website of the London Stock Exchange in accordance with Article 14.] *[Include this provision if the Covered Bonds are to be offered for sale in the European Economic Area]*

[Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the **Conditions**) set forth in the Prospectus dated [●] which are incorporated by reference into the Prospectus dated [●]. This document constitutes the Final Terms of the Covered Bonds described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**) and must be read in conjunction with the Prospectus dated [●] [and the supplement to the Prospectus dated [●]] ([together,] the **Prospectus**) which constitute[s] a base prospectus for the purposes of the Prospectus Directive. Full information on the Issuer and the Covered Bond Guarantor and the offer of the Covered Bonds is only available on the basis of the combination of this Final Terms and the Prospectus. Copies of the Prospectus [and the supplemental Prospectus] are available for viewing during normal business hours at the head office of the Issuer at Ground Floor, Tower 1, 201 Sussex Street, Sydney NSW 2000, Australia and copies may be obtained free of charge to the public from the specified office of the Principal Paying Agent. The Prospectus has been published on the website of the London Stock Exchange in accordance with Article 14 of the Prospectus Directive] *[This alternative language applies if the first tranche of an issue which is being increased was issued under a Prospectus with an earlier date]*

[Terms used herein will be deemed to be defined as such for the purposes of the terms and conditions (the **Conditions**) set forth in the [Offering Circular/Information Memorandum] dated [date] [and the supplement to the [Offering Circular/Information Memorandum] dated [date]] ([together,] the **[Offering Circular/Information Memorandum]**). Full information on the Issuer and the Covered Bond Guarantor and the offer of the Covered Bonds is only available on the basis of the combination of this Final Terms and the [Offering Circular/Information Memorandum]. Copies of the [Offering Circular/Information Memorandum] [and the supplement to the [Offering Circular/Information Memorandum]] are available for viewing during normal business hours at the head office of the Issuer at Ground Floor, Tower 1, 201 Sussex Street, Sydney NSW 2000, Australia [and copies may be obtained free of charge to the public from the specified office of the Principal Paying Agent].] *[Include this provision if the Covered Bonds are to be offered for sale in the United States/Australia using the U.S. offering circular or the Australian information memorandum]*

*[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs.]*

*[When completing any Final Terms or adding any other additional terms or information consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.]*

|    |   |   |
|----|---|---|
| 1. | Issuer:   | Commonwealth Bank of Australia  |
| 2. | Covered Bond Guarantor:   | Perpetual Corporate Trust Limited in its capacity as trustee of the CBA Covered Bond Trust  |
| 3. | (i) Series of which Covered Bonds are to be treated as forming part:  | [●]   |
|    | (ii) Tranche Number:  | [●]   |
|    | (iii) Date on which Covered Bonds will be consolidated and form a single Series:  | [The Covered Bonds will be consolidated and form a single Series with [●] on the [Issue Date]/[exchange of the Temporary Global Covered Bond for interests in the Permanent Global Covered Bond, as referred to in paragraph [●] below], which is expected to occur on or about [●]/[Not Applicable]  |
|    |   | <i>(If fungible with an existing Series, details of that Series, including the date on which the Covered Bonds become fungible)</i>   |
| 4. | Specified Currency or Currencies:   | [●]   |
| 5. | Aggregate Nominal Amount of Covered Bonds:  |   |
|    | (i) Series:   | [●]   |
|    | (ii) Tranche:   | [●]   |
| 6. | Issue Price of Tranche:   | [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)]   |
| 7. | (i) Specified Denominations:  | [●]/[€100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000. No Covered Bonds in definitive form will be issued with a denomination above €199,000]   |
|    | <i>(in the case of Registered Covered Bonds, this means the minimum integral amount in which transfers can be made)</i> | [●]   |
|    |   | <i>(N.B. Where Bearer Covered Bonds with multiple denominations above €100,000 or equivalent are being used the following sample wording should be followed: €[100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Covered Bonds in definitive form will be issued with a denomination above [€199,000])</i>   |
|    |   |   |
|    |   | <i>[In the case of Covered Bonds offered in Australia, the minimum subscription amount in respect of an issue or transfer is A\$500,000 (disregarding any amount lent by the offeror, the Issuer or any associated person of the offeror or Issuer) (or, if the Covered Bonds are denominated in a currency other than Australian Dollars, at least the equivalent amount in such currency).]</i> |
|    |   | <i>[If the Covered Bonds have a maturity of less than one year from the date of their issue, the minimum denomination will need to be £100,000 or its equivalent]</i>   |

|  |   |
|--|---|
|  | <i>in any other currency.]</i>  |
| (ii) Calculation Amount:   | [●] (if only one Specified Denomination, insert the words "Specified Denomination", if more than one Specified Denomination insert the amount of the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations) |
| 8. (i) Issue Date:   | [●]   |
| (ii) Interest Commencement Date:   | [specify/Issue Date/Not Applicable]   |
| 9. Final Maturity Date:  | [Fixed rate – specify date/Floating rate – Interest Payment Date falling in or nearest to [specify month and year]]   |
| 10. Extended Due for Payment Date of Guaranteed Amounts corresponding to the Final Redemption Amount under the Covered Bond Guarantee: | [Fixed rate – specify date/Floating rate – Interest Payment Date falling in or nearest to [specify month and year]]   |
| 11. Interest Basis:  | [Fixed Rate]  |
|  | [Floating Rate]   |
|  | (see paragraphs 17 and 18 below)  |
| 12. Redemption/Payment Basis:  | [99]/[100]/[101] per cent. of the nominal amount.   |
|  | (N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Covered Bonds will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII will apply.)                                   |
| 13. Change of Interest Basis or Redemption/ Payment Basis:   | [Not applicable]/[●]/[In accordance with paragraphs 17 and 18]  |
|  | [Specify details of any provision for change of Covered Bonds into another Interest Basis or Redemption/Payment Basis]  |
| 14. Put/Call Options:  | [Not applicable]  |
|  | [Investor Put]  |
|  | [Issuer Call]   |
|  | [(see paragraphs 20 and 21 below)]  |
| 15. (a) Status of the Covered Bonds:   | Senior  |
| (b) Status of Covered Bond Guarantee:  | Senior  |
| 16. Method of distribution:  | [Syndicated/Non-syndicated]   |
|  | [Do not include this provision if the Covered Bonds are to be offered for sale in the European Economic Area and admitted to trading on the LSE listed on the Official List of the UKLA]  |
| <b>PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE</b>  |   |
| 17. Fixed Rate Covered Bond Provisions   | [Applicable/Not Applicable]   |
|  | (If not applicable, delete the remaining sub-paragraphs of this paragraph)  |
| (i) Rate[(s)] of Interest:   | [●] per cent. per annum payable<br>[annually/semi-annually/quarterly/other (specify)] in  |

|         |   |  |
|---------|---|--|
|         |   | arrear on each Interest Payment Date   |
|         |   | <i>(If payable other than annually, consider amending Condition 4)</i>   |
| (ii)    | Interest Payment Date(s):   | <input type="checkbox"/> in each year up to and including the Final Maturity Date and Extended Due for Payment Date (if applicable)]/[specify other]   |
|         |   | <i>(NB: This will need to be amended in the case of long or short coupons)</i>   |
| [(iii)] | Regular Record Date(s):<br><i>(Applicable to Rule 144A Notes only)</i>  | <input type="checkbox"/>   |
| (iii)   | Fixed Coupon Amount(s):<br><i>(Applicable to Covered Bonds in definitive form)</i>                              | <input type="checkbox"/> per Calculation Amount/Not Applicable]  |
| (iv)    | Broken Amount(s):<br><i>(Applicable to Covered Bonds in definitive form)</i>                                    | <input type="checkbox"/> per Calculation Amount, payable on the Interest Payment Date falling [in/on] <input type="checkbox"/> /[Not Applicable]   |
| (v)     | Day Count Fraction:   | [30/360 or Actual/Actual (ICMA) or [specify other]]  |
|         |   | RBA Bond Basis   |
|         |   | <i>specify other]</i>  |
|         |   | <i>[(NB: Actual/Actual (ICMA) is normally appropriate for Fixed Rate Covered Bonds)]</i>   |
| (vi)    | Determination Date(s):  | <input type="checkbox"/> in each year <i>[Insert interest payment dates except where there are long or short periods. In these cases, insert regular interest payment dates. NB: Only relevant where Day Count Fraction is Actual/Actual (ICMA)]</i> /[Not Applicable] |
| (vii)   | Business Day Convention   | Following Business Day Convention  |
| 18.     | <b>Floating Rate Covered Bond Provisions</b>  | [Applicable/Not Applicable]  |
|         |   | <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>  |
| (i)     | (A) Specified Period(s)/Specified Interest Payment Date(s):   | <input type="checkbox"/> and including the Final Maturity Date and the Extended Due for Payment Date (if applicable)]/[specify other]  |
|         | (B) Regular Record Date:<br><i>(Applicable to Rule 144A Notes only)</i>   | <input type="checkbox"/>   |
| (ii)    | Business Day Convention:  | [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[specify other]]  |
| (iii)   | Additional Business Centre(s):  | <input type="checkbox"/>   |
| (iv)    | Manner in which the Rate of Interest and Interest Amount are to be determined:                                  | [Screen Rate Determination/ISDA Determination/Bank Bill Rate Determination/specify other]  |
| (v)     | Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent): | <input type="checkbox"/>   |

|  |   |   |
|--|---|---|
| (vi)                                     | Screen Rate Determination:  |   |
|  | – Reference Rate and Relevant Financial Centre:   | Reference Date: [●] month [●] [LIBOR] [EURIBOR]<br>(Either LIBOR, EURIBOR or other, although additional information is required if other – including fallback provisions in the Agency Agreement)   |
|  |   | Relevant Financial Centre:<br>[London]/[New York]/[Sydney]  |
|  | – Interest Determination Date(s):   | [●]<br>(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling LIBOR or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR and the first day of each Interest Period if BBSW) |
|  | – Relevant Screen Page:   | [●]<br>(In the case of EURIBOR, if not Reuters EURIBOR 01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)  |
| (vii)                                    | ISDA Determination:   | [Applicable]/[Not Applicable]   |
|  | – Floating Rate Option:   | [●]   |
|  | – Designated Maturity:  | [●]   |
|  | – Reset Date:   | [●]   |
| (viii)                                   | Bank Bill Rate Determination:<br>Term:<br>(Applicable to A\$ Registered Covered Bonds only)   | [1,2,3,4,5,6, months/specify other]   |
| (viii)                                   | Margin(s):  | [+/-][●]per cent. per annum   |
| (ix)                                     | Minimum Rate of Interest:   | [●]per cent. per annum  |
| (x)                                      | Maximum Rate of Interest:   | [●]per cent. per annum  |
| (xi)                                     | Day Count Fraction:   | [Actual/Actual (ISDA) or Actual/Actual<br>Actual/365 (Fixed)<br>Actual/360<br>30/360 or 360/360 or Bond Basis<br>30E/360 or Eurobond Basis<br>30E/360 (ISDA)<br>RBA Bond Basis<br>Specify Other]<br>(See Condition 4.3 for more options)  |
| (xii)                                    | Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Covered Bonds, if different from those set out in the Conditions: | [●][Do not include this provision if the Covered Bonds are to be offered for sale in the European Economic Area and admitted to trading on the LSE listed on the Official List of the UKLA]   |
| <b>PROVISIONS RELATING TO REDEMPTION</b> |   |   |
| 19.                                      | Notice periods for Condition 5.2 (Redemption for  | Minimum Period: [30] days   |

|   |   |
|---|---|
| tax reasons) or Condition 5.5 (Redemption due to illegality):                         | Maximum Period: [60] days   |
| 20. Issuer Call:  | [Applicable/Not Applicable]   |
|   | <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>   |
| (i) Optional Redemption Date(s):  | [●]   |
| (ii) Optional Redemption Amount and method, if any, of calculation of such amount(s): | [[●] per Calculation Amount/specify other/ see Appendix] <i>[If applicable, include a description of any relevant market disruption or settlement disruption events and adjustment provisions]</i>  |
| (iii) If redeemable in part:  |   |
| Partial redemption (call)   | [Applicable/Not Applicable]   |
| (a) Minimum Redemption Amount:  | [●]   |
| (b) Higher Redemption Amount:   | [●]   |
| (iv) Notice period (if other than as set out in the Conditions):                      | Minimum Period: [5] Days  |
|   | Maximum Period: [30] Days<br><i>(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent)</i> |
| 21. Investor Put:   | [Applicable/Not Applicable]   |
|   | <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>   |
| (i) Optional Redemption Date(s):  | [●]   |
| (ii) Optional Redemption Amount and method, if any, of calculation of such amount(s): | [[●] per Calculation Amount/specify other/ see Appendix] <i>[If applicable, include a description of any relevant market disruption or settlement disruption events and adjustment provisions]</i>  |
| (iii) Notice period (if other than as set out in the Conditions):                     | Minimum Period: [30] Days   |
|   | Maximum Period: [60] Days<br><i>(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent)</i> |
| 22. Final Redemption Amount:  | [[●]per Calculation Amount/specify other/see Appendix] <i>[If applicable, include a description of any relevant market disruption or settlement disruption events and adjustment provisions]</i>  |



|   |  |
|---|--|
|   | <i>(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Covered Bonds will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII will apply)</i>  |
| 23. Early Redemption Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same:                                | [[●]per Calculation Amount/Early Settlement Amount/specify other/see Appendix] <i>[If applicable, include a description of any relevant market disruption or settlement disruption events and adjustment provisions]</i>   |
| <b>GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS</b>   |  |
| 24. Form of Covered Bonds:  | [Bearer Covered Bonds:   |
|   | [Temporary Bearer Global Covered Bond exchangeable for a Permanent Bearer Global Covered Bond which is exchangeable for Bearer Definitive Covered Bonds [on 60 days' notice given at any time/only upon an Exchange Event]]  |
|   | [Temporary Bearer Global Covered Bond exchangeable for Bearer Definitive Covered Bonds]  |
|   | [Permanent Bearer Global Covered Bond exchangeable for Bearer Definitive Covered Bonds [on 60 days' notice given at any time/only after an Exchange Event]]  |
|   | <i>(N.B. The exchange upon notice should not be expressed to be applicable if the specified denomination of the Covered Bonds in paragraph 7 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000])</i>   |
|   | [Registered Covered Bonds: [Registered Covered Bonds - [Restricted/Unrestricted] Global Certificate[s]] - [Euroclear/Clearstream]  |
|   | [Rule 144A/Regulation S]<br><br>Regulation S Global Covered Bond registered in the name of [a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg] [Regulation S Global Covered Bond (U.S.\$[●] nominal amount) registered in the name of the common depositary for [Euroclear and Clearstream, Luxembourg]] |
|   |  |
| 25. Additional Financial Centre(s) or other special provisions relating to Payment Dates:   | [Not Applicable/●]   |
|   | <i>(Note that this item relates to the place of payment and not Interest Payment Dates)</i>  |
| 26. [Talons for future Coupons to be attached to Definitive Covered Bonds (and dates on which such Talons mature):<br><br>[(Not Applicable to Rule 144A Covered Bonds)] | [Yes, as Covered Bonds 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. If yes, give details]]  |
| [26A. A\$ Registrar:  | [Austraclear Services Limited ABN 28 003 284 419][In   |

|                     |   |  |
|---------------------|---|--|
|                     |   | <i>case of A\$ Registered Covered Bonds only]</i>  |
| <b>DISTRIBUTION</b> |   | <i>[Do not include this provision if the Covered Bonds are to be offered for sale in the European Economic Area and admitted to trading on the LSE listed on the Official List of the UKLA]</i>  |
| 27.                 | (i) If syndicated, names and addresses of Dealers and underwriting commitments: | [Not Applicable/give names, addresses and underwriting commitments]  |
|                     |   | <i>(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a “best efforts” basis if such entities are not the same as the Dealers.)</i>  |
|                     | (ii) Date of [Subscription Agreement]/[Terms Agreement]:                        | [●]  |
|                     | (iii) Stabilising Manager(s) (if any):  | [Not Applicable/give name]   |
| 28.                 | If non-syndicated, name and address of relevant Dealer:                         | [Not Applicable/give name and address]   |
| 29.                 | Definitive Covered Bonds to be in ICMA or successor's format:                   | [Yes/No]   |
|                     |   | <i>(If nothing is specified, Definitive Covered Bonds will be security printed and in ICMA or successor's format)</i>  |
| 30.                 | U.S. Selling Restrictions:  | [Reg. S Compliance Category]<br><br>[The Covered Bonds are being offered and sold without registration under the United States Securities Act of 1933, as amended (the Securities Act): (A) to investors reasonably believed to be “qualified institutional buyers” as defined in Rule 144A under the Securities Act (Rule 144A) in reliance upon the exemption provided by Rule 144A under the Securities Act and (B) in offshore transactions to certain non-US persons in reliance upon Regulation S under the Securities Act. Prospective purchasers are hereby notified that the seller of the Covered Bonds may be relying on an exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of certain restrictions on resales and transfers, see “Notice to Purchasers” and “Subscription and Sale and Selling Restrictions” in the Offering Circular.][Applicable to Rule 144A Covered Bonds] |
| 31.                 | Whether TEFRA D rules applicable or TEFRA rules not applicable:                 | [TEFRA D/TEFRA not applicable]   |
| 32.                 | Additional selling restrictions:  | [Not Applicable/give details]  |
| 33.                 | Additional U.S. Federal Tax or ERISA Considerations:                            | [Not Applicable/give details]  |

**[PURPOSE OF FINAL TERMS**

This Final Terms comprises the Final Terms required for issue [and] [public offer in the Public Offer Jurisdictions] [and] [admission to trading on [specify relevant regulated market (for example the London Stock Exchange’s regulated market or the Regulated Market of the Irish Stock Exchange) and, if relevant, listing on an official list (for example, the Official List of the UK Listing Authority)]] of the Covered Bonds described herein] pursuant to the U.S.\$30,000,000,000 CBA Covered Bond Programme of the Commonwealth Bank of Australia. ] [Include this provision if the Covered Bonds are to be offered for sale in the European Economic Area]

**RESPONSIBILITY**

[The information contained in] [●] has been extracted from [the following source: [●]]. 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 [specify source], no facts have been omitted which would render the reproduced information inaccurate or misleading].

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

|                        |
|------------------------|
| By: .....              |
| <i>Duly authorised</i> |

Signed on behalf of **Perpetual Corporate Trust Limited** in its capacity as trustee of the CBA Covered Bond Trust:

|                        |                        |
|------------------------|------------------------|
| By: .....              | By: .....              |
| <i>Duly authorised</i> | <i>Duly authorised</i> |

## PART B – OTHER INFORMATION

|  |   |
|--|---|
| <b>1. LISTING AND ADMISSION TO TRADING</b>   |   |
|  | [Application for admission to the Official List and for admission to trading [has been/is expected to be] made to [●]]/[Not Applicable.]  |
|  | [Date from which admission effective [●]]   |
| Estimate of total expenses related to admission to trading:  | [●]   |
| <b>2. RATINGS</b>  |   |
| Ratings:   | The Covered Bonds to be issued [have been]/[are expected to be] rated:  |
|  | [Fitch Australia Pty Ltd: [●]]  |
|  | [Moody's Investors Service Pty Limited:[●]]   |
| <b>3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE</b>   |   |
| [Save for the fees payable to the Managers, so far as the Issuer is aware, no person involved in the issue of the Covered Bonds has an interest material to the offer. The Managers and their affiliates have engaged, and may in future engage in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer, the Covered Bond Guarantor and their affiliates.] |   |
| [(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]  |   |
| <b>4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES</b>   |   |
| [(i) Reasons for the offer   | [●][Do not include this provision if the Covered Bonds are to be offered for sale in the European Economic Area and admitted to trading on the LSE listed on the Official List of the UKLA]   |
| [(ii) Estimated net proceeds:  | [●][Do not include this provision if the Covered Bonds are to be offered for sale in the European Economic Area and admitted to trading on the LSE listed on the Official List of the UKLA]   |
| [(iii) Estimated total expenses:   | [●] [Expenses are required to be broken down into each principal intended "use" and presented in order of priority of such "uses".]   |
|  | (Delete unless the Covered Bonds are derivative securities to which Annex XII of the Prospectus Directive Regulation applies in which case (i) above is required where the reasons for the offer are different from making profit and/or hedging certain risks and, where such reasons are inserted in (i), disclosure of net proceeds and total expenses at (ii) and (iii) above are also required.) |
| <b>5. YIELD (Fixed Rate Covered Bonds only)</b>  |   |
| Indication of yield:   | [●]   |

|  |   |
|--|---|
|  | [Calculated as <i>[include details of method of calculation in summary form] on the Issue Date.</i> ]               |
|  | The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield. |
| <b>6. OPERATIONAL INFORMATION</b>  |   |
| (i) ISIN Code:   | [●]   |
| (ii) CUSIP:  | [●]   |
| (iii) Common Code:   | [●]   |
| (iv) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and The Depository Trust Company and Austraclear and the relevant identification number(s): | [Not Applicable/give name(s) and number(s)]   |
| (v) Delivery:  | Delivery [against/free of] payment  |
| (vi) Name and address of initial Paying Agent in relation to the Covered Bonds   | [●]   |
| (vii) Names and addresses of additional Paying Agent(s) (if any) in relation to the Covered Bonds:   | [●]   |
| (viii) Name and address of Calculation Agent in relation to A\$ Registered Covered Bonds if other than the Issuer:   | [●]   |

## SCHEDULE 8

### FORM OF N COVERED BOND, N COVERED BOND CONFIRMATION AND N COVERED BOND CONFIRMATION TERMS

#### PART 1

#### FORM OF N COVERED BOND

##### N COVERED BOND (NAMENSSCHULDVERSCHREIBUNG)

THIS SECURITY AND ANY GUARANTEE IN RESPECT THEREOF HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR ANY APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS.

##### COMMONWEALTH BANK OF AUSTRALIA

*(incorporated with limited liability in the Commonwealth of Australia and having Australian Business Number 48 123 123 124)*

##### COVERED BONDS-SERIES [●] – [●] [*insert currency, principal amount and interest rate*] N COVERED BOND (NAMENSSCHULDVERSCHREIBUNG)

(in words: [●])

**Issue date:** [*insert date*]

**Final Maturity Date:** [*insert date*]

**[Extended Due for Payment Date under the Covered Bond Guarantee: [●]]**

unconditionally and irrevocably guaranteed as to payments of interest and principal by

##### PERPETUAL CORPORATE TRUST LIMITED

*(incorporated with limited liability in the Commonwealth of Australia and having Australian Business Number 99 000 341 533)*

##### AS TRUSTEE OF THE CBA COVERED BOND TRUST UNDER THE US \$30,000,000,000 CBA COVERED BOND PROGRAMME

This certificate evidences the Covered Bonds Series [●] – [●] [*insert currency and principal amount*] N Covered Bond (*Namensschuldverschreibung*) (the **N Covered Bond**) of Commonwealth Bank of Australia (the **Issuer**) described, and having the provisions specified, in the N Covered Bond Conditions attached as Schedule 1 hereto (the **N Covered Bond Conditions**). Words and expressions defined or set out in the N Covered Bond Conditions shall have the same meaning when used in this certificate.

The Issuer shall pay to the registered holder of this N Covered Bond the amounts payable in respect thereof pursuant to the N Covered Bond Conditions.

The Issuer hereby certifies that at the date hereof [*insert name and complete address*] has been entered in the Register as the holder of this N Covered Bond in the aforesaid principal amount.

This N Covered Bond shall not be valid unless authenticated by the N Covered Bond Registrar.

IN WITNESS whereof the Issuer has caused this N Covered Bond to be duly executed on its behalf.

[insert issue date]

|  |  |  |
|--|--|--|
| <b>COMMONWEALTH BANK OF AUSTRALIA ABN 48 123 123</b><br>as <b>Issuer</b> |  | Authenticated without recourse,<br>warranty or liability by                |
| By: _____  |  | <b>Citibank, N.A., London Branch</b> as<br><b>N Covered Bond Registrar</b> |
| Name: _____  |  | By: _____  |
| Title: _____   |  |  |

## SCHEDULE 1 TO N COVERED BOND

### N COVERED BOND CONDITIONS

#### 1. Currency and Principal Amount, Form, Transfer and other

##### 1.1 *Currency and Principal Amount*

This N Covered Bond (*gedeckte Namensschuldverschreibung*) is issued by Commonwealth Bank of Australia (the **Issuer**) in [*insert specified currency*] (the **Specified Currency**) in the principal amount of [*insert principal amount*] (the **Principal Amount**) on [*insert issue date*] (the **Issue Date**). [This N Covered Bond is issued at a price of [●] per cent. of the Principal Amount (the **Issue Price**).]

##### 1.2 *Form*

This N Covered Bond is represented by a certificate (the **Certificate**) which bears the manual or facsimile signature of one duly authorised signatory of the Issuer and is manually authenticated by or on behalf of the N Covered Bond Registrar.

##### 1.3 *Transfer*

- (a) The rights of the N Covered Bondholder arising from this N Covered Bond and title to the Certificate pass by assignment and registration in the Register as further set out in the below sub-paragraphs. Except as ordered by a court of competent jurisdiction or as required by mandatory law, the Issuer, the N Covered Bond Registrar, the N Covered Bond Paying Agent and any other Agent shall deem and treat the registered holder of this N Covered Bond as the sole owner of the Certificate and holder of the rights arising from this N Covered Bond.
- (b) The rights of the N Covered Bondholder arising from this N Covered Bond and title to this Certificate may be transferred in whole or in part [*if assignment only to permitted assignees, insert: to any credit institution, insurance company, pension fund, professional pension fund, investment firm, fund management company or similar institutional investor*] by assignment and surrender of this Certificate, together with the duly completed and executed form of assignment agreement attached as Schedule 2 to the Certificate (which must include that the assignee agrees to be bound by the N Covered Bond Confirmation entered into by the initial N Covered Bondholder as set out in clause 4 of the form of the N Covered Bond Assignment Agreement) at the specified office of the N Covered Bond Registrar and the entry of the transferee in the Register by the N Covered Bond Registrar. A copy of the N Covered Bond Confirmation and the N Covered Bond Confirmation Terms is available during normal business hours from the specified offices of the Issuer or the N Covered Bond Registrar.
- (c) Any transfer of part of this N Covered Bond is permitted only for a minimum nominal amount of [Euro] [*insert other Specified Currency*] [insert minimum amount for partial assignments] or an integral multiple thereof. The date stated in an executed N Covered Bond Assignment Agreement as the date, on which the economic effects of the assignments shall occur, shall be the Transfer Date to be entered into the Register by the N Covered Bond Registrar.
- (d) In case of a transfer of this N Covered Bond in whole and provided the requirements specified above have been met, a new certificate will be issued to the transferee. In case of a



transfer of a part only of this N Covered Bond and provided the requirements specified above have been met, new certificates in respect of the balance transferred and the balance not transferred will be issued to the transferor and to the transferee respectively. Each new certificate to be issued upon the registration of the transfer of this N Covered Bond (in whole or in part) will, at the risk of the N Covered Bondholder entitled to the new certificate, be sent by uninsured mail to the address specified in the executed N Covered Bond Assignment Agreement or at request be available for collection at the specified office of the N Covered Bond Registrar.

- (e) The relevant assignor and assignee 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 by regular uninsured mail and except that the Issuer may require from the relevant assignor and assignee the payment of a sum sufficient to enable it to pay or satisfy any stamp duty, tax or other governmental charge that may be imposed in relation to the registration and/or the transfer of the relevant N Covered Bond.
- (f) The N Covered Bondholder may not require the transfer of this N Covered Bond to be registered (i) during the period from, and including, the 15th Business Day prior to the due date for any payment of principal or interest (for the purposes of this subparagraph only, the **Due Date**) to, and including, the Due Date, (ii) during this period from, and including, the 15th Business Day prior to any date on which this N Covered Bond may be redeemed at the option of the Issuer (for the purposes of this subparagraph only, the **Redemption Date**) to, and including, the Redemption Date or (iii) after this N Covered Bond has been called for redemption in whole or in part.

#### 1.4 *Certain Definitions and Interpretation*

In these N Covered Bond Conditions:

**N Covered Bond Assignment Agreement** means an assignment agreement relating to this N Covered Bond substantially in the form attached as Schedule 2 to the Certificate.

**N Covered Bond Confirmation** means an agreement in the form of a confirmation relating to the N Covered Bond between the initial N Covered Bondholder, the Issuer, the Covered Bond Guarantor and the Bond Trustee the terms of which are further set out in the N Covered Bond Confirmation Terms, substantially in the form set out in the Bond Trust Deed.

**N Covered Bond Confirmation Terms** means the confirmation terms relating to each N Covered Bond Confirmation, substantially in the form set out in the Bond Trust Deed.

**N Covered Bondholder** means the registered holder of this N Covered Bond.

**Register** means the register maintained by the N Covered Bond Registrar in relation to N Covered Bonds issued under the Programme.

Where the context requires and unless the context requires otherwise, any reference in these N Covered Bond Conditions to **N Covered Bond** or **this N Covered Bond** is a reference or includes a reference to any N Covered Bond resulting from a transfer of this N Covered Bond, and/or any certificate issued in relation to this N Covered Bond and/or any new certificate issued upon any transfer of this N Covered Bond or part thereof.

Terms used but not otherwise defined shall have the meaning given to them in the N Covered Bond Confirmation Terms.

## 2. Status

- 2.1 This N Covered Bond constitutes direct, unconditional, unsubordinated and unsecured obligations of the Issuer and ranks, *pari passu* without any preference or priority with other covered bonds issued under the Issuer's U.S.\$30 billion covered bond programme (the **Covered Bonds** and the **Programme**) and (subject to any applicable statutory provisions) *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer.
- 2.2 This N Covered Bond is issued under and, subject to the execution of the N Covered Bond Confirmation by the initial N Covered Bondholder and receipt by the Issuer of that executed N Covered Bond Confirmation, forms part of the Programme under which the liabilities of the Issuer as to the payments of interest and principal are unconditionally and irrevocably guaranteed by Perpetual Corporate Trust Limited ABN 99 000 341 533 (the **Covered Bond Guarantor**) in favour of Deutsche Trustee Company Limited (the **Bond Trustee**) for the benefit of the holders of covered bonds under the Programme in the circumstances further described in the Bond Trust Deed dated 15 November 2011 (as amended, modified, superseded or replaced from time to time, the **Bond Trust Deed**). Until confirmation of receipt by the Issuer of the N Covered Bond Confirmation, this N Covered Bond shall not constitute a covered bond for the purposes of the Programme and will not get the benefit of any guarantee granted by the Covered Bond Guarantor.

## 3. Interest

*[In the case of a N Covered Bond with a fixed Interest Period insert the following or other applicable provisions:]*

### 3.1 Rate of Interest and Interest Periods

This N Covered Bond bears interest on its Principal Amount Outstanding from (and including) *[insert Interest Commencement Date]* (the **Interest Commencement Date**) to (but excluding) the Final Maturity Date (as defined in Condition 4.1 (Final Redemption) of these N Covered Bond Conditions) at the rate(s) per annum equal to *[Insert Rate(s) of Interest]* (the **Rate(s) of Interest**). Interest will accrue in respect of each Interest Period.

*[If there is a Fixed Coupon Amount, insert:]* The amount of interest payable on each Interest Payment Date in respect of each Interest Period ending on (but excluding) such Interest Payment Date, will amount to *[insert Fixed Coupon Amount]* (the **Fixed Coupon Amount**) *[insert if there are any Broken Amounts:]* and *[insert initial broken interest amount and/or final broken interest amount]* payable on *[insert Interest Payment Date for initial broken interest amount]* [and] *[insert Interest Payment Date for final broken interest amount]* will amount to *[insert total Broken Amount]* (the **Broken Amount[s]**) on its Principal Amount Outstanding].

### 3.2 Interest Payment Dates

Interest shall be payable in arrear on *[insert Interest Payment Date(s)]* in each year up to (and including) the Final Maturity Date (as defined in Condition 4.1 (Final Redemption) of these N Covered Bond Conditions) (each such date, an **Interest Payment Date**). The first payment of interest shall be made on *[insert first Interest Payment Date]*. If any Interest Payment Date would otherwise fall on a day which is not a Business Day, the Interest Payment Date itself remains unadjusted but the payment shall be postponed to the next day which is a Business Day and the N Covered Bondholder shall not be entitled to further interest or other payment in respect of such delay.

### 3.3 Calculation of Interest Amount

If interest is required to be calculated for a period other than a Interest Period, such interest shall be calculated by applying the Rate of Interest to the Principal Amount Outstanding, multiplying such sum by the day count fraction (the **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.

3.4 In these N Covered Bond Conditions:

**Day Count Fraction** means, in respect of the calculation of an amount of interest:

[if **Actual/Actual (ICMA)** applies, insert: Actual/Actual (ICMA), which is:

- (A) in the case where the number of days in the relevant period 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; or
- (B) in the case where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
  - I. 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; and
  - II. 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; ]

[if **30/360** applies, insert:

30/360, which is the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.]

[*Specify other*]

In these N Covered Bond Conditions:

**Business Day** means any day (other than a Saturday or a Sunday) on which the Trans-European Automated Real-Time Gross Settlement Transfer (TARGET2) System, which utilises a single shared platform and which was launched on 19 November 2007, is open.

**[Determination Date]** means [*specify Determination Dates*];]

**[Determination Period]** means each period from (and including) a Determination Date 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);]

**Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

**Principal Amount Outstanding** means in respect of this N Covered Bond on any day the Principal Amount on the relevant Issue Date thereof less principal amounts received by the N Covered Bondholders in respect thereof on or prior to that day; and

**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, euro 0.01.]

*[In the case of a Floating Rate N Covered Bond insert the following or other applicable provisions:*

### 3.1 *Interest Payment Dates*

This N Covered Bond bears interest on its Principal Amount Outstanding from (and including) *[insert interest commencement date as a calendar date]* (the **Interest Commencement Date**) to but excluding the next following Interest Payment Date (each such period an **Interest Period**). Interest on this N Covered Bond shall be payable in arrear on each Interest Payment Date.

**Interest Payment Date** means *[in the case of Specified Interest Payment Date(s) insert: [Specified Interest Payment Dates]* in each year [as the same may be adjusted in accordance with the Business Day Convention]] / *[if no Specified Interest Payment Dates, insert: each date which falls [insert number] [insert months/other period] after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date [in each case as the same may be adjusted by the Business Day Convention.] [such period being the Specified Period.]*

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

[the **Following Business Day Convention**, which means that such date shall be postponed to the next day that is a Business Day.]

[the **Modified Following Business Day Convention**, which means that such date shall be postponed to the next day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day.]

[the **Preceding Business Day Convention**, which means that such date shall be brought forward to the immediately preceding day that is a Business Day.]

[in any case where Specified Periods are specified in this N Covered Bond Condition, the **Floating Rate Convention**, which means that such Interest Payment Date (i) in the case of (x) above, shall be the last day this is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) 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 shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred;]

In these N Covered Bond Conditions, **Business Day** means a day which is:

- (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 London and [Frankfurt]; and

- (ii) in the case of any sum payable, 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 (if other than London and [Frankfurt]), respectively or (2) in relation to any Covered Bonds denominated or payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System or any successor thereto (the **TARGET2 System**) is open.] [and]
- (iii) *[insert additional business centre if applicable]*.

### 3.2 *Rate of Interest*

The Rate of Interest payable from time to time will be determined in the following manner *[Insert as applicable]*:

*[If ISDA Determination for Floating Rate Covered Bonds is the manner in which the Rate of Interest is to be determined, insert:*

The Rate of Interest for each Interest Period will be the relevant ISDA Rate [plus]/[minus] [●] per cent. per annum (the **Margin**).

**ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the *[N Covered Bond Paying Agent or other person]* under an interest rate swap transaction if the *[N Covered Bond 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 Covered Bonds (the **ISDA Definitions**) and under which:

- (i) the Floating Rate Option is [●];
- (ii) the Designated Maturity is *[Specify Period]*; and
- (iii) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the London inter-bank offered rate (**LIBOR**) or the Euro-zone inter-bank offered rate (**EURIBOR**) for a currency, the first day of that Interest Period, or (ii) *[Insert Date]*.

For the purposes of this sub-paragraph, **Floating Rate**, **Calculation Agent Floating Rate Option**, **Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions.]

*[If Screen Rate Determination for Floating Rate Covered Bonds is the manner in which the Rate of Interest is to be determined, insert:*

The Rate of Interest for each Interest Period will, subject as provided below, be either:

- (ii) the offered quotation (if there is only one quotation on the *[Insert Relevant Screen Rate]* (the **Relevant Screen Page**)); or
- (iii) if there is more than one quotation on the Relevant Screen Page, the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for [*Insert Reference Rate*] the **Reference Rate** which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the [*Insert Interest Determination Date*] the **Interest Determination Date** [[plus]/[minus] [●] per cent. per annum (the **Margin**)], all as determined by the N Covered Bond Paying Agent. If five or more of 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 N Covered Bond Paying Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest pursuant to this subparagraph in the event that the Relevant Screen Page is not available or if, in the case of (i) above, no such offered quotation appears or, in the case of (ii) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

If the Reference Rate from time to time in respect of Floating Rate Covered Bonds is not LIBOR or EURIBOR, the Rate of Interest in respect of such N Covered Bonds will be [●] ]

### 3.3 [*Determination of Rate of Interest and calculation of Interest Amounts*]

The [*in the case of Floating Rate N Covered Bonds insert: N Covered Bond Paying Agent*] will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The N Covered Bond Paying Agent will calculate the amount of interest payable on this N Covered Bond in respect of the Principal Amount Outstanding (each an **Interest Amount**) for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to the Principal Amount Outstanding, 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.

In respect of the calculation of an amount of interest for any Interest Period the "**Day Count Fraction**" shall be:

[**Actual/365** or **Actual/Actual** or **Actual/Actual (ISDA)** which means the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);]

[**Actual/365 (Fixed)** which means the actual number of days in the Interest Period divided by 365;]

[**Actual/365 (Sterling)** which means the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;]

[**Actual/360** which means the actual number of days in the Interest Period divided by 360;]

[**30/360, 360/360** or **Bond Basis** which means the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{360 \times (Y2 - Y1) + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

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

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

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

**[30E/360 or Eurobond Basis]** which means 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:

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

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

"D<sub>2</sub>" 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 D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

**[30E/360 (ISDA)]** which means 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:

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

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D<sub>1</sub>" 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 D<sub>1</sub> will be 30;

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day of the Interest Period, unless (i) that day is the last day of February but not the Final Maturity Date (or, as the case may be, the Extended Due for Payment Date) or (ii) such number would be 31, in which case D<sub>2</sub> will be 30.]

#### 3.4 *[Notification of Rate of Interest and Interest Amounts]*

The [N Covered Bond Paying Agent][Calculation Agent] will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the N Covered Bond Registrar, the Bond Trustee, the Issuer and the N Covered Bondholder in accordance with Condition 9 (*Notices*) of these N Covered Bond Conditions as soon as possible after their determination but in no event later than the fourth Business Day (as defined in Condition 3.1 (*Interest Payment Dates*) of these N Covered Bond Conditions) thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. Any such amendment or alternative arrangements will be promptly notified to the Issuer, the N Covered Bond Registrar, the Bond Trustee and the N Covered Bondholder in accordance with Condition 9 (*Notices*) of these N Covered Bond Conditions.]

#### 3.5 *[Determination or Calculation by the Bond Trustee]*

If for any reason at any relevant time after the Issue Date, the [N Covered Bond Paying Agent][Calculation Agent] defaults in its obligation to determine the Rate of Interest or in its obligation to calculate any Interest Amount in accordance with Condition 3.4 of these N Covered Bond Conditions above or as otherwise specified herein, as the case may be, and in each case in accordance with Condition 3.4 above, the Bond Trustee may determine (or appoint an agent to determine) the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition, [but subject always to any Minimum Rate of Interest or Maximum Rate of Interest of [*Specify Maximum and Minimum Rates of Interest*]]) it shall deem fair and reasonable in all the circumstances or, as the case may be, the Bond Trustee may calculate (or appoint an agent to calculate) the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the [N Covered Bond Paying Agent].]

#### 3.6 *[Certificates to be final]*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 3 (*Interest*) of these N Covered Bond Conditions, whether by the N Covered Bond Paying Agent[, the Calculation Agent] or the Bond Trustee shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Covered Bond Guarantor, the N Covered Bond Paying Agent, the other Paying Agents, the Bond Trustee and the N Covered Bondholders.]]



### 3.7 *Accrual of Interest after the due date*

Interest (if any) will cease to accrue on the N Covered Bond (or in the case of the redemption of part only of the N Covered Bond, that part only of the N Covered Bond) on the due date for redemption therefore unless, upon due presentation or surrender thereof, payment of principal is improperly withheld or refused or default is otherwise made in the payment thereof. In such event, interest shall continue to accrue as provided in the Trust Deed.

## 4. **Redemption**

### 4.1 *Final Redemption*

Unless previously redeemed in full, or purchased and cancelled, this N Covered Bond will be redeemed by the Issuer at [*insert Final Redemption Amount*] (the **Final Redemption Amount**) in the Specified Currency on [*insert Final Maturity Date*] (the **Final Maturity Date**).

### 4.2 *Redemption for Taxation Reasons*

This N Covered Bond may be redeemed at the option of the Issuer in whole, but not in part, [*for Fixed Interest N Covered Bonds insert: at any time*] [*for Floating Rate N Covered Bonds on any Interest Payment Date giving not less than 30 nor more than 60 days' notice to the Bond Trustee and, in accordance with Condition 9 (Notices) of these N Covered Bond Conditions, the N Covered Bondholders (which notice shall be irrevocable), if the Issuer satisfies the Bond Trustee immediately before the giving of such notice that on the occasion of the next Interest Payment Date, the Issuer is or will be required to pay additional amounts as provided in Condition 6 (Taxation) of these N Covered Bond Conditions. If this N Covered Bond is redeemed pursuant to this Condition 4.2 (Redemption for Taxation Reasons) of the N Covered Bond Conditions it will be redeemed at its Final Redemption Amount (defined in Condition 4.1 (Final Redemption) together (if appropriate) with interest accrued to (but excluding) the date of redemption.*

Prior to the publication of any notice of redemption pursuant to this Condition 4.2, the Issuer shall deliver to the Bond Trustee a certificate signed by an Authorised Officer of the Issuer stating that the Issuer has or will become obliged to pay such additional amounts as are referred to in Condition 6 (Taxation) and the Bond Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the condition precedent set out above, in which event it shall be conclusive and binding on the N Covered Bondholders.

### [4.3 *Redemption at the option of the Issuer (Issuer Call)*

The Issuer may, having given not less than [●] nor more than [●] days' notice to the Bond Trustee, the N Covered Bond Paying Agent, the N Covered Bond Registrar and the N Covered Bondholder in accordance with Condition 9 (Notices) of these N Covered Bond Conditions, (which Notice shall be irrevocable and shall specify the date fixed for redemption [and subject to *specify conditions*]), redeem all [but not part only]/[or part only] of this N Covered Bond on [*insert dates*] (each, an **Optional Redemption Date**) at [*specify amount per Calculation Amount*] (the **Optional Redemption Amount[s]**) together with accrued interest (if any) thereon on the date specified in such notice.]

### [4.[●] *Redemption at the option of the N Covered Bondholder (Investor Put)*

Upon the N Covered Bondholder giving the Issuer not less than [●] nor more than [●] days' written notice the Issuer will, upon the expiry of such notice, redeem[, subject to, and in accordance with, *specify conditions*,] such N Covered Bond on [*insert dates*] (each, an **Optional Redemption Date**)

and at [*specify amount per Calculation Amount*] (the **Optional Redemption Amount**[s] together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.)

4.[●] *Partial Redemption*

If this N Covered Bond is to be redeemed in part only on any date in accordance with [Condition 4.3 (*Redemption at the option of the Issuer*)] [only where [or part only] has been selected] of these N Covered Bond Conditions, such redemption must be for an amount not less than [●] per Calculation Amount (the **Minimum Redemption Amount**) or not more than [●] per Calculation Amount (the **Maximum Redemption Amount**).

In the case of the redemption of part only of this N Covered Bond, a new N Covered Bond certificate in respect of the unredeemed balance shall be issued in accordance with Condition 1.3 of these N Covered Bond Conditions, which shall apply as in the case of a transfer of this N Covered Bond as if such new N Covered Bond were in respect of the untransferred balance.]

4.[●] *Purchase of N Covered Bond*

- (a) The Issuer may at any time purchase this N Covered Bond in the open market or otherwise at any price.
- (b) Any subsidiaries of the Issuer or the Covered Bond Guarantor may at any time purchase this N Covered Bond in the open market or otherwise and at any price.

4.[●] *Cancellation of N Covered Bond upon Redemption or Purchase*

If this N Covered Bond is redeemed in accordance with this Condition 4 of these N Covered Bond Conditions or purchased in accordance with Condition 4.[●](a) (*Purchase of N Covered Bond*) of these N Covered Bond Conditions, it will be cancelled forthwith and may not be reissued or resold. If this N Covered Bond is purchased in accordance with Condition 4.[●](b) (*Purchase of N Covered Bond*) of these N Covered Bond Conditions it may be cancelled or may be reissued or resold (except that any N Covered Bond purchased by the Covered Bond Guarantor must immediately be surrendered to the N Covered Bond Registrar and/or to the N Covered Bond Paying Agent for cancellation).

4.[●] *Early Redemption Amounts*

For the purposes of Condition 4.2 (*Redemption for Taxation Reasons*) of the N Covered Bond Conditions above, each N Covered Bond will be redeemed at its Early Redemption Amount which shall be:

[*Specify Early Redemption Amount*]

[*In the case of a Covered Bond*] at its nominal amount

[*specify other amount*]]

Where such calculation is to be made for a period which is not a whole number of years, it shall be made

[*Specify other calculation basis*]

[For the purposes of this Condition 4.[●] **Reference Price** means [●]: and **Accrual Yield** means [●]]

[4.●] *Other Redemption and Purchase Provisions*

*[Specify other relevant provisions, if applicable.]*

**5. Payments**

**5.1 General**

Payments of principal and interest on this N Covered Bond shall be made on the respective due date thereof to the person shown in the Register as the N Covered Bondholder at the close of business on the 15th Business Day before such due date (the **Record Date**) by credit or electronic transfer *[if the Specified Currency is euro, insert: to a euro account (or any other account to which euro may be credited or transferred) maintained by the N Covered Bondholder]**[if the Specified Currency is other than euro, insert: to an account in the Specified Currency maintained by the N Covered Bondholder with a bank in a principal financial centre of the country of such Specified Currency]* (the **Designated Account**) the details of which have been notified by the N Covered Bondholder to the N Covered Bond Paying Agent not later than the Record Date and payment to such account of the registered holder shall discharge the Issuer from its payment obligations under this Condition 5.1.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment but without prejudice to the provisions of Condition 6 (*Taxation*), 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 otherwise imposed pursuant to Sections 1471 through 1474 of the Code (**FATCA**), an intergovernmental agreement between the United States and another jurisdiction to improve tax compliance and to implement FATCA (an **IGA**), or any law or regulation implementing an IGA. Any such amount withheld or deducted will be treated as paid for all purposes under the N Covered Bonds, and no additional amounts will be paid on the N Covered Bonds with respect to any such withholding or deduction. References to [Euro]*[insert other Specified Currency]* will include any successor currency under applicable law.

**5.2 Payment Business Day**

If the due date for payment of any amount in respect of this N Covered Bond is not a Payment Business Day, then the N Covered Bondholder shall not be entitled to payment until the next following Payment Business Day and shall not be entitled to further interest or other payment in respect of such postponed payment.

**Payment Business Day** means a day (other than a Saturday or a Sunday) on which

- (a) 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],[Frankfurt am Main],[Sydney].[●]; and
- (b) *[if the Specified Currency is euro, insert: the TARGET2 System is operational to effect payments.]**[if the Specified Currency is other than euro, insert: commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in [insert the principal financial centre of the country of the relevant Specified Currency].]* [; and]
- (c) *[insert additional business centre if applicable].*

**5.3 Interpretation of principal and interest**

Any reference in these N Covered Bond Conditions to principal in respect of the N Covered Bond shall be deemed to include, as applicable:

- (a) any additional amounts which may be payable with respect to principal under Condition 6 (*Taxation*) of these N Covered Bond Conditions or under any undertakings or covenants given in addition thereto, or in substitution therefor, pursuant to the Trust Deed;
- (b) the Final Redemption Amount of this N Covered Bond;
- (c) [the Optional Redemption Amount(s) (if any) of this N Covered Bond];
- (d) any premium and any other amounts (other than interest) which may be payable under or in respect of the N Covered Bonds; and
- (e) any Excess Proceeds which may be payable by the Bond Trustee under or in respect of this N Covered Bond.

**Excess Proceeds** means monies received by the Bond Trustee from the Issuer or any administrator, administrative receiver, receiver, liquidator, trustee in sequestration, bank administrator, bank liquidator or other similar official appointed in relation to the Issuer.

Any reference in these N Covered Bond Conditions to interest in respect of the N Covered Bonds shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 6 (*Taxation*) of these N Covered Bond Conditions.

## 6. Taxation

All payments of, or in respect of, principal and interest on this N Covered Bond 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 imposed or levied by or on behalf of the Commonwealth of Australia or any political sub-division thereof or any authority thereof or therein having power to tax unless such taxes, duties, assessments or governmental charges are required by Australian law to be withheld or deducted. In that event, in respect of a payment made by it, the Issuer will pay such additional amounts of, or in respect of, principal and/or interest as will result (after deduction of the taxes, duties, assessments or governmental charges) in payment to the N Covered Bondholders of the amounts which would otherwise have been payable in respect of this N Covered Bond, except that no such additional amounts will be payable with respect to any N Covered Bond presented for payment:

- (a) by or on behalf of an N Covered Bondholder who is subject to such taxes, duties, assessments or governmental charges in respect of the N Covered Bond by reason of his being connected with the Commonwealth of Australia other than by reason only of the holding of the N Covered Bond of payment thereon;
- (b) by or on behalf of an N Covered Bondholder who is an associate (as that term is defined in section 128F of the Income Tax Assessment Act 1936 (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 N Covered Bondholder would have been entitled to such additional amount on presenting the same for payment on the last day of such period of 30 days;

- (d) by or on behalf of an N Covered Bondholder 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;
- (e) where such withholding or deduction is imposed on a payment and is required to be made pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, or providing for measures equivalent to those laid down in, such directive;
- (f) by or on behalf of an N Covered Bondholder who would be able to avoid such withholding or deduction by presenting the N Covered Bond to another Paying Agent in a member state of the European Union which does not impose such withholding or deduction; or
- (g) for, or on account of, any withholding or deduction required pursuant to FATCA (including pursuant to any agreement described in Section 1471(b) of the Code) or any law implementing an intergovernmental approach to FATCA, as described in Condition 5.1.

The **Relevant Date** in relation to this N Covered Bond means whichever is the later of:

- (i) the date on which payment in respect of this N Covered Bond first becomes due and payable; or
- (ii) if the full amount of the moneys payable in respect of this N Covered Bond has not been duly received by the N Covered Bond Paying Agent on or prior to such date, the date on which notice is duly given to the N Covered Bondholders in accordance with Condition 9 that such moneys have been so received.

## **7. Prescription and Counterclaims**

### **7.1 Prescription**

The obligations of the Issuer to pay principal and interest in respect of this N Covered Bond shall be prescribed (i) in respect of principal upon the expiry of ten years following the respective due date for the payment of principal and (ii) in respect of interest upon the expiry of five years following the respective due date for the relevant payment of interest.

### **7.2 Counterclaims**

As long as, and to the extent that, this N Covered Bond forms part of the restricted assets (*gebundenes Vermögen*) within the meaning of § 54 of the German Act Concerning the Supervision of Insurance Companies (*Gesetz über die Beaufsichtigung der Versicherungs-unternehmen - Versicherungsaufsichtsgesetz*) of 17 December, 1992 (as amended) and the German Regulation Concerning the Investment of the Restricted Assets of Insurance Companies (*Verordnung über die Anlage des gebundenen Vermögens von Versicherungsunternehmen*) of 20 December, 2001 (as amended)[ or belongs to a cover pool (*Deckungsmasse*) for the issuance of *Pfandbriefe* pursuant to the German *Pfandbrief Act (Pfandbriefgesetz)*], the Issuer waives (also in the event of insolvency or similar proceedings) any right of set-off as well as any right to exercise any pledges, rights of retention and other rights which could affect the rights under the N Covered Bond.

## **8. N Covered Bond Paying Agent[,][and] N Covered Bond Registrar[, and Calculation Agent]**

### **8.1 Appointment**

The names of the initial N Covered Bond Paying Agent[,][and] the initial N Covered Bond Registrar [and the initial Calculation Agent][*insert other agents as applicable*] and their initial specified offices are set out below:

**N Covered Bond Paying Agent**

[●]

**N Covered Bond Registrar**

[●]

The N Covered Bond Paying Agent [,] [and] the N Covered Bond Registrar [and the Calculation Agent] reserve the right at any time to change their respective offices to some other specified office in the same city.

8.2 *Variation or Termination of Appointment*

The Issuer is entitled, with the prior written approval of the Bond Trustee, to vary or terminate the appointment of any N Covered Bond Paying Agent or the N Covered Bond Registrar and/or appoint additional or other Paying Agents or the N Covered Bond Registrar and/or approve any change in the specified office through which any Paying Agent or the N Covered Bond Registrar acts, **provided that:**

- (a) there will at all times be an N Covered Bond Paying Agent and an N Covered Bond Registrar; and
- (b) the Issuer will ensure that it maintains an N Covered Bond Paying Agent in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to such Directive if any; and

Notice of any variation, termination, appointment or change will be given by the Issuer to the N Covered Bondholders as soon as reasonably practicable in accordance with Condition 9 (*Notices*) of these N Covered Bond Conditions.

8.3. *Agents of the Issuer*

In acting under the principal agency agreement dated 15 November 2011 (as amended and/or supplemented and/or restated from time to time, the **Principal Agency Agreement**), the N Covered Bond Paying Agent [,] [and] the N Covered Bond Registrar [and the Calculation Agent] act solely as agents of the Issuer and the Covered Bond Guarantor and, in certain circumstances specified therein, of the Bond Trustee and do not assume any obligation to, or relationship of agency or trust with, any holders of the N Covered Bonds. The Principal Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

**9. Notices**

Notices to the N Covered Bondholder may be given by first class mail (or equivalent) or, if posted to an overseas address, by air mail to it at its address as recorded in the Register. Notices will be deemed to have been validly given on the fourth day after the date of such mailing.[ Notices to the N Covered Bondholder may also be given by email to the email address recorded in the Register.][ If sent by email notices will be deemed to have been validly given [on the next Business Day following the dispatch of such email][●].]

## **10. Replacement of the Certificate**

If the Certificate (as defined in Condition 1.2 of these N Covered Bond Conditions) is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the N Covered Bond Registrar upon payment by the applicant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. A mutilated or defaced certificate must be surrendered before a replacement certificate will be issued.

## **11. Governing Law, Place of Jurisdiction, Partial Invalidity**

### **11.1 *Governing Law***

With the exception of Condition 2.2 which shall be governed by and construed in accordance with English law, this N Covered Bond and all rights and obligations arising under this N Covered Bond (including any non-contractual rights and obligations) shall be governed by and construed in accordance with the laws of the Federal Republic of Germany.

### **11.2 *Place of Jurisdiction***

The courts of England shall have the exclusive jurisdiction for any dispute arising out of or in connection with this N Covered Bond and the Issuer and the N Covered Bondholder waive any right to invoke, and undertake not to invoke, any claim of *forum non conveniens* and irrevocably submit to the jurisdiction of the courts of England in respect of any action or proceeding relating in any way to this N Covered Bond.

### **11.3 *Partial Invalidity***

If any provision of these N Covered Bond Conditions is or becomes invalid in whole or in part, the remaining provisions shall remain unaffected thereby. Invalid provisions shall be deemed to be replaced by such valid provisions which taking into consideration the purpose and intent of these terms and conditions have to the extent legally possible the same economic effect as the invalid provisions. This shall apply mutatis mutandis to any gap in these N Covered Bond Conditions.

## **12. Language**

These N Covered Bond Conditions are written in the English language and a German language translation may be provided. Only the English language version shall be binding.

## SCHEDULE 2 TO N COVERED BOND

### FORM OF N COVERED BOND ASSIGNMENT AGREEMENT

**THIS N COVERED BOND ASSIGNMENT AGREEMENT** (the **Agreement**) is made on *[insert date]*

**BETWEEN:**

- (1) *[insert name and complete address of assignor]* (the **Assignor**); and
- (2) *[insert name and complete address of assignee]* (the **Assignee**);

together the **Parties** and each a **Party**.

**WHEREAS:**

- (A) The Assignor is holder of the *[insert currency and principal amount]* *[insert series]* N Covered Bond due *[insert maturity date]* (the **N Covered Bond**) issued by Commonwealth Bank of Australia ABN 48 123 123 124 (the **Issuer**).
- (B) Pursuant to an **N Covered Bond Confirmation** and the related **N Covered Bond Confirmation Terms** the N Covered Bond forms part of the Issuer's U.S.\$30 billion covered bond programme (the **Programme**) under which the liabilities of the Issuer as to the payments of interest and principal are unconditionally and irrevocably guaranteed by Perpetual Corporate Trust Limited ABN 99 000 341 533 (the **Covered Bond Guarantor**) in favour of Deutsche Trustee Company Limited (the **Bond Trustee**) for the benefit of the bondholders under the Programme.

**NOW IT IS HEREBY AGREED** as follows:

**1. DEFINITIONS AND INTERPRETATION**

Unless specified otherwise, capitalised terms used, but not defined in this Agreement shall have the meaning given to them in the **N Covered Bond Conditions** which are attached as Schedule 1 to the N Covered Bond.

**2. ASSIGNMENT**

- 2.1 The Assignor hereby assigns to the Assignee its claims against the Issuer under the N Covered Bond together with all rights relating thereto,

in the amount of: *[insert currency and amount transferred]*

(in words: *[insert amount transferred in words]*)

with effect from: *[insert transfer date]* (including) (the **Transfer Date**).

- 2.2 The Assignee hereby accepts such assignment.



### 3. NOTIFICATION AND EFFECTIVENESS OF THE ASSIGNMENT

- 3.1 In accordance with Condition 1.3 (*Transfer*) of the N Covered Bond Conditions, the Assignor shall immediately notify the N Covered Bond Registrar of the assignment contemplated hereunder by sending an executed copy of this Agreement together with the certificate(s) evidencing the N Covered Bond to *[details of the N Covered Bond Registrar to be inserted]*.
- 3.2 The assignment shall only become effective upon registration thereof in the Register maintained by the N Covered Bond Registrar. The N Covered Bond Registrar will register the transfer if the requirements set out in Condition 1.3 (*Transfer*) of the N Covered Bond Conditions, have been met, in particular, that the Assignee has agreed to be bound by the terms of the N Covered Bond Confirmation (as provided in Clause 4 (N Covered Bond Confirmation) below).

### 4. N COVERED BOND CONFIRMATION

- 4.1 Upon the execution by the Assignee of this Agreement, the Assignee agrees in relation to the (or part of the) N Covered Bond assigned hereunder to be bound by and take the benefit of the N Covered Bond Confirmation entered into by the initial N Covered Bondholder as if it were an original signatory thereof. Upon due registration of the assignment in the Register by the N Covered Bond Registrar, the Assignor ceases to be bound by and is released from such N Covered Bond Confirmation with respect to the (or part of the) N Covered Bond assigned hereunder.
- 4.2 The Assignee confirms that it has received a copy of the N Covered Bond Confirmation and the N Covered Bond Confirmation Terms relating thereto available to the Assignee for these purposes.

### 5. DESIGNATED ACCOUNT OF AND NOTICES TO THE ASSIGNEE

- 5.1 For the purpose of Condition 5 (Payments) of the N Covered Bond Conditions the Designated Account of the Assignee shall be the bank account with the following references:

|                         |     |
|-------------------------|-----|
| Name of bank:           | [●] |
| Name of Account holder: | [●] |
| Account number:         | [●] |
| Account name:           | [●] |
| SWIFT CODE:             | [●] |
| IBAN:                   | [●] |
| Reference:              | [●] |

- 5.2 For the purpose of Condition 9 (Notices) of the N Covered Bond Conditions the contact details of the Assignee as N Covered Bondholder shall be the following:

|            |     |
|------------|-----|
| Name:      | [●] |
| Address:   | [●] |
| Attention: | [●] |
| Telephone: | [●] |
| Fax:       | [●] |
| Email:     | [●] |

*[If the assignor is a German insurance company, insert:*

### 6. CONSENT OF THE TRUSTEE FOR THE RESTRICTED ASSETS

*[If the N Covered Bond does not form part of the German insurance company's restricted assets, insert:* The Assignor represents and warrants to the Assignee, the Issuer, the Covered Bond

Guarantor and the N Covered Bond Registrar that the N Covered Bond assigned hereunder does not form part of its restricted assets (*Sicherungsvermögen*) and that, as a consequence, a consent of the trustee appointed pursuant to § 70 of the German Act Concerning the Supervision of Insurance Companies (*Gesetz über die Beaufsichtigung der Versicherungsunternehmen - Versicherungsaufsichtsgesetz*) with respect to the restricted assets is not needed for the assignment contemplated hereunder.] **OR**

***[If the N Covered Bond forms part of the German insurance company's restricted assets, insert:***  
The N Covered Bond assigned hereunder forms part of the Assignor's restricted assets (*Sicherungsvermögen*). The Assignor represents and warrants to the Assignee, the Issuer, the Covered Bond Guarantor and the N Covered Bond Registrar that the trustee appointed pursuant to § 70 of the German Act Concerning the Supervision of Insurance Companies (*Gesetz über die Beaufsichtigung der Versicherungsunternehmen - Versicherungsaufsichtsgesetz*) with respect to the restricted assets has given its consent to the assignment contemplated hereunder.]]

## **7. ISSUE AND DELIVERY OF NEW CERTIFICATE(S)**

Against surrender of the certificate issued in the name of the Assignor to the N Covered Bond Registrar, the Assignee requests that a new certificate made out in its name in the amount assigned under this Agreement will be prepared by the Issuer[,][and] authenticated by the N Covered Bond Registrar [and, at the risk and at the costs (except for any costs of delivery by regular uninsured mail) of the Assignee, sent by [regular mail][registered mail][●] to the Assignee at the address first above written.]]***[In case of partial assignments insert:*** The Assignor requests that a new certificate made out in its name in the amount not assigned hereunder and retained by the Assignor will be prepared by the Issuer[,][and] authenticated by the N Covered Bond Registrar [and, at the risk and at the costs (except for any costs of delivery by regular uninsured mail) of the Assignor, sent by [regular mail][registered mail][●] to the Assignor at the address first above written.]

## **8. COPIES**

- 8.1 This Agreement shall be executed in three original copies, each of which may be executed in any number of counterparts. This shall have the same effect as if the Parties had executed a single copy of this Agreement. One original signed copy shall be retained by each of the Assignor and the Assignee respectively and the Assignor shall send a signed original copy of this Agreement to the N Covered Bond Registrar as further described in Condition 1.3 (Transfer) of the N Covered Bond Conditions.
- 8.2 The Parties instruct and authorise the N Covered Bond Registrar to forward copies of this Agreement to the Issuer, the Covered Bond Guarantor and the Bond Trustee.

## **9. GOVERNING LAW, PLACE OF JURISDICTION AND PARTIAL INVALIDITY**

- 9.1 This Agreement, including any non-contractual rights and obligations arising out of or in connection with this Agreement, (other than Clause 4 (N Covered Bond Confirmation)) shall be governed by and construed in accordance with German law. Clause 4 (N Covered Bond Confirmation) of this Agreement, including any non-contractual rights and obligations arising out of or in connection with Clause 4 (N Covered Bond Confirmation) shall be governed by and construed in accordance with English law.
- 9.2 The courts of England shall have the exclusive jurisdiction over any dispute arising out of or in connection with this Agreement.
- 9.3 If any provision of this Agreement or part thereof should be or become invalid or unenforceable, this shall not affect the validity or enforceability of the remaining provisions hereof. The invalid or

unenforceable provision shall deemed to be replaced by such valid and enforceable provision which taking into consideration the purpose and intent of this Agreement has to the extent legally possible the same economic effect as the invalid or unenforceable provision. This shall apply mutatis mutandis to any gap (*Vertragslücke*) in this Agreement.

## 10. LANGUAGE

This Agreement is written in the English language and may be provided with a German language translation. Only the English language version shall be binding.

|                 |              |
|-----------------|--------------|
| <b>Assignor</b> |              |
| By: _____       | By: _____    |
| Name: _____     | Name: _____  |
| Title: _____    | Title: _____ |
|                 |              |
| <b>Assignee</b> |              |
| By: _____       | By: _____    |
| Name: _____     | Name: _____  |
| Title: _____    | Title: _____ |

## PART 2

### FORM OF N COVERED BOND CONFIRMATION

**COVERED BONDS SERIES [●] – [●] [insert currency, principal amount and interest rate] N  
COVERED BOND DUE [●]**

#### CONFIRMATION

In consideration of the Issuer issuing the Covered Bonds Series [●] being the [●] *[insert currency and principal amount]* N Covered Bond due [●] (the **N Covered Bond**) and the Covered Bond Guarantor extending its Covered Bond Guarantee to the N Covered Bond, we agree to be bound by all the provisions of this N Covered Bond Confirmation (including the confirmation terms which are incorporated into this N Covered Bond Confirmation (the **N Covered Bond Confirmation Terms**)).

#### [EXTENSION PERIOD

An extension period applies in relation to the N Covered Bond. Clauses 3.3 (*Extended Due for Payment Date*) and 3.5 (*Accrual of Interest after the Final Maturity Date*) of the N Covered Bond Confirmation Terms are applicable to the N Covered Bond. The Extended Due for Payment Date shall be the date as stated in Schedule 1 hereto.

Terms used in Condition 4.2 of the Programme Conditions shall be modified as set out in Schedule 1 hereto.]<sup>13</sup>

#### [HARD BULLET

The N Covered Bond is a Hard Bullet Covered Bond.]<sup>14</sup>

#### NOTICES AND ACCOUNT DETAILS

All notices that are required to be given to the N Covered Bondholder pursuant shall be delivered in accordance with Condition 9 (Notices) of the N Covered Bond Conditions:

|               |     |
|---------------|-----|
| Company name: | [●] |
| Address:      | [●] |
| Attention:    | [●] |
| Telephone:    | [●] |
| Fax:          | [●] |
| Email:        | [●] |

For the purposes of Condition 5 (Payments) of the N Covered Bond Conditions the Designated Account of the N Covered Bondholder shall be as follows:

|                 |     |
|-----------------|-----|
| Name of bank:   | [●] |
| Account holder: | [●] |
| Account number: | [●] |
| SWIFT CODE:     | [●] |
| IBAN:           | [●] |
| Reference:      | [●] |

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<sup>13</sup> To be included if the relevant N Covered Bond has an Extended Due for Payment Date.

<sup>14</sup> To be included if the N Covered Bond is a Hard Bullet Covered Bond.

## MISCELLANEOUS

Terms used but not defined in this N Covered Bond Confirmation shall have the meanings given to them in (i) the N Covered Bond Conditions, (ii) the N Covered Bond Confirmation Terms and (iii) in the Master Definitions and Construction Agreement (as defined in the N Covered Bond Confirmation Terms). This N Covered Bond Confirmation and all non contractual or other obligations arising out of or in connection with it are governed by English law. This N Covered Bond Confirmation and the N Covered Bond Confirmation Terms (incorporated herein) shall constitute an agreement between the parties hereto in accordance with English law.

The courts of the England shall have the exclusive jurisdiction for any actions or other legal proceedings arising out of or in connection with this N Covered Bond Confirmation and the parties hereto agree to waive any right to invoke, and agree not to invoke, any claim of *forum non conveniens* and each party hereto irrevocably submits to the jurisdiction of the courts of England in respect of any action or proceeding relating in any way to this N Covered Bond Confirmation.

This N Covered Bond Confirmation may be executed in any number of counterparts, each of which is an original and all of which together evidence the same agreement. This N Covered Bond Confirmation shall not come into effect until each party has executed at least one counterpart.

Upon the assignment by the N Covered Bondholder of its rights in relation to the relevant N Covered Bond pursuant to a duly executed and delivered N Covered Bond Assignment Agreement, the assignee will agree to be bound by the terms of this N Covered Bond Confirmation and, upon due registration of the assignment, the assignor will cease to be bound by such terms with respect to the N Covered Bond so assigned.

**SIGNED** by

[●]

by [its duly authorised attorney]

.....

|  |  |   |
|--|--|---|
| <b>SIGNED by</b><br><b>COMMONWEALTH BANK</b><br><b>OF AUSTRALIA</b><br>by its duly authorised attorney | <b>SIGNED by</b><br><b>PERPETUAL CORPORATE</b><br><b>TRUST LIMITED</b> acting by its<br>duly authorised attorney | <b>SIGNED by</b><br><b>DEUTSCHE TRUSTEE</b><br><b>COMPANY LIMITED</b> acting by<br>its duly authorised attorney |
| .....<br>...   | .....<br>...   | .....<br>...  |

## Schedule 1

[   ]

|  |  |
|--|--|
| Series:  | [●]  |
| Principal Amount on Issue:                       | [●]  |
| Final Maturity Date:                             | [●]  |
| Interest [prior to Final Maturity Date]:         | [Fixed/Floating]   |
| Calculation of Interest:                         | Refer to N Covered Bond Conditions   |
| Other Provisions:                                | [Clauses 3.3 and 3.5 of the N Covered Bond Confirmation Terms are applicable] [This is a Hard Bullet Covered Bond] |
| Extended Due for Payment Date:                   | [●] / [N/A]  |
| N Covered Bond governing law:                    | German   |
| N Covered Bond Confirmation Terms governing law: | English  |

### **Floating Rate Covered Bond Provisions for the period from and including the Final Maturity Date to the Extended Due for Payment Date:**

|  |   |
|--|---|
| 1. Specified Period(s) / Specified Interest Payment Date(s):   | [Each Covered Bond Guarantor Payment Date]  |
| 2. Business Day Convention   | [Floating Rate Convention/ Following Business Day Convention/ Modified Following Day Convention/ Preceding Business Day Convention] [specify other] |
| 3. Additional Business Centre(s):  | [●] [Sydney]  |
| 4. Manner in which the Rate of Interest and Interest Amount is to be determined:                                   | [Screen Rate Determination/ ISDA Determination/ specify other]  |
| 5. Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent): | [●]   |

|     |                                |   |
|-----|--------------------------------|---|
| 6.  | Screen Rate Determination      |   |
| (a) | Reference Rate                 | <p>[●]</p> <p>[Either LIBOR, EURIBOR or other, although additional information is required if other, including amendment to fallback provisions in the Agency Agreement]</p>  |
| (b) | Interest Determination Date(s) | <p>[●]</p> <p>[Second day on which commercial banks are open for general business (including dealings in foreign currency deposits) in London prior to the start of each Interest Period if LIBOR (other than Sterling [or euro LIBOR]), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET System is open prior to the start of each Interest Period if EURIBOR [or euro LIBOR]</p> <p><i>[N.B. Specify the Interest Determination Date(s) up to and including the Extended Due for Payment Date, if applicable]</i></p> |
| (c) | Relevant Screen Page           | <p>[●]</p> <p>[In the case of EURIBOR, if not Reuters page EURIBOR01 or, in the case of LIBOR, Reuters page LIBOR01, ensure it is page which shows a composite rate or amend the fallback provisions appropriately]</p>   |



## PART 3

### N COVERED BOND CONFIRMATION TERMS

**THESE N COVERED BOND CONFIRMATION TERMS** (the **Confirmation Terms**) are effective by virtue of an N Covered Bond Confirmation signed by an N Covered Bondholder.

#### WHEREAS:

- (A) The Issuer has established a programme (the **Programme**) pursuant to which the Issuer may from time to time issue Covered Bonds denominated in any currency as may be agreed by the Issuer, the relevant Dealer(s) and the Principal Paying Agent up to a maximum nominal amount of U.S. \$30,000,000,000 (subject to increase in accordance with the Programme Agreements from time to time at the discretion of the Issuer).
- (B) Deutsche Trustee Company Limited has agreed to act as the Bond Trustee for the benefit of the Covered Bondholders and the Couponholders under the Programme, upon and subject to the terms of a Bond Trust Deed dated 15 November 2011 as amended and restated on 27 June 2012 and made between the Issuer, the Trust Manager, the Covered Bond Guarantor and the Bond Trustee (as amended and restated or supplemented from time to time, the **Trust Deed**).
- (C) The Covered Bond Guarantor has agreed to guarantee interest and principal payments on all Covered Bonds (including, without limitation, the N Covered Bonds) issued under the Programme as more particularly set out in the Bond Trust Deed and in the circumstances described therein.
- (D) In consideration for the Issuer lending the proceeds of the issuance of each N Covered Bond to the Covered Bond Guarantor (and subject to the relevant N Covered Bondholder signing an N Covered Bond Confirmation), the Covered Bond Guarantor has agreed to extend the terms of its Covered Bond Guarantee to each relevant N Covered Bond.
- (E) The Issuer has issued or will issue N Covered Bonds (each, an **N Covered Bond**) each of which forms or will form a separate Series of Covered Bonds under the Programme.
- (F) From time to time, the registered holder of an N Covered Bond may specify that these Confirmation Terms apply to the relevant N Covered Bond by execution of an N Covered Bond Confirmation.

#### 1. DEFINITIONS AND INTERPRETATION

- 1.1 For the purposes of these Confirmation Terms, the following definitions shall apply:

**Extended Due for Payment Date** has the meaning given to it in the relevant N Covered Bond Confirmation.

**Extension Determination Date** means the date falling two Business Days after the expiry of seven days starting on (and including) the relevant Final Maturity Date.

**Final Maturity Date** has the meaning given to it in the relevant N Covered Bond Conditions.

**N Covered Bond** has the meaning given to it in Recital E above.

**N Covered Bond Conditions** means the relevant terms and conditions of the relevant N Covered Bond annexed as Schedule 1 to the relevant N Covered Bond.

**N Covered Bond Confirmation** means, in relation to each N Covered Bond, the confirmation made by the relevant N Covered Bondholder, pursuant to which the relevant N Covered Bondholder agrees that these Confirmation Terms will apply to the relevant N Covered Bond, the form of which is attached as Schedule 1 hereto.

**N Covered Bondholder** means, in relation to each N Covered Bond, the registered holder of the N Covered Bond from time to time (provided that such holder has executed an N Covered Bond Confirmation).

**Programme Conditions** means the terms and conditions set out in schedules 1, 2 and 3 of the Bond Trust Deed as the same may from time to time be modified in accordance with the Bond Trust Deed.

**Rating Agencies** means Moody's and Fitch. or their successors, to the extent they provide ratings in respect of the Covered Bonds.

- 1.2 The definitions schedule made between, amongst others, the Issuer, the Covered Bond Guarantor and the Bond Trustee on 15 November 2011 as amended and restated on 27 June 2012 (as the same may be amended, varied and/or supplemented from time to time with the consent of the parties thereto) (the **Definitions Schedule**) is expressly and specifically incorporated into these Confirmation Terms and, accordingly, the expressions defined in the Definitions Schedule shall, except where the context otherwise requires and save where otherwise defined (i) in the N Covered Bond Conditions, or (ii) herein, have the same meanings in these Confirmation Terms, including the recitals hereto and these Confirmation Terms shall be construed in accordance with the interpretation provisions set out in clause 2 of the Definitions Schedule.

## 2. **N COVERED BOND CONFIRMATION TERMS**

Each N Covered Bondholder agrees with the Issuer, the Covered Bond Guarantor and the Bond Trustee with respect to the relevant N Covered Bond that it shall take the benefit of and be bound by and subject to:

- (a) (as if it was a party thereto) the Bond Trust Deed (excluding, except as specified herein, the Programme Conditions but including, without limitation and for the avoidance of doubt, the declaration of trust pursuant to Clause 2.4 thereof, the Covered Bond Guarantee granted pursuant to Clause 7 thereof, the provisions on Proceedings, Action and Indemnification pursuant to Clause 10 thereof, the provisions relating to Waiver, Authorisation and Determination pursuant to Clause 20 thereof, the provisions in relation to Modification pursuant to Clause 21 thereof, the provisions in relation to Substitution pursuant to Clause 22 thereof and the provisions in relation to Meetings of Covered Bondholders pursuant to Schedule 6 thereof), and the other Programme Documents to the extent relevant to the relevant N Covered Bond and these Confirmation Terms;
- (b) the provisions of these Confirmation Terms; and
- (c) Condition 9 (*Events of Default and Enforcement*), Condition 10 (*Meetings of Covered Bondholders of the Covered Bonds, Modification, Waiver, Substitution and Rating Agencies*), Condition 14 (*Indemnification of the Bond Trustee and/or Security Trustee and Bond Trustee and/or Security Trustee Contracting with the Issuer and/or the Covered Bond Guarantor*), and Condition 15 (*Limited Recourse and Non-Petition*) of the Programme Conditions.

### **3. COVERED BOND GUARANTEE**

#### **3.1 General**

Subject to and in accordance with the terms of the Bond Trust Deed and Condition 9 (*Events of Default and Enforcement*) of the Programme Conditions, under the Covered Bond Guarantee the Covered Bond Guarantor must, following service of an Issuer Acceleration Notice and a Notice to Pay or, if applicable, a Covered Bond Guarantor Acceleration Notice, pay or procure to be paid the Guaranteed Amounts in respect of the relevant N Covered Bond on their Original Due for Payment Dates or their Extended Due for Payment Date (if applicable and subject to Clause 3.3 (*Extended Due for Payment Date*)).

#### **3.2 Hard Bullet Covered Bond**

An N Covered Bond to which these Confirmation Terms relate is a Hard Bullet Covered Bond if stated to be so in the relevant N Covered Bond Confirmation.

#### **3.3 Extended Due for Payment Date**

Subject to Clause 3.6 (*Applicability*), without prejudice to Condition 9 (*Events of Default and Enforcement*) of the Programme Conditions, if the Issuer has failed to pay the Final Redemption Amount on the Final Maturity Date specified in Condition 4.1 (*Final Redemption*) of the N Covered Bond Conditions (or after expiry of the grace period set out in Condition 9.1(a) of the Programme Conditions) and, following the service of a Notice to Pay on the Covered Bond Guarantor by no later than the date falling one Business Day prior to the Extension Determination Date, the Covered Bond Guarantor has insufficient monies available under the Guarantee Priority of Payments to pay in full the Guaranteed Amounts corresponding to the Final Redemption Amount in respect of the N Covered Bond on the date falling on the earlier of (a) the date which falls two Business Days after service of such Notice to Pay on the Covered Bond Guarantor or, if later, the Final Maturity Date (or, in each case, after the expiry of the grace period set out in Condition 9.1(a) of the Programme Conditions) under the terms of the Covered Bond Guarantee and (b) the Extension Determination Date, then (subject as provided below) payment of the unpaid amount by the Covered Bond Guarantor under the Covered Bond Guarantee shall be deferred until the Extended Due for Payment Date in respect of the relevant N Covered Bond, provided that the Covered Bond Guarantor may pay any amount representing the Final Redemption Amount on the relevant Final Maturity Date and any amount representing all or part of the Final Redemption Amount due and remaining unpaid on the earlier of (a) and (b) above may also be paid by the Covered Bond Guarantor on any Interest Payment Date thereafter up to (and including) the relevant Extended Due for Payment Date.

The Trust Manager must notify each N Covered Bondholder (in accordance with Condition 9 (*Notices*) of the N Covered Bond Conditions), the Rating Agencies, the Bond Trustee, the Security Trustee, the N Covered Bond Paying Agent and the N Covered Bond Registrar as soon as reasonably practicable and in any event at least one Business Day prior to the dates specified in (a) and (b) above of any inability of the Covered Bond Guarantor to pay in full the Guaranteed Amounts corresponding to the Final Redemption Amount in respect of the N Covered Bond pursuant to the Covered Bond Guarantee.

In the circumstances outlined above, the Covered Bond Guarantor must on the earlier of:

- (a) the date falling two Business Days after the service of a Notice to Pay on the Covered Bond Guarantor or, if later, the Final Maturity Date (or, in each case, after the expiry of the grace period set out in Condition 9.1(a) of the Programme Conditions), and
- (b) the Extension Determination Date,

under the Covered Bond Guarantee, apply the monies (if any) available (after paying or providing for payment of higher ranking or *pari passu* amounts in accordance with the Guarantee Priority of Payments) *pro rata* in part payment of an amount equal to the Final Redemption Amount of the relevant N Covered Bond and must pay Guaranteed Amounts constituting the Scheduled Interest in respect of the N Covered Bond on such date. The obligation of the Covered Bond Guarantor to pay any amounts in respect of the balance of the Final Redemption Amount not so paid shall be deferred as described above. Such failure to pay by the Covered Bond Guarantor will not constitute an Covered Bond Guarantor Event of Default under Condition 9.2(a) of the Programme Conditions.

### **3.4 Excess Proceeds**

Any discharge of the obligations of the Issuer as the result of the payment of Excess Proceeds to the Bond Trustee must be disregarded for the purposes of determining the amounts to be paid by the Covered Bond Guarantor under the Covered Bond Guarantee in connection with this Clause 3 (*Covered Bond Guarantee*).

### **3.5 Accrual of Interest after the Final Maturity Date**

Subject to Clause 3.6 (*Applicability*), following the Final Maturity Date, interest will continue to accrue on the Principal Amount Outstanding of the N Covered Bond and be payable on any unpaid amount at a Rate of Interest determined in accordance with Condition 4.2 of the Programme Conditions (in the same manner as the Rate of Interest for Floating Rate Covered Bonds), provided that terms used in Condition 4.2 of the Programme Conditions shall, where applicable, be modified as set out in the relevant N Covered Bond Confirmation and references to "Final Terms" will be to the relevant N Covered Bond Conditions and the relevant N Covered Bond Confirmation.

### **3.6 Applicability**

Clauses 3.3 and 3.5 of these Confirmation Terms shall only apply to an N Covered Bond if the relevant N Covered Bond Confirmation specifies that those clauses will apply and the relevant Extended Due for Payment Date that shall apply in respect of such N Covered Bonds.

## **4. REDEMPTION DUE TO ILLEGALITY**

- 4.1 An N Covered Bond may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Bond Trustee, the N Covered Bond Paying Agent, the N Covered Bond Registrar and, in accordance with the N Covered Bond Conditions, each N Covered Bondholder (which notice shall be irrevocable), if the Issuer satisfies the Bond Trustee immediately before the giving of such notice that it has, or will, before the next Interest Payment Date of any Covered Bond of any Series, become unlawful for the Intercompany Loan Provider and/or the Demand Loan Provider to make, fund or allow to remain outstanding any Term Advance or the Demand Loan (or, in either case, any part thereof) made by the Intercompany Loan Provider or the Demand Loan Provider, as the case may be, to the Covered Bond Guarantor pursuant to the Intercompany Loan Agreement or the Demand Loan Agreement, as the case may be, as a result of any change in, or amendment to, the applicable laws or regulations or any change in the application or official interpretation of such laws or regulations, which change or amendment has become or will become effective before the next such Interest Payment Date.

Prior to the publication of any notice of redemption pursuant to this Clause 4, the Issuer shall deliver to the Bond Trustee a certificate signed by an Authorised Officer of the Issuer stating that it has or will become unlawful for the Intercompany Loan Provider or the Demand Loan Provider to make, fund or allow to remain outstanding any Term Advance or Demand Loan made by either of them pursuant to the Intercompany Loan Agreement or the Demand Loan Agreement, as the case may be

as a result of a change in, or amendment to, the applicable laws or regulations or a change in the application of or interpretation of such laws or regulations, and the Bond Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the condition precedent set out above, in which event it shall be conclusive and binding on the N Covered Bondholders.

- 4.2 If an N Covered Bond is redeemed pursuant to this Clause 4, it will be redeemed at its Early Redemption Amount together, as such term is defined in the N Covered Bond Conditions, (if appropriate) with interest accrued to (but excluding) the date of redemption.

## **5. INCORPORATION OF PROGRAMME CONDITIONS**

The provisions of Condition 9 (*Events of Default and Enforcement*), Condition 10 (*Meetings of the Covered Bondholders, Modifications, Waiver and Rating Agencies*) Condition 14 (*Indemnification of the Bond Trustee and/or Security Trustee and Bond Trustee and/or Security Trustee Contracting with the Issuer and/or the Covered Bond Guarantor*) and Condition 15 (*Limited Recourse and Non-petition*) of the Programme Conditions will apply in full to the N Covered Bond *mutatis mutandis*.

## **6. TAXATION**

- 6.1 Any payments made by the Issuer to an N Covered Bondholder shall be made subject to the terms and conditions of the relevant N Covered Bond Conditions.
- 6.2 If any withholding or deduction is required by the Covered Bond Guarantor in respect of a payment of a Guaranteed Amount to be made by it, the Covered Bond Guarantor must pay the Guaranteed Amounts net of such withholding or deduction and must account to the appropriate Tax Authority for the amount required to be withheld or deducted. The Covered Bond Guarantor will not be obliged to pay any additional amount to the Bond Trustee or any N Covered Bondholder in respect of the amount of such withholding or deduction.

## **7. CONFLICTS**

- 7.1 Each N Covered Bondholder agrees with the Covered Bond Guarantor, the Issuer and the Bond Trustee that in the event of any conflict between the provisions of the relevant N Covered Bond Conditions and these Confirmation Terms (including, for the avoidance of doubt, the Programme Documents and any other documents by which the N Covered Bondholder is bound pursuant to Clause 2 (*N Covered Bond Confirmation Terms*)) and the relevant N Covered Bond Confirmation, these Confirmation Terms (including, for the avoidance of doubt, the Programme Documents and any other documents by which the N Covered Bondholder is bound pursuant to Clause 2(*N Covered Bond Confirmation Terms*)) and the relevant N Covered Bond Confirmation will prevail.
- 7.2 Each N Covered Bondholder agrees with the Covered Bond Guarantor, the Issuer and the Bond Trustee that in the event of any conflict between the provisions of the relevant N Covered Bond Confirmation and any provisions contained in these Confirmation Terms and the relevant N Covered Bond Confirmation, the relevant N Covered Bond Confirmation will prevail.

## **8. AMENDMENTS**

Any amendments to these Confirmation Terms or any N Covered Bond Condition will be made only with the written consent of each party to these Confirmation Terms (including any N Covered Bondholder that has confirmed the applicability of these Confirmation Terms to the N Covered Bond held by it). No waiver of these Confirmation Terms will be effective unless it is in writing and signed by (or by some person duly authorised by) each of the parties (including any N Covered Bondholder that has confirmed the applicability of these Confirmation Terms to the N Covered Bond held by it). No single or partial exercise of, or failure or delay in exercising, any right under these

Confirmation Terms shall constitute a waiver or preclude any other or further exercise of that or any other right.

## **9. ASSIGNMENT**

Neither these Confirmation Terms nor any of the rights or obligations under these Confirmation Terms will be assignable or transferable by any party except (i) by an N Covered Bondholder together with the transfer of the N Covered Bond as further described in the relevant N Covered Bond Conditions (in which case, upon due registration of the assignment, the assignor will be released from these Confirmation Terms with respect to the N Covered Bond or the part of the N Covered Bond so assigned); (ii) by the Issuer in accordance with Condition 10.3 of the Programme Conditions and Clause 22 of the Bond Trust Deed; and (iii) in the case of the Bond Trustee, any successor or new Bond Trustee appointed pursuant to the terms of the Bond Trust Deed.

## **10. NO ENFORCEMENT BY N COVERED BONDHOLDER**

Subject to and in accordance with the Bond Trust Deed, each N Covered Bondholder agrees with the Covered Bond Guarantor, the Issuer and the Bond Trustee that only the Bond Trustee may take action to enforce the terms of the N Covered Bond and the Bond Trust Deed and it shall not take any steps or institute proceedings unless the Bond Trustee or the Security Trustee having become bound to do so fails to do so within a reasonable time and such failure is continuing (in which case the relevant N Covered Bondholder shall be entitled to take such steps in accordance with Condition 9 of the Programme Conditions).

## **11. GOVERNING LAW**

These Confirmation Terms and all non contractual or other obligations arising out of or in connection with them are governed by English law other than the provisions relating to the limited recourse of the Covered Bond Guarantor and the Security Trustee in the Bond Trust Deed and the Programme Conditions that are incorporated herein, which provisions are governed by the laws applying the State of New South Wales, Australia.

## **12. PLACE OF JURISDICTION**

The courts of England shall have the exclusive jurisdiction for any actions or other legal proceedings arising out of or in connection with these Confirmation Terms and the parties hereto agree to waive any right to invoke, and agree not to invoke, any claim of forum non conveniens and each party hereto irrevocably submits to the jurisdiction of the courts of England in respect of any action or proceeding relating in any way to these Confirmation Terms. Any documents relating to such dispute may be served on the relevant N Covered Bondholder by being delivered to the address stated in the relevant N Covered Bond Confirmation.

## **13. PARTIAL INVALIDITY**

If any provision of these Confirmation Terms is or becomes invalid in whole or in part, the remaining provisions shall remain unaffected thereby. Invalid provisions shall be replaced by such valid provisions which taking into consideration the purpose and intent of these Confirmation Terms have to the extent legally possible the same economic effect as the invalid provisions. This shall apply *mutatis mutandis* to any gap in these Confirmation Terms.

## **14. THIRD PARTY BENEFICIARIES**

Subject to any provision(s) of these Confirmation Terms under which rights are granted to third parties by express reference to the Contracts (Rights of Third Parties) Act 1999, a person who is not

a party to these Confirmation Terms has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of these Confirmation Terms but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

**SCHEDULE 1 TO N COVERED BOND CONFIRMATION TERMS**  
**N COVERED BOND CONFIRMATION**

*[To be inserted once finalised]*



## SIGNATORIES

### EXECUTED AS A DEED

|   |  |
|---|--|
| <b>EXECUTED</b> for and on behalf of<br><b>COMMONWEALTH BANK OF AUSTRALIA</b><br><b>ABN 48 123 123 124</b> by its Attorney under a Power<br>of Attorney dated |  |
| in the presence of:   |  |

|                      |                       |
|----------------------|-----------------------|
| _____                | _____                 |
| Signature of Witness | Signature of Attorney |

|                         |                          |
|-------------------------|--------------------------|
| _____                   | _____                    |
| Name of Witness in full | Name of Attorney in full |

|  |  |
|--|--|
| <b>EXECUTED</b> for and on behalf of<br><b>SECURITISATION ADVISORY SERVICES</b><br><b>PTY. LIMITED ABN 88 064 133 946</b> by its<br>Attorney under a Power of Attorney dated |  |
| in the presence of:  |  |

|                      |                       |
|----------------------|-----------------------|
| _____                | _____                 |
| Signature of Witness | Signature of Attorney |

|                         |                          |
|-------------------------|--------------------------|
| _____                   | _____                    |
| Name of Witness in full | Name of Attorney in full |

|   |  |
|---|--|
| <b>EXECUTED</b> for and on behalf of <b>PERPETUAL CORPORATE TRUST LIMITED ABN 99 000 341 533</b> by its Attorneys under a Power of Attorney dated |  |
| in the presence of:   |  |

|                       |                       |
|-----------------------|-----------------------|
| _____                 | _____                 |
| Signature of Attorney | Signature of Attorney |

|                          |                          |
|--------------------------|--------------------------|
| _____                    | _____                    |
| Name of Attorney in full | Name of Attorney in full |

|                      |                      |
|----------------------|----------------------|
| _____                | _____                |
| Signature of Witness | Signature of Witness |

|                         |                         |
|-------------------------|-------------------------|
| _____                   | _____                   |
| Name of Witness in full | Name of Witness in full |

|  |  |
|--|--|
| The <b>COMMON SEAL</b> of <b>DEUTSCHE TRUSTEE COMPANY LIMITED</b> was affixed to this deed in the presence of: |  |
|--|--|

|                                 |                                 |
|---------------------------------|---------------------------------|
| _____                           | _____                           |
| Signature of Associate Director | Signature of Associate Director |

|                                    |                                    |
|------------------------------------|------------------------------------|
| _____                              | _____                              |
| Name of Associate Director in full | Name of Associate Director in full |