



**Macquarie Bank Limited**  
*(incorporated with limited liability in the Commonwealth of Australia  
and having Australian Business Number 46 008 583 542)*  
acting through its head office in Sydney or a branch outside Australia  
**as Issuer**

**AUD5,000,000,000 MBL Covered Bond Programme**  
unconditionally and irrevocably guaranteed as to payments of interest and principal by

**Perpetual Limited**  
*(incorporated with limited liability in the Commonwealth of Australia  
and having Australian Business Number 86 000 431 827)*  
**as trustee of the MBL Covered Bond Trust**

Under the AUD5,000,000,000 MBL Covered Bond Programme (**Programme**) established by Macquarie Bank Limited ABN 46 008 583 542, acting through its head office in Sydney or a branch outside Australia (the **Bank, Macquarie Bank** and the **Issuer**), the Issuer may from time to time issue bonds (**Covered Bonds**) denominated in any currency agreed between the Issuer, the Relevant Dealer(s) (as defined below), the Principal Paying Agent (as defined below) and the Bond Trustee (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 Prospectus are issued subject to the provisions described in this Prospectus and in any supplement hereto.

Perpetual Limited ABN 86 000 431 827 in its capacity as trustee of the MBL 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 Prospectus) and the other Assets of the Trust. Recourse against the Covered Bond Guarantor under its guarantee is limited to the Assets of the Trust.

Covered Bonds may be issued in bearer or registered form. The maximum aggregate nominal amount of all Covered Bonds from time to time outstanding under the Programme will not exceed AUD5,000,000,000 (or its equivalent in other currencies calculated by reference to the spot rate for the sale of Australian 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 Prospectus.

The Covered Bonds may be issued on a continuing basis to the Dealers specified under the section "*Programme Overview*" in this Prospectus 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 Prospectus 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.

**An investment in Covered Bonds issued under the Programme involves certain risks. Prospective investors should have regard to the factors described under the section headed "Risk Factors" of this Prospectus. This Prospectus 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 Prospectus), the Security Trustee (as defined in this Prospectus), the Bond Trustee (as defined in this Prospectus), the Agents (as defined in this Prospectus), the Relevant Dealer or any other party to a Programme Document (as defined in this Prospectus).**

This Prospectus constitutes a base prospectus for the purposes of the Prospectus Directive - Directive 2003/71/EC (the **Prospectus Directive**). Application has been made by the Issuer to the Financial Conduct Authority (the **FCA**) which is the United Kingdom competent authority under the Financial Services and Markets Act 2000 (the **FSMA**) for the purposes of the Prospectus Directive and relevant implementing measures in the United Kingdom (the **UK Listing Authority**) for approval of this Prospectus as a base prospectus issued in compliance with the Prospectus Directive and relevant implementing measures in the United Kingdom for the purpose of giving information with regard to the issue of Covered Bonds issued under the Programme to be admitted to the official list of the UK Listing Authority (the **Official List**) and an application has been made to the London Stock Exchange plc (the **London Stock Exchange**) for such Covered Bonds to be admitted to trading on the regulated market of the London Stock Exchange which is a "regulated market" for the purposes of Directive 2004/39/EC (the **Markets in Financial Instruments Directive**) (the **regulated market of the London Stock Exchange**) during the period of 12 months from the date of this Prospectus. References in this Prospectus to Covered Bonds being "listed" (and all related references) will, unless the context otherwise requires, mean that such Covered Bonds have been admitted to trading on the regulated market of the London Stock Exchange and have been admitted to the Official List. Perpetual Limited and P.T. Limited have not made or authorised the

application to admit Covered Bonds issued under the Programme to the Official List or to admit the Covered Bonds to trading on the regulated market of the London Stock Exchange.

The requirement to publish a prospectus under the Prospectus Directive only applies to Covered Bonds which are to be admitted to trading on a regulated market in the European Economic Area and/or offered to the public in the European Economic Area other than in circumstances where an exemption is available under Article 3.2 of the Prospectus Directive (as implemented in the relevant Member State(s)). References in this Prospectus to **Exempt Covered Bonds** are to Covered Bonds for which no prospectus is required to be published under the Prospectus Directive. The UK Listing Authority has neither approved nor reviewed information contained within this Prospectus in connection with Exempt Covered Bonds and such information does not form part of this Prospectus.

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 Prospectus which are applicable to each Tranche (as defined under the Terms and Conditions of the Covered Bonds) of Covered Bonds will (other than in the case of Exempt Covered Bonds) be set out in the Final Terms for that Tranche (each, the **Final Terms**) which, with respect to Covered Bonds to be listed on the London Stock Exchange, will be delivered to the UK Listing Authority and the London Stock Exchange on or before the date of issue of such Tranche of Covered Bonds. In the case of Exempt Covered Bonds, 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 certain other information which is applicable to each Tranche will be set out in a pricing supplement document (the **Pricing Supplement**).

The Programme provides that Covered Bonds may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer and the Relevant Dealer(s). The Issuer may also issue unlisted Covered Bonds and/or Covered Bonds not admitted to trading on any market.

The Covered Bonds and the Covered Bond Guarantee (as defined below) have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**), or under any securities laws or "blue sky" laws of any state or other jurisdiction of the United States and may not be offered or sold, pledged or otherwise transferred unless (a) such Covered Bonds are registered under the Securities Act or (b) such offer or sale is made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Covered Bonds are being offered only (i) in offshore transactions to non-U.S. persons in reliance upon Regulation S under the Securities Act (**Regulation S**) and (ii) to qualified institutional buyers in reliance upon Rule 144A under the Securities Act (**Rule 144A**), in each case in accordance with any applicable securities laws of any state of the United States. See the section "*Form of the Covered Bonds*" in this Prospectus for a description of the manner in which Covered Bonds will be issued. Covered Bonds are subject to certain restrictions on transfer, see "*Subscription and Sale and Selling Restrictions*". 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 Issuer and the Covered Bond Guarantor may agree with any Dealer, the Bond Trustee and the Principal Paying Agent that Covered Bonds may be issued in a form not contemplated by the Conditions of the Covered Bonds in this Prospectus, in which event a supplementary prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Covered Bonds.

The Issuer has debt ratings for its long-term unsubordinated unsecured obligations of A / Stable by Standard and Poor's Australia (**S&P**), A2 / Stable by Moody's Investor Service Pty Ltd (**Moody's**) and A / Stable by Fitch Australia Pty Ltd (**Fitch**, and together with Moody's only, the **Rating Agencies**). The rating of certain Series or Tranches of Covered Bonds to be issued under the Programme will be specified in the applicable Final Terms (or, in the case of Exempt Covered Bonds, the applicable Pricing Supplement). Unless otherwise specified in the applicable Final Terms (or, in the case of Exempt Covered Bonds, the applicable Pricing Supplement), Moody's and Fitch will assign such ratings. Please also refer to "*Ratings of the Covered Bonds*" in the Risk Factors section of this Prospectus. 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.

Neither of the Rating Agencies nor S&P is established in the European Union and neither of the Rating Agencies nor S&P is registered in accordance with Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). However, Commission Implementing Decision 2012/627/EU provides that the Australian legal and supervisory framework for credit rating agencies shall be considered as equivalent to the requirements of the CRA Regulation and each of Standard & Poor's Credit Market Services Europe Limited, Moody's Investors Service Ltd. and Fitch Ratings Ltd. which are established in the European Union and registered under the CRA Regulation (and, as such are included in the list of credit rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with such CRA Regulation) currently endorse the credit ratings of S&P, Moody's and Fitch, respectively, for regulatory purposes in the European Union. There can be no assurance that such endorsement of the credit ratings of S&P, Moody's and Fitch will continue.

**NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED THAT THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.**

### Arrangers for the Programme

Barclays

HSBC

### Dealers for the Programme

Barclays

HSBC

Macquarie Bank Limited

Macquarie Bank International Limited

The date of this Prospectus is 15 June 2015.

## 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, and (as completed by the applicable Final Terms in relation to a Tranche (as defined below) of Covered Bonds) apply to each A\$ Registered Covered Bond, each Global Covered Bond (as defined below) and each Definitive Covered Bond. In the case of Definitive Covered Bonds only, the Conditions will apply 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 final terms for this Covered Bond (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Covered Bond which supplement these Conditions or, if this Covered Bond is a Covered Bond which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive (an **Exempt Covered Bond**), the final terms (or the relevant provisions thereof) are set out in Part A of the applicable Pricing Supplement and may specify other terms and conditions which shall, 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, unless otherwise stated, to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Covered Bond. Any reference in the Conditions to applicable Final Terms shall be deemed to include a reference to **applicable Pricing Supplement** where relevant. The applicable Pricing Supplement (or the relevant provisions thereof) will be entered into the A\$ Register in respect of each A\$ Registered Covered Bond. 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 of the European Economic Area and includes any relevant implementing measure in the relevant Member State and the expression **2010 PD Amending Directive** means Directive 2010/73/EU. This Covered Bond is one of a Series (as defined below) of Covered Bonds issued by Macquarie Bank Limited, acting through its head office in Sydney or a branch outside 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 on or about 10 June 2015 (the **Programme Date**) made between the Issuer, Perpetual Limited ABN 86 000 431 827 as trustee of the MBL Covered Bond Trust (the **Trust**) (and in such capacity, the **Covered Bond Guarantor**), Macquarie Securitisation Limited ABN 16 003 297 336 as trust manager (the **Trust Manager**) and DB Trustees (Hong Kong) 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 (a **Global Covered Bond**) in bearer form (a **Global Bearer Covered Bond**) or any Registered Global Covered Bond (as defined below), 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** and, together with the Global Bearer Covered Bonds, the **Bearer Covered Bonds**) issued in exchange for a Global Covered Bond in bearer form; and
- (d) any Definitive Covered Bonds in registered form (**Registered Definitive Covered Bonds**) and, together with the Registered Global Covered Bonds (as defined below), the **Registered Covered Bonds** (whether or not issued in exchange for a Global Covered Bond in registered form); and
- (e) any A\$ Registered Covered Bonds.

The Covered Bonds (other than the A\$ Registered 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, Hong Kong 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, Hong Kong Branch as exchange agent (in such capacity, the **Exchange Agent**, which expression includes any additional or successor exchange agent).

A\$ Registered Covered Bonds also have the benefit of The ASX Austraclear Registry and IPA Services Agreement (such agreement as amended and/or supplemented and/or restated from time to time, the **A\$ Registry Agreement** and, together with the Principal Agency Agreement, the **Agency Agreements**) 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**). 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.

As used in these Conditions, **Agents** will mean each Paying Agent, each Exchange Agent, each Transfer Agent and each Registrar, **Principal Paying Agent** will mean, in relation to a Tranche or Series of Regulation S Covered Bonds, the Principal Paying Agent (as defined above), in relation to a Tranche or Series of Rule 144A Covered Bonds, the U.S. Paying Agent or, in each case, such other paying agent as the applicable Final Terms for that Tranche or Series may specify, **Registrar** will mean, in relation to a Tranche or Series of A\$ Registered Covered Bonds, the A\$ Registrar, in relation to a Tranche or Series of Rule 144A Covered Bonds, the U.S. Registrar, in relation to a Tranche or Series of Regulation S Covered Bonds, the Registrar (as defined above), or, in each case, such other registrar as the applicable Final Terms for that Tranche or Series may specify, **Transfer Agent** will mean, in relation to a Tranche or Series of Regulation S Covered Bonds, the Transfer Agent (as defined above), in relation to a Tranche or Series of Rule 144A Covered Bonds, the U.S. Transfer Agent or, in each case, such other transfer agent as the applicable Final Terms for that Tranche or Series may specify, **Exchange Agent** will mean, in relation to a Tranche or Series of Covered Bonds, the Exchange Agent (as defined above) or such other exchange agent as the applicable Final Terms for that Tranche or Series may specify and **Calculation Agent** will mean, in relation to a Tranche or Series of A\$ Registered Covered Bonds, the Calculation Agent as the applicable 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 Registered Global Covered Bonds and/or Registered Definitive Covered Bonds as the case may be) and Global Covered Bonds and A\$ Registered 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 a 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 52/F, International Commerce Centre, 1 Austin Road West, Kowloon, Kong Hong and at the specified offices of each of the Principal Paying Agent, the EU Paying Agent and 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 Registrars and the Transfer Agents. If the Covered Bonds are to be admitted to trading on the regulated market of the London Stock Exchange the applicable Final Terms will be published on the website of the London Stock Exchange through a regulatory information service. If this Covered Bond is an Exempt Covered Bond, the applicable Pricing Supplement 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 relevant Registrar or relevant 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 (or, in the case of Exempt Covered Bonds, the applicable Pricing Supplement) 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 MBL 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, Registered 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 or A\$ Registered Covered Bonds and vice versa.

This Covered Bond may be a Fixed Rate Covered Bond, a Floating Rate Covered Bond, a Zero Coupon Covered Bond or a combination of any of the foregoing 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 unless it is a Zero Coupon Covered Bond in which case references to interest (other than in relation to interest due after the Final Maturity Date) and Coupons or Talons in these Conditions are not applicable.

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 and title to the A\$ Registered Covered Bonds will pass upon registration of transfers in accordance with these Conditions. 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 or 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 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 deposited with a common depository or common safekeeper, as the case may be, for Euroclear Bank S.A./N.V. (**Euroclear**) and/or Clearstream Banking, *société anonyme* (**Clearstream, Luxembourg**), or so long as a common depository or common safekeeper, as the case may be, for Euroclear or Clearstream, Luxembourg or The Depository Trust Company (**DTC**) or its nominee is the registered holder of a Registered Global Covered Bond, each person (other than Euroclear, Clearstream, Luxembourg or DTC) who is for the time being shown in the records of Euroclear, Clearstream, Luxembourg or DTC as the holder of a particular nominal amount of such Covered Bonds (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg or DTC 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, and, in the case of DTC or its nominee, voting, giving consents and making requests, for which purpose the bearer of the relevant Global Covered Bond or the registered holder of the relevant Registered Global Covered Bond will be treated by the Issuer, the Covered Bond Guarantor, any Paying Agent, the Security Trustee and the Bond Trustee as the holder of 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 DTC or Euroclear and Clearstream, Luxembourg, as the case may be.

For so long as any of the A\$ Registered Covered Bonds are lodged in the clearance and settlement system operated by Austraclear Ltd ABN 94 002 060 773 (**Austraclear** and such system being the **Austraclear System**) in accordance with the regulations and procedures established by Austraclear to govern the use of the Austraclear System (such regulations and procedures being 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 Bonds (in which regard any certificate or other document issued by the Austraclear System 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 or the A\$ Registrar in accordance with its usual procedures and in which the holder 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 Security Trustee 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 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 the Austraclear System, 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) the holder of the A\$ Registered Covered Bond does not rely on any fact, matter or circumstance contrary to paragraph (i).

For so long as the Covered Bonds are represented by a Global Covered Bond and the relevant clearing systems so permit, the Covered Bonds will be tradeable only in the minimum authorised denomination of €100,000 and higher integral multiples of €1,000, notwithstanding that no definitive Covered Bonds will be issued with a denomination above €199,000.

References to DTC, the Austraclear System, 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 Part B of the applicable Final Terms or as may otherwise be approved by the Issuer, the Bond Trustee and, other than in respect of any A\$ Registered Covered Bonds, the relevant Principal 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 beneficial transferors and transferees of such interests. The laws in some States within the United States 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, 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. A beneficial interest in a Registered 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 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 a nominee for DTC 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**

Subject as provided in Conditions 2.6, 2.7 and 2.8 below, upon the terms and subject to the conditions set out in the Principal Agency Agreement, a Registered Definitive Covered Bond may be transferred in whole or in part (in the authorised denominations set out in the applicable Final Terms). In order to effect any such transfer: (i) the holder or holders must: (A) surrender the Registered Covered Bond for registration of the transfer of the Registered Covered Bond (or the relevant part of the Registered Covered Bond) at the specified office of the relevant Registrar or the relevant Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing; and (B) complete and deposit such other certifications as may be required by the relevant Registrar or, as the case may be, the relevant Transfer Agent; and (ii) the relevant Registrar or, as the case may be, the relevant Transfer Agent must be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the relevant Registrar may from time to time prescribe (the initial such regulations being set out in schedule 4 to the Principal Agency Agreement). Subject as

provided above, the relevant Registrar or, as the case may be, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the relevant Registrar or, as the case may be, the relevant Transfer Agent is located) of receipt of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request in writing, a new 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 authenticated and delivered or (at the risk of the transferor) sent by uninsured mail to the address specified in writing by the transferor.

### **2.3 Transfers of A\$ Registered Covered Bonds**

Title to the A\$ Registered Covered Bonds passes when details of the transfer are entered in the A\$ Register. The A\$ Register will be closed for the purpose of determining entitlements to payments of interest and principal at 5.00 p.m. in the place where the A\$ Register is kept on the eighth calendar day before the relevant date for payment, or such other date specified in or determined in accordance with the applicable Final Terms for that purpose (the **A\$ Record Date**).

A\$ Registered Covered Bonds may be transferred in whole but not in part. Application for the transfer of A\$ Registered Covered Bonds not entered into the Austraclear System or any alternative clearing system must be made by the lodgement of a transfer form with the A\$ Registrar at its specified office. Each transfer form must be duly completed, accompanied by any evidence the A\$ Registrar may require to establish that the transfer form has been duly executed and signed by the transferor and the transferee.

If a Covered Bondholder transfers some but not all of the A\$ Registered Covered Bonds it holds and the transfer form does not identify the specific Covered Bonds transferred, the A\$ Registrar may choose which A\$ Registered Covered Bonds registered in the name of the Covered Bondholder have been transferred. However, the Principal Amount Outstanding of the A\$ Registered Covered Bonds registered as transferred must equal the Principal Amount Outstanding of the A\$ Registered Covered Bonds expressed to be transferred in the transfer form.

For so long as any of the A\$ Registered Covered Bonds are lodged in the Austraclear System, beneficial interests in A\$ Registered Covered Bonds will be transferable only in accordance with the Austraclear Regulations.

### **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:

- (i) register the transfer of any Registered Covered Bond or A\$ Registered Covered Bond, or part of a Registered Covered Bond or an A\$ Registered Covered Bond, called for partial redemption; or
- (ii) exchange any Bearer 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 by regular uninsured mail and except that the Issuer, the A\$ Registrar, 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.

## **2.6 Transfers of interests in Regulation S Global Covered Bonds in the United States or to U.S. persons**

Prior to expiry of the applicable Distribution Compliance Period, transfers by the holder of, or of a beneficial interest in, a Regulation S Global Covered Bond to a transferee in the United States or who is a U.S. person will only be made (i) upon receipt by the relevant Registrar or the relevant Transfer Agent of a written certification substantially in the form set out in the Principal Agency Agreement, amended as appropriate (a **Transfer Certificate**), copies of which are available from the specified office of the relevant Registrar or relevant Transfer Agent, from the transferor of the Covered Bond or beneficial interest therein 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; or (ii) otherwise pursuant to the Securities Act or an exemption therefrom, 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 any applicable securities laws of any State of the United States and, in each case, in accordance with any applicable securities laws of any State of the United States or any other applicable jurisdiction.

In the circumstances set out in this Condition 2.6, such transferee may take delivery through a Rule 144A Covered Bond in global or definitive form.

Prior to the end of the applicable Distribution Compliance Period beneficial interests in Regulation S Global 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 a nominee for DTC 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.

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

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

- (i) to a transferee who takes delivery of such interest through a Regulation S Global Covered Bond, upon receipt by the relevant Registrar or the relevant Transfer Agent of a duly completed Transfer Certificate from the transferor to the effect that such transfer is being made in accordance with Regulation S 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
- (ii) 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

- (iii) otherwise pursuant to the Securities Act or an exemption therefrom, 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 any applicable securities laws of any State of the United States,

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

Upon the transfer, exchange or replacement of Rule 144A Covered Bonds, or upon specific request for removal of the legend therein, the relevant Registrar or the Transfer Agent will deliver only Rule 144A Covered Bonds or refuse to remove the legend therein, 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.

## **2.8 Principal Paying Agent, Paying Agents, Registrar, Transfer Agent and Exchange Agent**

The names of the initial Registrars 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 Registrars or any other Transfer Agents 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 (i) 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 or (ii) U.S. Registrar, is in New York or such other place as may be required by a stock exchange on which 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.

In the event of the appointed A\$ Registrar being unable or unwilling to continue to act as the A\$ Registrar, or failing duly to comply with the A\$ Registry Agreement, the Issuer will appoint such other registrar and/or paying agent as may be approved by the Bond Trustee to act as such in its place. The A\$ Registrar may not resign its duties or be removed from office without a successor having been appointed as stated above.

The names of the initial Principal Paying Agents 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:

- (a) it will at all times maintain a Principal Paying Agent, a Registrar and, so long as any A\$ Registered Covered Bonds are outstanding, an A\$ Registrar;
- (b) for so long as any Covered Bonds 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;

- (c) 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;
- (d) for so long as any Registered Global Covered Bonds payable in a Specified Currency other than U.S. dollars are held through DTC or its nominee, there will be an Exchange Agent; and
- (e) for so long as any Exempt Covered Bonds are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent (in the case of Bearer Covered Bonds) and a Transfer Agent (in the case of Registered Covered Bonds) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or as the case may be, other relevant authority.

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 or the U.S. Paying Agent will take effect, except in the case of insolvency as aforesaid, until a new Principal Paying Agent and/or 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.

## **2.9 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 Registered 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 the period that ends 40 days after the completion of the distribution of the relevant Tranche of Covered Bonds, as certified by the relevant Dealer (in the case of a non-syndicated issue) or the relevant Lead Manager (in the case of a syndicated issue).

**QIB** means a "qualified institutional buyer" within the meaning of Rule 144A.

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

**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.

**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.

**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 Issuer is an authorised deposit-taking institution (**ADI**) as that term is defined under the Banking Act 1959 of the Commonwealth of Australia (**Australian Banking Act**). The Australian Banking Act provides that, in the event an ADI becomes unable to meet its obligations or suspends payment, the ADI's assets in Australia are available to meet specified liabilities of the ADI in priority to all other liabilities of the ADI (including the Covered Bonds). These specified liabilities include certain obligations of the ADI to the Australian Prudential Regulatory Authority (**APRA**) in respect of amounts payable by APRA to holders of protected accounts, other liabilities of the ADI in Australia in relation to protected accounts, debts to the Reserve Bank of Australia and certain other debts to APRA. The Covered Bonds of this Series do not constitute a protected account of, or a deposit with, the Issuer. Changes to applicable law may extend the liabilities required to be preferred by law.

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 on the Covered Bond Guarantor and the Issuer. 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 on its Principal Amount Outstanding 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 (both before and after 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 relevant Principal Paying Agent or, in the case of A\$ Registered Covered Bonds, 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.

- (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; or
  - (iii) in the case of Fixed Rate Covered Bonds which are A\$ Registered 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 4.4.

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 (both before and after 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 relevant Principal Paying Agent, or in respect of A\$ Registered Covered Bonds, the Calculation Agent, or any other person specified in the applicable Final Terms under an interest rate swap transaction if the relevant Principal Paying Agent or, in respect of the A\$ Registered Covered Bonds, 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. **Euro-zone** means the region comprised of member states of the European Union that adopt a single currency in accordance with the Treaty on European Union.

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 relevant Principal Paying Agent or, in the case of A\$ Registered Covered Bonds, the Calculation Agent, or such other person specified in the applicable Final Terms in accordance with this Condition 4.2(d); and
- (ii) the relevant Principal Paying Agent or, in the case of A\$ Registered Covered Bonds, the Calculation Agent or such other person specified in the applicable Final Terms will be deemed to have discharged its obligations under Condition 4.2(g) 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).

Unless otherwise stated in the applicable Final Terms, the Minimum Rate of Interest will be deemed to be zero.

(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 or, in the case of A\$ Registered Covered Bonds only, rounded if necessary to the fourth decimal place, with 0.00005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at the Relevant Time in the Relevant Financial Centre 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 relevant Principal Paying Agent, 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 relevant Principal Paying Agent or the Calculation 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.

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.

(f) *Bank Bill Rate Determination*

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 4.2(f), **Bank Bill Rate** means the rate expressed as a percentage per annum determined by the Australian

Financial Markets Association (**AFMA**) and published at approximately 10.15 a.m. Sydney time on the first day of that Interest Period on the Thompson Reuters screen page "BBSW" having a tenor equal to that Interest Period. If the relevant rate is not published on the Thompson Reuters screen page at that time, then the Bank Bill Rate means the rate expressed as a percentage per annum determined by AFMA and published at approximately 10.15 a.m. Sydney time on that day on the Bloomberg LLP screen page "AFMB" having a tenor equal to that specified term. If a rate cannot be determined in accordance with the foregoing procedures, then the Bank Bill Rate means such rate as is specified by the Calculation Agent at or around that time on that day, having regard, to the extent possible, to comparable indices then available.

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

The relevant Principal Paying Agent or, in the case of Floating Rate Covered Bonds which are A\$ Registered Covered Bonds, 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:

- (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; or
- (iii) in the case of Floating Rate Covered Bonds which are A\$ Registered 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 relevant Principal Paying Agent, the Calculation Agent or other person specified in the applicable Final Terms will (in the absence of manifest error) be final and binding upon all parties.

(h) *Maximum Rate of Interest and/or Minimum 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 such Interest Period determined in accordance with the preceding provisions of this Condition 4.2 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 such Interest Period determined in accordance with the provisions preceding provisions of this Condition 4.2 is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period will be such Maximum Rate of Interest.

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

The relevant Principal Paying Agent or, in the case of Floating Rate Covered Bonds which are A\$ Registered Covered Bonds, 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 4.2 by the relevant Principal Paying Agent, the Calculation 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 relevant Principal Paying Agent, the Calculation 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 relevant Principal Paying Agent or the Calculation Agent in connection with the exercise or non-exercise by them of their powers, duties and discretions under this Condition 4.2.

In this Condition 4.2:

**Business Day** has the meaning given to it in Condition 4.4.

**Interest Determination Date** shall mean the date specified as such in the applicable Final Terms or if none is so specified:

- (a) if the Reference Rate is LIBOR (other than Sterling or Euro LIBOR), the second London business day prior to the start of each Interest Period;
- (b) if the Reference Rate is Sterling LIBOR, the first day of each Interest Period;
- (c) if the Reference Rate is Euro LIBOR or EURIBOR, the second day on which the TARGET2 system is open prior the start of each Interest Period;

- (d) if the Reference Rate is the Australian Bank Bill Swap Rate (**BBSW**), the first date of each Interest Period;
- (e) if the Reference Rate is the New Zealand Bank Bill reference rate interbank offered rate (**BKBM**), the first day of each Interest Period;
- (f) if the Reference Rate is the Hong Kong interbank offered rate (**HIBOR**), the first day of each Interest Period;
- (g) if the Reference Rate is the Toronto interbank offered rate (**BA-CDOR**), the first day of each Interest Period; and
- (h) if the Reference Rate is the Singapore interbank offered rate (**SIBOR**), the second Singapore business day prior to the start of each Interest Period.

**Reference Rate** shall mean (a) LIBOR, (b) EURIBOR, (c) BBSW, (d) BKBM, (e) HIBOR, (f) BA-CDOR or (g) SIBOR, in each case for the relevant period, each as set out in the applicable Final Terms.

**Relevant Financial Centre** shall mean (a) London, in the case of a determination of LIBOR, (b) Brussels in the case of a determination of EURIBOR, (c) Sydney, in the case of a determination of BBSW, (d) Auckland and Wellington, in the case of a determination of BKBM, (e) Hong Kong, in the case of a determination of HIBOR, (f) Toronto, in the case of a determination of BA-CDOR and (g) Singapore, in the case of a determination of SIBOR, each as specified in the applicable Final Terms.

**Relevant Screen Page** has the meaning set out in the applicable Final Terms.

**Relevant Time** shall mean (a) in the case of LIBOR, 11.00 a.m., (b) in the case of EURIBOR, 11.00 a.m., (c) in the case of BBSW, 10.30 a.m., (d) in the case of BKBM, 10.45 a.m., (e) in the case of HIBOR, 11.00 a.m., (f) in the case of BA-CDOR, 10.00 a.m., and (g) in the case of SIBOR, 11.00 a.m., each as specified in the applicable Final Terms.

### 4.3 Interest on Fixed/Floating Rate Covered Bonds

If Fixed/Floating Rate Interest Basis is specified as being applicable in the applicable Final Terms, each Covered Bond bears interest from (and including) the Interest Commencement Date (which unless otherwise specified in the applicable Final Terms shall be the Issue Date) at the applicable rates of interest determined in accordance with this Condition 4.3, and such interest will be payable in arrear on the relevant Interest Payment Date (as defined below).

If Fixed/Floating Rate Interest Basis is specified as being applicable in the applicable Final Terms, the basis upon which interest accrues (and on which the rate of interest shall be determined) will (unless the Covered Bonds are redeemed or purchased and cancelled prior to the Interest Basis Conversion Date) change from one interest basis (the **First Interest Basis**) to another (the **Second Interest Basis**).

The First Interest Basis shall apply to any Interest Period in the First Interest Basis Period and the Second Interest Basis shall apply to any Interest Period in the Second Interest Basis Period.

The rate of interest for any Interest Period, and the amount of interest payable on each Interest Payment Date in respect of such Interest Period, shall be determined by the relevant Principal Paying Agent or (if specified in the applicable Final Terms) the Calculation Agent, as applicable, in accordance with (i) if the relevant Interest Basis is specified in the applicable Final Terms to be Fixed Rate, Condition 4.1 or (ii) if the relevant Interest Basis is specified in the applicable Final Terms to be Floating Rate, Condition 4.2. If an Interest Basis for an Interest Basis Period is specified in the applicable Final Terms

as being Floating Rate, the notification requirements of Condition 4.2(i) shall apply in respect of each Interest Period falling within such Interest Basis Period.

If the Second Interest Basis is specified to be Floating Rate in the applicable Final Terms and the Interest Basis Conversion Date is not a Business Day for the purposes of determining the Rate of Interest in accordance with Condition 4.2(g), the Interest Determination Date for the Interest Period immediately following the Interest Basis Conversion Date shall be the Business Day immediately preceding the Interest Basis Conversion Date.

In this Condition 4.3:

**First Interest Basis Period** means the period from (and including) the Interest Commencement Date to (but excluding) the Interest Basis Conversion Date.

**Interest Basis** means the First Interest Basis or the Second Interest Basis, as applicable.

**Interest Basis Conversion Date** shall have the meaning specified in the applicable Final Terms.

**Interest Basis Period** means the First Interest Basis Period or the Second Interest Basis Period, as applicable.

**Interest Payment Date(s)** means, in relation to each Interest Basis:

- (a) the Interest Payment Date(s) in each year specified in the applicable Final Terms; or
- (b) if no express Interest Payment Date(s) is/are specified in the applicable Final Terms, each date which falls the number of months or other period specified as the Interest Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date that falls within the First Interest Basis Period, after the Interest Commencement Date.

**Second Interest Basis Period** means the period from (and including) the Interest Basis Conversion Date to (but excluding) the Maturity Date.

#### **4.4 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/365 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 applicable 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;

**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

- (viii) if “Australian Bond Basis” is specified in the applicable 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 4.4:

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

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

- (i) in the case of Definitive Covered Bonds, the relevant place of presentation;
  - (ii) in the case of Regulation S Covered Bonds, London;
  - (iii) in the case of Rule 144A Covered Bonds, New York City;
  - (iv) in the case of A\$ Registered Covered Bonds, Sydney; and
  - (v) if any Relevant Financial Centre(s) is specified in the applicable Final Terms, in such Relevant Financial Centre(s);
- (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 Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (**TARGET2**) 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.

#### **4.5 Zero Coupon Covered Bonds**

If the amount due and payable in respect of a Zero Coupon Covered Bond on the redemption date is not paid when due, the Interest Rate for any such overdue principal shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield as specified 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, or determined in the manner specified, in the applicable Final Terms).

Without prejudice to Condition 9, if an Extended Due for Payment Date is specified as applicable in the applicable 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 applicable 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 moneys 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 Bond Trustee, the relevant Principal Paying Agent or, in the case of A\$ Registered Covered Bonds, the A\$ Registrar as soon as reasonably practicable and in any event at least five 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 Bond Trustee, the relevant Principal Paying Agent or the A\$ Registrar (as the case may be) 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 relevant Principal Paying Agent and the relevant Registrar as soon as reasonably practicable and in any event at least four Business Days 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 Conditions 9.2(a)) and (b) the Extension Determination Date, under the Covered Bond Guarantee, apply the moneys (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 fourteen 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 5.7 (as applicable) below, together with (if provided in such paragraphs) interest accrued up to, but excluding, the date fixed for redemption, if on the occasion of the next payment due under the Covered Bonds, 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 Tax Jurisdiction, 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 effective 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 30 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) in the case of Redeemed Covered Bonds represented by Definitive Covered Bonds, individually by lot (without involving any part only of a Bearer Covered Bond);
- (ii) in the case of Redeemed Covered Bonds represented by a Global Covered Bond, in accordance with the rules of DTC, Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of DTC, 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 applicable Final Terms); and

- (iii) in the case of Redeemed Covered Bonds represented by A\$ Registered Covered Bonds, individually by lot,

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.

If this Covered Bond is a Definitive Covered Bond, to exercise the right to require redemption of this Covered Bond the holder of this Covered Bond must, deliver, at the specified office of any Paying Agent (in the case of Covered Bonds in bearer form) or the relevant Registrar (in the case of Covered Bonds in registered form) 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 relevant 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 a Definitive Covered Bond, 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 this Covered Bond is represented by a 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 relevant Principal 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 depositary or common safekeeper (as applicable) for them to the relevant Principal Paying Agent by electronic means) in a form acceptable to DTC, Euroclear or Clearstream, Luxembourg, as the case may be, from time to time.

If this Covered Bond is an A\$ Registered Covered Bond 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 6.8), 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 an A\$ Registered 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 relevant Principal Paying Agent, the relevant Registrar, the Calculation Agent, in the case of A\$ Registered Covered Bonds, 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 5.7 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 on an Optional Redemption Date and at an Optional Redemption Amount and in any Minimum Redemption Amount or Higher Redemption Amount indicated therein.

## **5.7 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 (a) in the case of Fixed Rate Covered Bonds, Floating Rate Covered Bonds or Fixed/Floating Rate Covered Bonds, the Final Redemption Amount or (b) in the case of Zero Coupon Covered Bonds, the Early Redemption Amount as determined in accordance with Condition 5.9 below, 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.

## **5.8 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, at the option of the Issuer or the relevant subsidiary, (i) surrendered to the relevant Registrar and/or to any relevant Paying Agent for cancellation or (ii) in the case of any A\$ Registered Covered Bonds, cancelled by the A\$ Registrar (except that any Covered Bonds purchased or otherwise acquired by the Covered Bond Guarantor must immediately be (i) surrendered to the relevant Registrar and/or to any relevant Paying Agent for cancellation or (ii) in the case of any A\$ Registered Covered Bonds, cancelled by the A\$ Registrar).

## **5.9 Zero Coupon Covered Bonds**

In the case of Zero Coupon Covered Bonds, the Early Redemption Amount will be an amount equal to the sum of the:

- (a) Reference Price (as specified in the applicable Final Terms); and
- (b) product of the Accrual Yield (as specified in the applicable Final Terms) (compounded annually) being applied to the Reference Price (as specified in the applicable Final Terms) from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Covered Bond becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, it shall be made on the basis of a 360-day year consisting of 12 months of 30 days each or such other Day Count Fraction as may be specified in the applicable Final Terms.

## **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 6 and Condition 8, will not include Talons), as the case may be, at any specified office of any relevant Paying Agent.
- (b) 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: (a) subject to (b) below, in respect of a Registered Covered Bond in global form, at the close of the business day (being for this purpose a day on which Euroclear, Clearstream, Luxembourg and DTC (if applicable) are open for business) prior to the relevant due date and (b)(i) in respect of a Registered Covered Bond held through DTC and represented by a Registered Global Covered Bond which is denominated in a Specified Currency other than U.S. dollars or (ii) in respect of a Registered Covered Bond in definitive form, at the close of business on the 15th day prior to the relevant due date (in either case, 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 6.2 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.

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 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 on the full payment or receipt of principal and interest in U.S. dollars 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 and, where applicable, the Covered Bond Guarantor.

### **6.5 Payments in respect of A\$ Registered Covered Bonds**

Payments of interest and principal in respect of A\$ Registered Covered Bonds will be made in accordance with the details recorded in the A\$ Register by 5.00 p.m. local time in the city in which the A\$ Registrar has its specified office on the A\$ Record Date. Where an A\$ Registered 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 p.m. local time in the city in which the A\$ Registrar has its specified office.

Payments in respect of the A\$ Registered Covered Bonds will be made:

- (a) where the A\$ Registered 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 A\$ Registered 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 p.m. local time in the city in which the A\$ Registrar has its specified office on the relevant A\$ Record Date, payments in respect of the relevant A\$ Registered 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 A\$ Register as at 5.00 p.m. local time in the city in which the A\$ Registrar has its specified office on the relevant A\$ Record Date. Cheques despatched to the nominated address of a Covered Bondholder in accordance with this Condition 6.5 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 in respect of any A\$ Registered Covered Bonds 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 A\$ Registered Covered Bonds or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

## **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, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 7) any law implementing an intergovernmental approach thereto.

## **6.7 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 unmatured 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 unmatured 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 unmatured 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.

## 6.8 Payments due on non-business days

If any date for payment of principal in respect of any A\$ Registered Covered Bond, 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 A\$ Registered Covered Bond or 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 6.8, **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 case of Definitive Covered Bonds, in the relevant place of presentation;
  - (ii) in the case of Regulation S Covered Bonds, London;
  - (iii) in the case of Rule 144A Covered Bonds, New York City;
  - (iv) in the case of A\$ Registered Covered Bonds, Sydney; and
  - (v) 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 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.

## **6.10 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 6.10) 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.

## **6.11 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 Zero Coupon Covered Bonds, the Amortisation Yield;
- (f) any premium and any other amounts (other than interest) which may be payable under or in respect of the Covered Bonds; and
- (g) 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 by the Issuer (in respect of principal, redemption amount or interest) in respect of the Covered Bonds or Coupons of this Series will be made free and clear of and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (**Taxes**), unless such withholding or deduction of such Taxes is required by law. In the event of any withholding or deduction for or on account of Taxes imposed or levied by or on behalf of a Tax Jurisdiction and which is required by law, the Issuer will pay such additional amounts as may be necessary in order that the net amounts received by the Covered Bondholders and Couponholders of this Series after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in respect of the Covered Bonds or, as the case may be, Coupons in the absence of such withholding or deduction, except that no additional amounts are payable in relation to any payment in respect of any Covered Bonds or Coupon:

- (a) presented for payment in the Tax Jurisdiction;
- (b) to, or to a third party on behalf of, a holder who is liable for such taxes or duties in respect of such Covered Bond or Coupon by reason of his having some connection with the Tax Jurisdiction other than the mere holding of such Covered Bond or Coupon;
- (c) to, or to a third party on behalf of, a Covered Bondholder who is liable to such Taxes in respect of such Covered Bond or Coupon by reason of his having some connection with Australia or the Australian Capital Territory or the country in which such branch is located other than the mere holding of such Covered Bond or Coupon or receipt of principal or interest in respect thereof or could have lawfully avoided (but has not so avoided) such liability by providing or procuring that any third party provides the Covered Bondholder's Tax File Number (**TFN**) and/or Australian Business Number (**ABN**) or evidence that the Covered Bondholder is not required to provide a TFN and/or ABN to the Issuer or, in the case of Covered Bonds issued by a branch of the Issuer located outside Australia, satisfies similar requirements or otherwise provides details of the Covered Bondholder's name and address to the Issuer;
- (d) to, or to a third party on behalf of, a Covered Bondholder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the Covered Bond or Coupon is presented for payment;
- (e) where the Covered Bond or Coupon is presented for payment more than 30 days after the Relevant Date except to the extent that a Covered Bondholder would have been entitled to an additional amount on presenting the same for payment on the last day of the period of 30 days assuming, whether or not such is in fact the case, that day to have been a Business Day;
- (f) to, or to a third party on behalf of, a Covered Bondholder who is liable to the Taxes in respect of the Covered Bond or Coupon by reason of the Covered Bondholder being an associate of the Issuer for the purposes of section 128F(9) of the Income Tax Assessment Act 1936 of Australia (as amended) (**Australian Tax Act**);
- (g) where the Covered Bond or Coupon is presented for payment, 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, such Directive;

- (h) where the Covered Bond or Coupon is presented for payment by or on behalf of a Covered Bondholder or Couponholder who would have been able to avoid such withholding or deduction by presenting the relevant Covered Bond or Coupon (as the case may be) to another Paying Agent in a Member State of the European Union;
- (i) where such withholding or deduction is 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, any regulations or agreements thereunder or any official interpretations thereof, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any IGA entered into in connection with the implementation of such sections of the Code; or
- (j) in such other circumstances as may be specified in the applicable Pricing Supplement.

**Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Bond Trustee, the relevant Principal Paying Agent or the A\$ Registrar on or before the due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Covered Bondholders in accordance with Condition 12.

**Tax Jurisdiction** means Australia or any political subdivision or any authority thereof or therein having power to tax and where the Issuer is a branch of Macquarie Bank Limited established or located outside Australia, the jurisdiction where such branch of Macquarie Bank Limited is established or located, or any political subdivision thereof or any authority therein having the power to tax in that jurisdiction.

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, to the Amortisation Yield and (iii) 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 (other than A\$ Registered 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 8 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), (d) or (h) , 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) the Issuer fails to pay any principal or interest in respect of any Covered Bonds within 14 days of the relevant due date; or
- (b) the Issuer defaults in performance or observance of or compliance with any of its other obligations or any other provision under the Covered Bonds and the Programme Documents (except in respect of the Regulation S Programme Agreement, the U.S. Distribution Agreement, any Subscription Agreement or any Terms Agreement and any obligation to comply with the Asset Coverage Test) which default is incapable of remedy or, if capable of remedy, is not remedied within 21 Business Days after notice requiring such default to be remedied shall have been given to the Issuer by the Bond Trustee; or
- (c) it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under the Covered Bonds or the Programme Documents; or
- (d) an application (other than a frivolous or vexatious application or an application which is discharged or stayed within 21 Business Days) or an order is made for the winding-up of the Issuer or a resolution is passed for the winding-up of the Issuer other than for the purposes of a solvent reconstruction or amalgamation; or
- (e) a receiver, receiver and manager, administrator, liquidator, official manager, trustee or similar officer is appointed in respect of all or any part of the assets of the Issuer and such appointment is not terminated within 21 Business Days; or
- (f) the Issuer ceases or threatens to cease to carry on its business or ceases or threatens to cease payment of its debts generally; or
- (g) the Issuer is unable to pay its debts when they fall due or is deemed unable to pay its debts under any applicable legislation (other than as the result of a failure to pay a debt or claim which is the subject of a good faith dispute); or

- (h) the Issuer makes or enters into (i) a readjustment or rescheduling of its indebtedness with creditors generally or (ii) an assignment for the benefit of, or an arrangement or composition with, its creditors generally, in each case, other than for the purposes of a reconstruction, amalgamation, reorganisation or merger where the Issuer is solvent; or
- (i) 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
- (j) 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 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 the:
  - (A) date that is 10 Local Business Days from the date that the Issuer is notified of that breach; and
  - (B) 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 moneys 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 moneys 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) if 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 Regulation S Programme Agreement, the U.S Distribution Agreement, 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 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 and/or prefunded 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 Security Trustee reasonably believes that it is in the best interests of the Covered Bondholders or, if there are no Covered Bonds outstanding, the Secured Creditors that it does so.

In the event that the Bond Trustee is (i) requested in writing 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) of this paragraph only, in its absolute discretion subject to and in accordance with these presents or, in relation to both (i) and (ii) of this paragraph 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 or supervise 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, other than in relation to A\$ Registered Covered Bonds, the relevant 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 50 per cent. 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 in the aggregate more than 50 per cent. in 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 reasonable 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 Condition 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, waiver, authorisation or determination 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) accommodate the accession of Macquarie Bank Limited as a new Seller to the Programme provided that: (i) 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 Macquarie Bank Limited as a new Seller to the Programme; and (ii) the Trust Manager has certified to the Security Trustee and the Bond Trustee in writing that all other conditions precedent to the accession of Macquarie Bank Limited as a new Seller to the Programme set out in the Programme Documents have been satisfied at the time of the accession; (c) accommodate the removal of any one of the Rating Agencies from the Programme or the addition of any Rating Agency, provided that (i) at all times, there are at least two rating agencies rating the Programme and any Covered Bonds then outstanding and (ii) in respect of the removal of any one of the Rating Agencies from the Programme only (x) the Issuer has provided at least 30 calendar days'

notice to the Covered Bondholders of the proposed modification effecting the removal in the manner provided in Condition 12 and by publication on Bloomberg on the “Company News” screen relating to the Covered Bonds; and (y) Covered Bondholders holding, in aggregate, at least 10 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 the nominal amount of the Covered Bonds is not denominated in Australian Dollars, converted into Australian Dollars at the relevant Swap Rate) have not notified the Bond Trustee in writing (or otherwise in accordance with the then current practice of any relevant Clearing System through which such Covered Bonds may be held) within the notification period referred to in paragraph (c)(ii)(x) above that such Covered Bondholders do not consent to the proposed modification effecting the removal; (d) permit the acquisition (which, without limitation, may be initially in equity only) by the Covered Bond Guarantor from the Seller of Mortgage Loan Rights originated by an entity other than the Seller and to enable the Covered Bond Guarantor to protect or perfect its title to such Mortgage Loan Rights, provided that such Mortgage Loan Rights comply with the Eligibility Criteria at the time of their acquisition by the Covered Bond Guarantor and the Issuer is reasonably satisfied following discussions with the Rating Agencies that the ratings then assigned by the Rating Agencies to any Covered Bonds or the Programme will not be subject to a downgrade, withdrawal or qualification; (e) 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; (f) 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; (g) enable N Covered Bonds to be issued under the Programme subject to receipt by the Bond Trustee and the Security Trustee of: (i) a certificate signed by two Authorised Officers of the Issuer; and (ii) a certificate signed by an Authorised Officer of the Trust Manager, each certifying to the Bond Trustee and the Security Trustee that the requested amendments: (x) are to be made solely for the purpose of the issuance of N Covered Bonds; and (y) are not, in the opinion of the Issuer or the Trust Manager, materially prejudicial to the interests of any Covered Bondholders or any other Secured Creditor; or (h) ensure compliance of the Programme or the Issuer, as applicable, with, or ensure that the Issuer may benefit from (including if a Regulatory Event has occurred or was likely to occur), 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.

In the case of a modification falling within paragraph (c)(ii) above, if Covered Bondholders holding, in aggregate, at least 10 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 the nominal amount of the Covered Bonds is not denominated in Australian Dollars, converted into Australian Dollars at the relevant Swap Rate) have notified the Bond Trustee in writing (or otherwise in accordance with the then current practice of any relevant Clearing System through which such Covered Bonds may be held) within the notification period referred to in paragraph (c)(ii)(x) above that they do not consent to the proposed modification effecting the removal (an **Objected Modification**), then such Objected Modification will not be made unless the foregoing provisions of this Condition 10.2 are satisfied with respect to such Objected Modification. Objections made in writing other than through the relevant Clearing System must be accompanied by evidence to the Bond Trustee’s satisfaction (having regard to prevailing market practices) of the relevant Covered Bondholder’s holding of the Covered Bonds

### 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 in writing 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) Conditions 5.2 and 7 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) without prejudice to item (i) of the definition of Series Reserved Matter (as set out in Condition 10.4), the Covered Bond Guarantee remaining in place or being modified to apply *mutatis mutandis* and continuing in full force and effect in relation to the obligations of any Substituted Debtor;
- (x) written 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
- (xi) the Issuer and the Substituted Debtor, 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 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 10.3) 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 each Rating Agency of the action or step and that the Trust Manager is satisfied, following discussions with each Rating Agency, that the action or step, as applicable, will not result in a reduction, qualification or withdrawal of the ratings then assigned by that Rating Agency and that 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 of this Condition 10.4 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.

**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 Rate of Interest and/or a Maximum Rate of Interest, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount is set out in the applicable 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, (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 applicable 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 (other than any A\$ Registered 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 Hong Kong (in the case of Bearer Covered Bonds, Coupons or Talons) or the specified office of the relevant 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 (other than

A\$ Registered 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 relevant 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 in its discretion 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.

All notices regarding the A\$ Registered Covered Bonds will be deemed to be validly given if sent by pre-paid post or (if posted to an address overseas) by airmail to, or left at the address of, the holders (or the first named of joint holders) at their respective addresses recorded in the A\$ Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any A\$ 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. For so long as the A\$ Registered Covered Bonds are lodged in the Austraclear System there may be substituted for such, publication in the *Australian Financial Review* or *The Australian* or mailing the delivery of the relevant notice to Austraclear for communication by it to the holders of beneficial interests in the A\$ Registered Covered Bonds and, in addition, for so long as any A\$ Registered 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 holders of beneficial interests in the A\$ Registered Covered Bonds on the day on which the said notice was given to Austraclear.

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 DTC, Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) or such mailing the delivery of the relevant notice to DTC, 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 DTC, 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 applicable 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 relevant Principal Paying Agent or the relevant Registrar through DTC, Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the relevant Principal Paying Agent, the relevant Registrar, DTC, Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose. Notices to be given by any Covered Bondholder in respect of A\$ Registered Covered Bonds to the Issuer will be in writing and must be (i) sent by pre-paid post or (if posted to an address overseas) by airmail to; or (ii) left at the address of, the Issuer and will be deemed to have been given on the fourth day after mailing or on the day of delivery, respectively.

### **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 Secured 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) monitoring or 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 neither of them has any 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 are deemed to 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 Secured 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 Secured 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 Secured 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 are deemed to 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 (other than the A\$ Registered 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 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). The A\$ Registry 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 unless specifically stated to the contrary.

## **18. JURISDICTION**

- 18.1 Each of the Covered Bond Guarantor and the Issuer agrees for the benefit of the holders of Covered Bonds that the courts of England shall have jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with such Covered Bonds and all matters connected with the Covered Bonds, Receipts, Coupons and Talons (respectively, **Proceedings** and **Disputes**) and, for such purposes, irrevocably submits to the jurisdiction of such courts.
- 18.2 Each of the Covered Bond Guarantor and the Issuer irrevocably waives any objection which it might now or hereafter have to the courts of England being nominated as the forum to hear and determine any Proceedings and to settle any Disputes, and agrees not to claim that any such court is not a convenient or appropriate forum.
- 18.3 The Issuer agrees for the benefit of the holders of A\$ Registered Covered Bonds, that the courts of New South Wales, Australia shall have jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with such A\$ Registered Covered Bonds and all matters connected with such A\$ Registered Covered Bonds (respectively, **Proceedings** and **Disputes**) and, for such purposes, irrevocably submits to the jurisdiction of such courts.
- 18.4 For the purposes of Condition 18.3, the Issuer irrevocably waives any objection which it might now or hereafter have to the courts of the State of New South Wales, Australia being nominated as the forum to hear and determine any Proceedings and to settle any Disputes, and agrees not to claim that any such court is not a convenient or appropriate forum.

**19. SERVICE OF PROCESS**

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 Group Treasury Division of the Issuer being at the date hereof at Ropemaker Place, 28 Ropemaker Street, London EC2Y 9HD, United Kingdom;
- (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.