

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

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

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

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

Name of entity

Australia and New Zealand Banking Group Limited (ANZ)

ABN

11 005 357 522

We (the entity) give ASX the following information.

Part 1 - All issues

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

1	+Class of +securities issued or to be issued	Covered Bonds
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	US\$1,500,000,000 Fixed Rate Global Covered Bonds due October 2015 ("Series 2012-8") US\$750,000,000 Floating Rate Global Covered Bonds due October 2015 ("Series 2012-9")
3	Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)	See the Offering Memorandum of ANZ dated 9 May 2012 in respect of ANZ's US\$20,000,000,000 Global Covered Bond Program and the Final Terms (Series 2012-8 and Series 2012-9, respectively) dated 4 September 2012 for the securities.

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

- 4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

N/A - new class of securities.

+ See chapter 19 for defined terms.

5 Issue price or consideration	Series 2012-8 (Fixed Rate) Issue price: 99.798% of the Aggregate Nominal Amount of the securities. Interest basis: 1. 1.00 per cent per annum payable semi-annually in arrears from and including the Interest Commencement Date to but excluding the Final Maturity Date. 2. If applicable (as to which see Item 15 of the Final Terms for Series 2012-8), 1-month USD LIBOR plus 0.709 per cent per annum payable on each Interest Payment Date from and including the Final Maturity Date to but excluding the earlier of (i) the date on which the Covered Bonds are redeemed in full or (ii) the Extended Due for Payment Date. Series 2012-9 (Floating Rate) Issue price: 100% of the Aggregate Nominal Amount of the securities. Interest basis: 1. 3-month USD LIBOR plus 0.61 per cent per annum payable on each Interest Payment Date from and including the Interest Commencement Date to but excluding the Final Maturity Date. 2. If applicable (as to which see Item 15 of the Final Terms for Series 2012-9), 1-month USD LIBOR plus 0.709 per cent per annum payable on each Interest Payment Date from and including the Final Maturity Date to but excluding the earlier of (i) the date on which the Covered Bonds are redeemed in full or (ii) the Extended Due for Payment Date.
6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	General corporate purposes.

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

6a	Is the entity an *eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h in relation to the *securities the subject of this Appendix 3B, and comply with section 6i	No
6b	The date the security holder resolution under rule 7.1A was passed	N/A
6c	Number of *securities issued without security holder approval under rule 7.1	N/A
6d	Number of *securities issued with security holder approval under rule 7.1A	N/A
6e	Number of *securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A
6f	Number of securities issued under an exception in rule 7.2	N/A
6g	If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.	N/A
6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	N/A

+ See chapter 19 for defined terms.

7	Dates of entering ⁺ securities into uncertificated holdings or despatch of certificates	11 September 2012

8	Number and ⁺ class of all ⁺ securities quoted on ASX (<i>including</i> the securities in section 2 if applicable)	Number	⁺ Class
		2,717,324,826	Fully paid ordinary shares
		10,812,124	Fully paid convertible preference shares issued in 2008 (CPS1)
		19,687,224	Fully paid Convertible Preference Shares issued in 2009 (CPS2)
		13,400,000	Fully paid Convertible Preference Shares issued in 2011 (CPS3)
		15,086,520	ANZ Subordinated Notes

⁺ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

AUD1,230m 8.5% TCD due April 2013
 AUD1,150m Floating Rate TCD due April 2013
 AUD2,350m Floating Rate TCD due July 2013
 AUD250m 5.75% TCD due July 2013
 AUD1,100m Floating Rate TCD due January 2014
 AUD2,410m 5.25% TCD due January 2014
 AUD1,700m Floating Rate TCD due February 2014
 AUD600m 6.25% TCD due February 2014
 AUD2,500 Floating Rate TCD due November 2014
 AUD1,375m 6.75% TCD due November 2014
 AUD1,000m Floating Rate TCD due October 2015
 AUD1,450m Floating Rate TCD due May 2016
 AUD550m 6.75% TCD due May 2016
 AUD290m 7.75% Subordinated Notes due October 2017
 AUD310m Floating Rate Subordinated Notes due October 2017
 AUD365m Floating Rate Subordinated Notes due January 2018
 USD1,500m Fixed Rate Covered Bonds due October 2015
 USD750m Floating Rate Covered Bonds due October 2015

	Number	+Class
9	5,973,426	Options on issue (there are no options approved for grant but not yet granted)
	750,000	2003 Redeemable Preference Shares (Series 2)
	500,000	December 2004 Euro Preference Shares
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	
	N/A	

+ See chapter 19 for defined terms.

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	N/A
12	Is the issue renounceable or non-renounceable?	N/A
13	Ratio in which the ⁺ securities will be offered	N/A
14	⁺ Class of ⁺ securities to which the offer relates	N/A
15	⁺ Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has ⁺ security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	N/A
19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A

⁺ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of ⁺ security holders	N/A
25	If the issue is contingent on ⁺ security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do ⁺ security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do ⁺ security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do ⁺ security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	⁺ Despatch date	N/A

⁺ See chapter 19 for defined terms.

Part 3 - Quotation of securities

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

34 Type of securities
(tick one)

(a) ☒ Securities described in Part 1

(b) ☐ All other securities

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

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

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

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

37 ☒ A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 Number of securities for which +quotation is sought

N/A

39 Class of +securities for which quotation is sought

N/A

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

40	Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	N/A					
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another security, clearly identify that other security)	N/A					
42	Number and ⁺class of all ⁺securities quoted on ASX (<i>including</i> the securities in clause 38)	<table><tr><th>Number</th><th>⁺Class</th></tr><tr><td>N/A</td><td>N/A</td></tr></table>	Number	⁺ Class	N/A	N/A	
Number	⁺ Class						
N/A	N/A						

Quotation agreement

- +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.

+ See chapter 19 for defined terms.

- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

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

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:
Company Secretary

Date: 24 September 2012

Print name: John Priestley

== == == == ==

+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for +eligible entities

Introduced 01/08/12

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue	
Add the following: • Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid ordinary securities that became fully paid in that 12 month period Note: • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i>	
Subtract the number of fully paid ordinary securities cancelled during that 12 month period	
“A”	

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
Insert number of equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued: • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <i>Note:</i> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i>	
“C”	
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	
Total [“A” x 0.15] – “C”	<i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i>	
“E”	

+ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	
Total [“A” x 0.10] – “E”	<i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.

IMPORTANT NOTICE

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

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

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

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

The materials relating to the offering (including the Offering Memorandum) do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law.

Confirmation Of Your Representation: In order to be eligible to view the Offering Memorandum, investors must either be (1) qualified institutional buyers (**QIBs**) (within the meaning of Rule 144A under the Securities Act) or (2) persons who are not U.S. persons (within the meaning of Regulation S under the Securities Act). This Offering Memorandum is being delivered to you at your request and by accepting the Offering Memorandum, you shall be deemed to have represented and confirmed to the Issuer, the Covered Bond Guarantor and the Relevant Dealer(s) that (1) you have understood and agree to the terms set out herein, (2) you and any customers you represent are either (a) QIBs or (b) not U.S. persons and that the address (including email address, if applicable) that you have given to us and to which the Offering Memorandum has been delivered is not located in the United States, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands) or the District of Columbia, (3) if you are a person in

the United Kingdom, then you are a person who (a) is an investment professional within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the **FPO**) or (b) is a high net worth entity falling within Article 49(2)(a) to (d) of the FPO (all such persons together being referred to as **relevant persons**) and (4) if you are a person in Australia you are (a) (i) a sophisticated investor or (ii) a professional investor and (b) a person in respect of whom disclosure is not required under Parts 6D.2 or 7.9 of the Australian Corporations Act. In the United Kingdom, this Offering Memorandum must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which the Offering Memorandum relates is available only to relevant persons and will be engaged in only with relevant persons.

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

Offering Memorandum

Confidential



Australia and New Zealand Banking Group Limited

Australian Business Number 11 005 357 522

(incorporated with limited liability in Australia)

as Issuer

US\$20,000,000,000 ANZ Global Covered Bond Program

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

Perpetual Corporate Trust Limited

Australian Business Number 99 000 341 533

(incorporated with limited liability in Australia)

as trustee of the ANZ Residential Covered Bond Trust

Under the US\$20,000,000,000 ANZ Global Covered Bond Program (the **Program**) established by Australia and New Zealand Banking Group Limited (**ANZBGL** or the **Issuer**), the Issuer may from time to time issue bonds (**Covered Bonds**) denominated in any currency agreed between the Issuer and the Relevant Dealer(s) (as defined below). The price and amount of the Covered Bonds to be issued under the Program will be determined by the Issuer and the Relevant Dealers at the time of issue in accordance with prevailing market conditions. Any Covered Bonds issued under the Program on or after the date of this Offering Memorandum are issued subject to the provisions as described herein.

The maximum aggregate nominal amount of all Covered Bonds from time to time outstanding under the Program will not exceed US\$20,000,000,000 (or its equivalent in other currencies, calculated as described herein), subject to increase as described herein.

Perpetual Corporate Trust Limited in its capacity as trustee of the ANZ Residential Covered Bond Trust (the **Covered Bond Guarantor** or the **Trustee**) has guaranteed payments of interest and principal under the Covered Bonds pursuant to a guarantee which is secured over Housing Loans and the Related Security (as defined herein) and its other assets. Recourse against the Covered Bond Guarantor under its guarantee is limited to the Housing Loans and the Related Security and such assets.

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

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

Prospective investors should review the factors described under the section headed "Risk Factors Relating to the Covered Bonds" in this Offering Memorandum and "Risk factors relating to business/principal risks and uncertainties" in the 2012 Half Year U.S. Disclosure Document (as defined herein); see "Documents Incorporated by Reference".

Prospective investors 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 HIGH DEGREE OF RISK AND POTENTIAL 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 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 Security Trustee (as defined herein), the Bond Trustee (as defined herein), the Trust Manager (as defined herein) or the Relevant Dealer in that regard.

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 herein which are applicable to each Tranche (as defined under Terms and Conditions of the Covered Bonds) of Covered Bonds will be set out in a separate document containing the final terms for that Tranche (each, a **Final Terms**). The Covered Bonds are not deposit liabilities or protected accounts of the Issuer and are not insured by the Federal Deposit Insurance Corporation or any other government agency of Australia, the United States or any other jurisdiction.

The Covered Bonds may be listed or admitted to trading, as the case may be, on or by any 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 or quotation on any market. This Offering Memorandum has not been approved as, and does not constitute, a prospectus for the purposes of the European Union's Directive 2003/71/EC as implemented in relevant member states of the European Economic Area.

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

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

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

The Covered Bonds and the Covered Bond Guarantee (as defined below) are being offered and sold without registration under the United States Securities Act of 1933, as amended (the **Securities Act**): (A) in the United States to "qualified institutional buyers" (**QIBs**) as defined in Rule 144A under the Securities Act (**Rule 144A**) in reliance upon the exemptions provided by Section 4(2) of the Securities Act and Rule 144A promulgated thereunder and (B) outside the United States to non-U.S. persons in reliance upon Regulation S under the Securities Act (**Regulation S**). Prospective purchasers are hereby notified that the seller of the Covered Bonds may be relying on an exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of certain restrictions on resales and transfers, see "*Subscription and Sale and Selling Restrictions (Conflicts of Interests)*".

The Issuer and the Covered Bond Guarantor may agree with any Dealer and the Bond Trustee that Covered Bonds may be issued in a form not contemplated by the Terms and Conditions of the Covered Bonds herein, in which event (in the case of Covered Bonds admitted to the Official List of the UK Listing Authority only) 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 Covered Bonds issued under the Program are expected on issue to be assigned an "Aaa" rating by Moody's Investors Service Pty Limited (**Moody's**) and an "AAA" rating by Fitch Australia Pty Ltd (**Fitch**) and, together with Moody's, the **Designated Rating Agencies**). The rating of certain Series or Tranches of Covered Bonds to be issued under the Program may be specified in the applicable Final Terms. 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.

Dealers for the Program

ANZ Securities, Inc.

Citigroup

UBS Investment Bank

The date of this Offering Memorandum is May 9, 2012

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

The information contained or incorporated by reference in this Offering Memorandum was obtained from the Issuer, but no assurance can be given by the Dealers, the Agents, the Bond Trustee, the Trust Manager or the Security Trustee as to the accuracy or completeness of this information. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers, the Agents, the Bond Trustee, the Trust Manager, the Covered Bond Guarantor or the Security Trustee as to the accuracy or completeness of the information contained or incorporated by reference in this Offering Memorandum or any other information (including the applicable Final Terms) provided by the Issuer in connection with the Program. None of the Dealers, the Agents, the Bond Trustee, the Security Trustee or the Trust Manager nor the Covered Bond Guarantor accepts any liability in relation to the information contained or incorporated by reference in this Offering Memorandum or any other information provided by the Issuer in connection with the Program.

No person has been authorised by the Issuer, the Covered Bond Guarantor, the Seller, any of the Dealers, the Agents, the Bond Trustee, the Trust Manager or the Security Trustee to give any information or to make any representation not contained in or not consistent with this Offering Memorandum or any other information (including the applicable Final Terms) provided by the Issuer or the Covered Bond Guarantor in connection with the Program or the Covered Bonds and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Covered Bond Guarantor, the Trust Manager, the Seller, any of the Dealers, the Agents, the Bond Trustee or the Security Trustee.

Neither this Offering Memorandum nor any other information provided by the Issuer or the Covered Bond Guarantor in connection with the Program or any Covered Bonds (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuer, the Covered Bond Guarantor, any of the Dealers, the Agents, the Bond Trustee, the Trust Manager or the Security Trustee that any recipient of this Offering Memorandum or any other information supplied in connection with the Program or any Covered Bonds should purchase any Covered Bonds. Each investor contemplating purchasing any Covered Bonds should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and/or the Covered Bond Guarantor.

Neither the delivery of this Offering Memorandum nor the offering, sale or delivery of any Covered Bonds shall in any circumstances imply that the information contained herein concerning the Issuer and/or the Covered Bond Guarantor is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Program is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers, the Agents, the Bond Trustee, the Trust Manager and the Security Trustee expressly do not undertake to review the financial condition or affairs of the Issuer or the Covered Bond Guarantor during the life of the Program or to advise any investor in the Covered Bonds of any information coming to their attention. Investors should review, *inter alia*, the most recently published documents incorporated by reference into this Offering Memorandum when deciding whether or not to purchase any Covered Bonds.

In making an investment decision, investors must rely on their own examination of the Issuer and the Covered Bond Guarantor and the terms of the Covered Bonds being offered, including the merits and risks involved.

This Offering Memorandum does not constitute an offer to sell or the solicitation of an offer to buy any Covered Bonds in any jurisdiction to any person to whom it is unlawful to make the offer or

solicitation in such jurisdiction. The distribution of this Offering Memorandum and the offer or sale of Covered Bonds may be restricted by law in certain jurisdictions. The Issuer, the Covered Bond Guarantor, the Dealers, the Bond Trustee, the Trust Manager, the Asset Monitor and the Security Trustee do not represent that this Offering Memorandum may be lawfully distributed, or that any Covered Bonds may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Covered Bond Guarantor, the Dealers, the Bond Trustee, the Trust Manager, the Asset Monitor or the Security Trustee which would permit a public offering of any Covered Bonds or distribution of this Offering Memorandum in any jurisdiction where action for that purpose is required (and without limitation neither this Offering Memorandum nor any other disclosure document in relation to the Covered Bonds has been, or will be, lodged with the Australian Securities and Investments Commission pursuant to the Corporations Act 2011 of Australia). Accordingly, no Covered Bonds may be offered or sold, directly or indirectly, and neither this Offering Memorandum nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Memorandum or any Covered Bonds may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Memorandum and the offering and sale of Covered Bonds (see “*Subscription and Sale and Selling Restrictions (Conflicts of Interests)*”).

This Offering Memorandum has been prepared on the basis that any offer of Covered Bonds in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Covered Bonds. Accordingly any person making or intending to make an offer in a Relevant Member State of Covered Bonds which are the subject of an offering contemplated in this Offering Memorandum as completed by a Final Terms in relation to the offer of those Covered Bonds may only do so in circumstances in which no obligation arises for the Issuer or the Relevant Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor the Dealers have authorised, nor do they authorise, the making of any offer of Covered Bonds in circumstances in which an obligation arises for the Issuer or the Dealers to publish or supplement a prospectus for such offer.

Credit ratings in respect of the Covered Bonds or the Issuer are for distribution to persons in Australia only if such persons are not “retail clients” within the meaning of section 761G of the Corporations Act 2001 of Australia and are also sophisticated investors, professional investors or other investors in respect of whom disclosure is not required under Part 6D.2 or Part 7.9 of the Corporations Act 2001 of Australia and, in all cases, in such circumstances as may be permitted by acceptable law in any jurisdiction in which an investor may be located. Accordingly, anyone in Australia who is not such a person is not entitled to receive this Offering Memorandum and anyone who receives this Offering Memorandum must not distribute it to any person who is not entitled to receive it.

All references to **U.S. dollars** and **U.S.\$** are to the currency of the United States of America, to **A\$, Australian \$, AUD** dollars, **Australian dollars** and cents are to the lawful currency of Australia, to **Sterling** and **£** are to the lawful currency of the United Kingdom and to **euro** and **€** are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

None of the Issuer, the Dealers, the Covered Bond Guarantor, the Agents, the Security Trustee, the Trust Manager, the Asset Monitor or the Bond Trustee makes any representation to any investor in the Covered Bonds regarding the legality of its investment under any applicable laws. Any investor in the

Covered Bonds should be able to bear the economic risk of an investment in the Covered Bonds for an indefinite period of time.

Each potential investor in the Covered Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

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

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

Subject as provided in the applicable Final Terms, the only persons authorised to use this Offering Memorandum in connection with an offer of Covered Bonds are the persons named in the applicable Final Terms as the Relevant Dealer.

Copies of the Final Terms will be available from the registered office of the Issuer and the specified office set out below of the Principal Paying Agent (as defined below).

NOTICE TO NEW HAMPSHIRE RESIDENTS

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

MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT, ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

NOTICE TO PURCHASERS

NEITHER THE COVERED BONDS NOR THE COVERED BOND GUARANTEE OFFERED HEREBY AND BY THE RELEVANT FINAL TERMS HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OR APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION (THE SEC) OR ANY STATE SECURITIES AUTHORITY. NEITHER THE SEC NOR ANY STATE SECURITIES AUTHORITY HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFERING MEMORANDUM OR ANY SUPPLEMENT HERETO. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THE COVERED BONDS ARE BEING OFFERED AND SOLD TO QUALIFIED INSTITUTIONAL BUYERS IN THE UNITED STATES WITHIN THE MEANING OF AND IN RELIANCE UPON THE EXEMPTIONS PROVIDED BY SECTION 4(2) OF THE SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), AND RULE 144A PROMULGATED THEREUNDER AND OUTSIDE THE UNITED STATES TO CERTAIN PERSONS IN RELIANCE ON REGULATION S UNDER THE SECURITIES ACT.

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

- (1) Neither the Covered Bonds nor the Covered Bond Guarantee have been or will be registered under the Securities Act or any other applicable securities law and, accordingly, none of the Covered Bonds may be offered, sold, transferred, pledged, encumbered or otherwise disposed of unless in a transaction exempt from registration under the Securities Act and any other applicable securities law.
- (2) (A) It is a QIB, and is purchasing for its own account or solely for the account of one or more QIBs for which it acts as a fiduciary or agent, and such purchaser acknowledges that it is aware that the seller may rely upon the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A thereunder or (B) it is a purchaser acquiring such Covered Bonds in an offshore transaction occurring outside the United States within the meaning of Regulation S that is not a “U.S. person” (and is not acquiring such Covered Bonds for the account or benefit of a U.S. person) within the meaning of Regulation S.
- (3) It agrees on its own behalf and on behalf of any account for which it is purchasing Covered Bonds, to offer, sell or otherwise transfer such Covered Bonds (A) only in minimum principal amounts of U.S.\$250,000 or such larger principal amounts as shall be specified in the relevant Final Terms as the minimum denomination for the Covered Bonds of a relevant Tranche (or, in either case, the equivalent thereof in another currency or composite currency) and (B) prior to the date that is one year after the later of (i) the issue date of such Covered Bonds and (ii) the last date on which the Issuer or any affiliate of the Issuer was the beneficial owner of such Covered Bonds (or any predecessor of such Covered Bonds) only (a) pursuant to the exemption from the registration requirements of the Securities Act provided by either Rule 144A or Regulation S, (b) to the Issuer or any of its subsidiaries or a Dealer that is, or becomes, a party to the Distribution Agreement, dated as November 14, 2011, among the Issuer and the Dealers named therein, as amended from time to time (the **Distribution Agreement**) or (c) pursuant to an exemption from such registration requirements as confirmed in an opinion of counsel satisfactory to the Issuer. It acknowledges that each Covered Bond will contain a legend substantially to the effect of the foregoing paragraph (1) and this paragraph (3).
- (4) It acknowledges that the Registrar referred to herein will register the transfer of any Covered Bond resold or otherwise transferred by such purchaser pursuant to clause (c) of the foregoing paragraph (3) only upon receipt of an opinion of counsel satisfactory to the Issuer.

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

(6) Either (a) it is not a pension, profit-sharing or other employee benefit plan that is subject to the U.S. Employee Retirement Income Security Act of 1974, as amended (**ERISA**) or Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the **Code**) or any similar provision of applicable federal, state, local, foreign or other law, and it is not purchasing the Covered Bonds on behalf of or with the assets of any such plan or (b) with respect to its purchase and holding of the Covered Bonds, it is eligible for a statutory or administrative exemption from the prohibited transaction rules of ERISA and the Code or, where applicable, any such similar law.

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

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

This Offering Memorandum should be read and construed together with any amendments or supplements hereto and, in relation to each Tranche, should be read and construed together with the relevant Final Terms.

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

AVAILABLE INFORMATION

Each prospective purchaser of the Covered Bonds is hereby offered the opportunity to ask questions of the Issuer and the Covered Bond Guarantor concerning the terms and conditions of the offering and to request from the Issuer and the Covered Bond Guarantor any additional information such

prospective purchaser may consider necessary in making an informed investment decision or in order to verify the information contained or incorporated by reference in this Offering Memorandum.

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

FORWARD-LOOKING STATEMENTS

This Offering Memorandum may contain various forward-looking statements regarding events and trends that are subject to risks and uncertainties that could cause the actual results and financial position of ANZBGL and its consolidated subsidiaries (collectively, the **ANZ Group**) to differ materially from the information presented herein. When used in this Offering Memorandum, the words “estimate”, “project”, “intend”, “anticipate”, “believe”, “expect”, “may”, “probability”, “risk”, “will”, “seek”, “would”, “could”, “should” and similar expressions, as they relate to the Issuer or ANZBGL and its management, are intended to identify such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date thereof. Such statements constitute “forward-looking statements” for the purposes of the United States Private Securities Litigation Reform Act of 1995. ANZBGL does not undertake any obligation to publicly release the result of any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

For example, the forward-looking statements contained in this Offering Memorandum could be affected by:

- adverse conditions in global debt and equity markets;
- general economic conditions in Australia, New Zealand, Asia Pacific region and other jurisdictions in which ANZBGL, its customers and its counterparties operate;
- market liquidity and investor confidence;
- changes to our credit ratings;
- inflation, interest rates, exchange rates, market and monetary fluctuations and longer term changes;
- the effect of, and changes in, laws, regulations, taxation or accounting standards or practices and government policy, particularly those arising from the global financial crisis, including increased liquidity and capital requirements;
- changes in consumer spending, saving and borrowing habits in Australia, New Zealand, the Asia Pacific region and other jurisdictions in which ANZBGL operates;
- the effects of competition in the geographic and business areas in which ANZBGL operates;
- ANZBGL’s ability to adjust to and compete in the Asian geographic markets into which ANZBGL, its customers and its counterparties are expanding;

- the ability to maintain or increase market share and control expenses;
- the timely development and acceptance of new products and services and the perceived overall value of these products and services by users;
- technological changes;
- demographic changes and changes in political, social, and economic conditions in any of the major markets in which ANZBGL, its customers and its counterparties operate;
- ANZBGL's ability to complete, integrate, and process acquisitions and dispositions;
- the stability of Australian and international financial systems and disruptions to financial markets and any losses we may experience as a result;
- natural disasters, including earthquakes, volcanic eruptions, floods, bush fires and tsunamis;
- adverse impact on ANZBGL's customers and counterparties, including the impact on ANZBGL's natural resource sector customers of a slow-down in natural exports to Asia, the impact on ANZBGL's agricultural and tourism sector customers of continued strengthening of the Australian dollar, and the impact on ANZBGL's financial sector customers of the continuing financial and credit crisis in Europe and the United States;
- adverse impacts on ANZBGL's reputation; and
- various other factors beyond our control.

There can be no assurance that actual outcomes will not differ materially from the forward-looking statements contained in this Offering Memorandum. See *"Risk Factors Relating to the Covered Bonds"* herein.

SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

The Issuer is a public limited company incorporated in Australia. Perpetual Corporate Trust Limited is a limited liability company incorporated in Australia and as Covered Bond Guarantor is the trustee of the Trust which is a trust established in the State of Victoria, Australia. All of the officers and directors named herein reside outside the United States and a substantial portion of the assets of the Issuer, the Covered Bond Guarantor and of such officers and directors are located outside the United States. As a result, it may not be possible for investors to effect service of process outside Australia upon the Issuer, the Covered Bond Guarantor or any such persons, or to enforce in foreign courts judgments against them obtained in courts outside Australia predicated upon civil liabilities among other things, of the Issuer, the Covered Bond Guarantor or such directors and officers under laws other than the laws (as applicable), including any judgment predicated upon United States federal securities laws. The Issuer has been advised by its Australian counsel, King & Wood Mallesons, that there is a doubt as to the enforceability in Australia in original actions or in actions for the enforcement of judgments of United States courts of civil liabilities predicated solely upon federal or state securities laws of the United States.

PRESENTATION OF FINANCIAL AND OPERATING INFORMATION

Unless otherwise indicated, the financial information incorporated by reference into this Offering Memorandum has been prepared in accordance with International Financial Reporting Standards as adopted by the International Accounting Standards Board (**IFRS**).

Exchange Rates

The following table sets forth for each of the fiscal years and months indicated:

- the high and low rates of exchange;
- the average rate of exchange based on the last day of each month during each of these periods; and
- rate of exchange on the last day of each period,

in each case for the Australian dollar, expressed in U.S. dollars, based on the noon buying rate in New York City for cable transfers in Australian dollars as certified for customs purposes by the Federal Reserve Bank of New York.

Exchange rates of U.S. dollars per A\$1.00

Year ended September 30,	At Period End	High	Low	Period Average ⁽¹⁾
2007	0.8855	0.8855	0.7434	0.8272
2008	0.7904	0.9797	0.7831	0.9065
2009	0.8824	0.8824	0.6073	0.7400
2010	0.9640	0.9714	0.8172	0.9003
2011	0.9744	1.1026	0.9594	1.0318
October 2011.....	1.0610	1.0707	0.9453	1.0168
November 2011.....	1.0244	1.0366	0.9686	1.0112
December 2011	1.0251	1.0298	0.9904	1.0122
January 2012	1.0598	1.0651	1.0215	1.0415
February 2012	1.0777	1.0806	1.0629	1.0732
March 2012	1.0367	1.0803	1.0326	1.0526
April 2012	1.0410	1.0447	1.0255	1.0350
May 2012 (through May 4).....	1.0190	1.0345	1.0190	1.0275

- (1) The period average rates are based on the average closing rate on the last day of each month during the period.

For the convenience of the reader, this Offering Memorandum contains translations of certain Australian dollar amounts into U.S. dollars. These transactions should not be construed as representations that the Australian dollar amounts actually represent such U.S. dollar amounts or could be converted into U.S. dollars at the rate indicated.

The Australian dollar is convertible into U.S. dollars at freely floating rates and there are currently no restrictions on the flow of Australian currency between Australia and the United States.

CONTENTS

NOTICE TO NEW HAMPSHIRE RESIDENTS	iii
NOTICE TO PURCHASERS.....	iv
AVAILABLE INFORMATION.....	v
FORWARD-LOOKING STATEMENTS.....	vi
SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES	vii
PRESENTATION OF FINANCIAL AND OPERATING INFORMATION	viii
PRINCIPAL CHARACTERISTICS OF THE ANZ GLOBAL COVERED BOND PROGRAM	1
DOCUMENTS INCORPORATED BY REFERENCE.....	3
STRUCTURE OVERVIEW.....	4
PROGRAM OVERVIEW	16
RISK FACTORS RELATING TO THE COVERED BONDS	26
FORM OF THE COVERED BONDS.....	65
FORM OF FINAL TERMS	68
TERMS AND CONDITIONS OF THE COVERED BONDS	93
USE OF PROCEEDS.....	143
AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED’S MORTGAGE BUSINESS.....	144
PERPETUAL CORPORATE TRUST LIMITED (ABN 99 000 341 533).....	153
ANZ CAPEL COURT LIMITED (ABN 30 004 768 807).....	154
SUMMARY OF THE PRINCIPAL DOCUMENTS.....	155
CREDIT STRUCTURE	204
CASHFLOWS.....	208
THE RECEIVABLES PORTFOLIO	223
BOOK ENTRY CLEARANCE SYSTEMS	231
TAXATION	236
SUBSCRIPTION AND SALE AND SELLING RESTRICTIONS (CONFLICTS OF INTERESTS)	259
INDEPENDENT AUDITORS	268
LEGAL MATTERS.....	269
GLOSSARY	270

PRINCIPAL CHARACTERISTICS OF THE ANZ GLOBAL COVERED BOND PROGRAM

The following synopsis does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Memorandum. For further information, namely regarding the Asset Coverage Test and the Amortisation Test, please see “Summary of the Principal Documents”. A glossary of certain defined terms is contained at the end of this Offering Memorandum.

Issuer:	Australia and New Zealand Banking Group Limited (ANZBGL).
Covered Bond Guarantor:	Perpetual Corporate Trust Limited as trustee of the ANZ Residential Covered Bond Trust.
Nature of eligible property:	Receivables (Housing Loans and their Related Securities), Substitution Assets and Authorised Investments.
Location of eligible property:	Australia.
Asset Coverage Test:	Yes, see “Credit Structure”.
Amortisation Test:	Yes, see “Credit Structure”.
Pre-Maturity Test	Yes, see “Credit Structure”.
Reserve Fund:	A Reserve Fund will be established and used to trap a specified amount of Available Revenue Receipts or the proceeds of a Term Advance for as long as ANZBGL’s short term, unsecured, unsubordinated and unguaranteed obligations fall below F1+ by Fitch or P-1 by Moody’s.
Extendable Maturities:	Available.
Hard Bullet Maturities:	Available.
Asset Monitor:	KPMG.
Terms:	As set out in the Final Terms for the relevant Series or Tranche of Covered Bonds.
Clearing Systems:	Covered Bonds may be traded on the settlement system operated by DTC, the settlement system operated by Euroclear, the settlement system operated by Clearstream and/or any other clearing system outside Australia specified in the applicable Final Terms.

Listing:

Covered Bonds may be unlisted or may be listed or admitted to trading, as the case may be, on such stock exchanges or regulated or unregulated markets, as may be agreed between the Issuer, the Bond Trustee and the Relevant Dealer in relation to each issue. The Final Terms relating to each Series or Tranche of the Covered Bonds will state whether or not the Covered Bonds are to be listed and/or admitted to trading and, if so, on which stock exchange(s) and/or markets.

DOCUMENTS INCORPORATED BY REFERENCE

In this Offering Memorandum, the Issuer “incorporates by reference” certain information that the Issuer makes available to prospective purchasers of Covered Bonds as described below. The information incorporated by reference is considered part of this Offering Memorandum, and later information made available to prospective purchasers of Covered Bonds as described below will update and supersede earlier incorporated information.

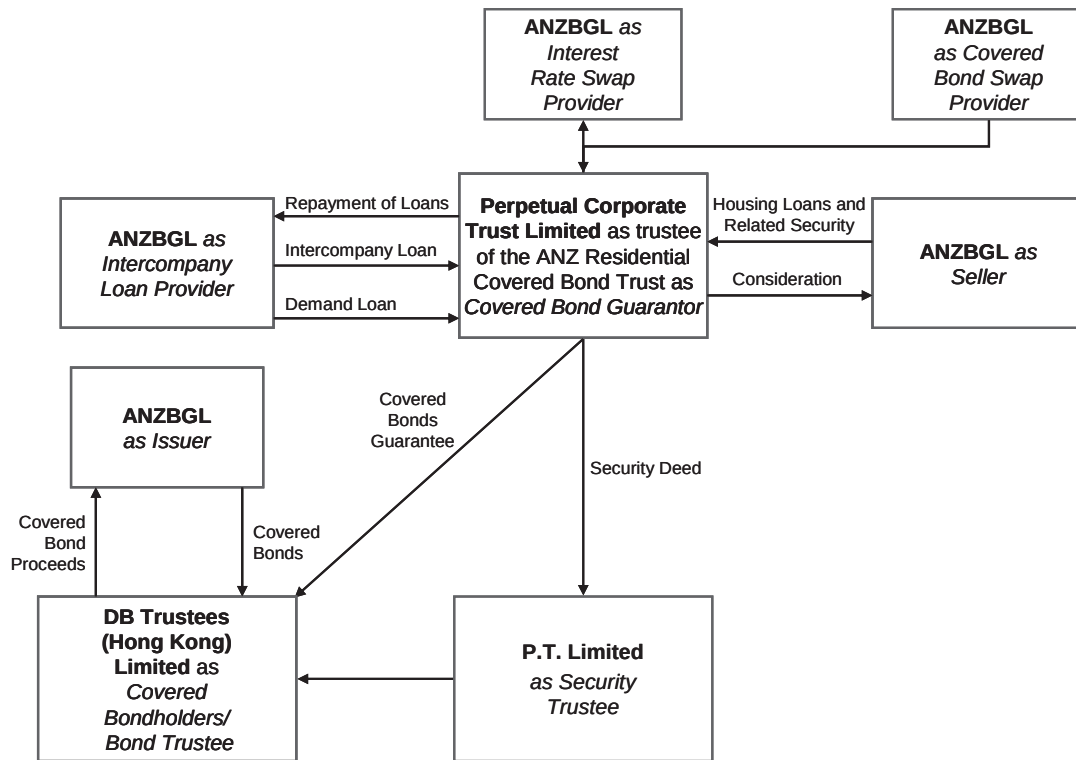
The Issuer incorporates by reference all of the information that it has published and will publish in the future on the portion of the Issuer’s website with the URL of <http://www.anz.com/aus/shares/finance/disclosure.asp> (the **U.S. Investor Website**) including the Issuer’s Half-Year U.S. Disclosure Document for the six months ended March 31, 2012 which contains, among other things, the Issuer’s unaudited consolidated financial statements at and for the six months ended March 31, 2012 and 2011 (including, in each case, the auditor’s report thereon and the related notes) (the **2012 Half Year U.S. Disclosure Document**), the Issuer’s U.S. Disclosure Document for the fiscal year ended September 30, 2011 (the “2011 U.S. Disclosure Document”) (except that statements in the section entitled “Principle Risks relating to ANZ” in the 2011 U.S. Disclosure Document are not incorporated by reference as they have been updated in the section entitled “Principle Risks relating to ANZ” in the 2012 Half Year U.S. Disclosure Document) and the Issuer’s Australian Annual Report for the fiscal year ended September 30, 2011 which contains the Issuer’s audited consolidated financial statements at and for the years ended September 30, 2011 and 2010, and the Issuer’s Australian Annual Report for the year ended September 30, 2010 which contains the Issuer’s audited consolidated financial statements at and for the years ended September 30, 2010 and 2009 (including, in each case, the auditor’s report thereon and the related notes). None of the information posted to any other portion of the Issuer’s website is incorporated by reference in this Offering Memorandum or otherwise deemed to be a part of this Offering Memorandum and any references thereto are for information purposes only.

After the date of this Offering Memorandum, the Issuer may put additional information on the U.S. Investor Website. Later information on the U.S. Investor Website or any supplement hereto updates and supersedes earlier information on the U.S. Investor Website and this Offering Memorandum and any supplement hereto. Each person who receives this Offering Memorandum and each purchaser of Covered Bonds expressly acknowledges and agrees that the information included or incorporated by reference herein shall for all purposes form a part of this Offering Memorandum and be deemed to have been delivered to such person.

STRUCTURE OVERVIEW

The information in this section is an overview of the structure relating to the Program and does not purport to be complete. The information is taken from, and is qualified in its entirety by, the remainder of this Offering Memorandum. Words and expressions defined elsewhere in this Offering Memorandum shall have the same meanings in this structure overview. A glossary of certain defined terms used in this document is contained at the end of this Offering Memorandum.

Structure Diagram



Credit Structure

The Covered Bonds will be direct, unsecured and unconditional obligations of the Issuer, and will rank *pari passu* without any preference among themselves and, save for certain debts of the Issuer required to be preferred by law, including but not limited to, those referred to in Division 2 and 2AA of Part II of the Banking Act 1959 (*Cth*) (the **Australian Banking Act**) and section 86 of the Reserve Bank Act 1959 (*Cth*) (the **Australian Reserve Bank Act**) at least equally with all other present and future unsecured and unsubordinated obligations of the Issuer from time to time outstanding. The Covered Bond Guarantor has no obligation to pay the Guaranteed Amounts under the Covered Bond Guarantee until the occurrence of:

- (a) (i) an Issuer Event of Default, and (ii) service by the Bond Trustee on the Issuer of an Issuer Acceleration Notice (with a copy to the Covered Bond Guarantor) and on the Covered Bond Guarantor (with a copy to the Trust Manager) of a Notice to Pay; or
- (b) if earlier, following the occurrence of a Covered Bond Guarantor Event of Default and service by the Bond Trustee on the Covered Bond Guarantor (with a copy to the Trust Manager and the Security Trustee) and the Issuer of a Covered Bond Guarantee Acceleration Notice. The

Issuer will not rely on any payments by the Covered Bond Guarantor in order to pay interest or repay principal under the Covered Bonds.

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

- (a) the Covered Bond Guarantee provides credit support to the Issuer;
- (b) the Pre-Maturity Test is intended to provide liquidity to the Covered Bond Guarantor in relation to amounts of principal due on the Final Maturity Date of the Hard Bullet Covered Bonds in certain circumstances;
- (c) the Asset Coverage Test is intended to test, prior to the service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager), the asset coverage of the Covered Bond Guarantor's assets in respect of the Covered Bonds on a monthly basis;
- (d) the Amortisation Test is intended to test the asset coverage of the Covered Bond Guarantor's assets in respect of the Covered Bonds following the occurrence of an Issuer Event of Default, service on the Issuer (with a copy to the Covered Bond Guarantor) of an Issuer Acceleration Notice and service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager);
- (e) a Reserve Fund will be established in the GIC Account to trap Available Revenue Receipts or to credit the proceeds of a Term Advance if ANZBGL's short term, unsecured, unsubordinated and unguaranteed obligations fall below F1+ by Fitch or below P-1 by Moody's; and
- (f) under the terms of the Account Bank Agreement, the Account Bank has agreed to pay a rate of interest per annum equal to the 30 day Bank Bill Rate on that day (or, if that day is not a Local Business Day, the immediately preceding Local Business Day) (calculated on the basis of the actual number of days elapsed and a 365 day year) (as determined by the Account Bank) on the balance from time to time of the GIC Account from (and including) the first day of each Collection Period (or, in the case of the first Collection Period, the first Transfer Date) to (and including) the last day of the Collection Period.

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

Asset Coverage Test

To protect the value of the Receivables, the Supplemental Deed provides that, prior to the service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager), the assets of the Covered Bond Guarantor are subject to the Asset Coverage Test. Accordingly, for so long as Covered Bonds remain outstanding, and prior to the service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager), the Trust Manager must determine on each Determination Date whether the Adjusted Aggregate Receivable Amount will be an amount equal to or in excess of the Australian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds. The calculations which are required to determine whether the Purchased Receivables are in compliance with the Asset Coverage Test will be undertaken by the Calculation Manager.

If the Adjusted Aggregate Receivable Amount is less than the Australian Dollar Equivalent of the aggregate Principal Amount Outstanding of all Covered Bonds on a Determination Date and also on the next following Determination Date, the Asset Coverage Test will be breached and the Bond Trustee must (subject to the Bond Trustee having actual knowledge or express notice of the breach) serve an Asset Coverage Test Breach Notice on the Covered Bond Guarantor and notify each

Designated Rating Agency. The Bond Trustee shall be deemed to revoke an Asset Coverage Test Breach Notice if, on the next Determination Date to occur following the service of an Asset Coverage Test Breach Notice, the Asset Coverage Test is satisfied and neither a Notice to Pay has been served on the Covered Bond Guarantor (and copied to the Trust Manager) nor a Covered Bond Guarantee Acceleration Notice has been served on the Covered Bond Guarantor and the Issuer (copied to the Trust Manager and the Security Trustee). If the Asset Coverage Test Breach Notice is not revoked on the next Determination Date after service of such Asset Coverage Test Breach Notice an Issuer Event of Default will occur and the Bond Trustee shall be entitled, and in certain circumstances required, to serve an Issuer Acceleration Notice. Following service of an Issuer Acceleration Notice to the Issuer (with a copy to the Covered Bond Guarantor), the Bond Trustee will be required to serve a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager).

Amortisation Test

In addition, on each Determination Date following service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager) (but prior to service of a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer (copied to the Trust Manager and the Security Trustee) and the enforcement of the Charge) and, for so long as Covered Bonds remain outstanding, the Trust Manager must determine whether the Amortisation Test Aggregate Receivable Amount will be in an amount at least equal to the Australian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds. A breach of the Amortisation Test will constitute a Covered Bond Guarantor Event of Default and the Bond Trustee shall be entitled (and, in certain circumstances, may be required) to serve a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer (copied to the Trust Manager and the Security Trustee) and the Security Trustee shall be entitled and, in certain circumstances, may be required, to enforce the Charge.

Pre-Maturity Test

Each Series of Hard Bullet Covered Bonds is subject to a Pre-Maturity Test on each Local Business Day during the Pre-Maturity Test Period prior to the occurrence of an Issuer Event of Default or a Covered Bond Guarantor Event of Default. The Pre-Maturity Test is intended to provide liquidity for such Covered Bonds when the Issuer's credit ratings fall to a certain level within a specified period prior to the maturity of such Covered Bonds. If the Pre-Maturity Test is breached and certain actions are not taken, an Issuer Event of Default will occur (see "*Summary of the Principal Documents – Supplemental Deed – If the Pre-Maturity Test is Breached*").

Reserve Fund

If on a Determination Date ANZBGL's short-term, unsecured, unsubordinated and unguaranteed debt obligations are not rated at least P-1 by Moody's and F1+ by Fitch, the Covered Bond Guarantor is required to establish a reserve fund within the GIC Account and to credit, on the next Trust Payment Date, to the Reserve Fund the proceeds of Available Revenue Receipts or a Term Advance up to an amount equal to the higher of the Australian Dollar Equivalent of the aggregate of (i) the interest due and payable on each Series of Covered Bonds on the next three Trust Payment Dates; and (ii) three months' interest that will accrue on each Series of Covered Bonds, in each case together with an amount equal to one quarter of the anticipated aggregate annual amount payable in respect of the items specified in paragraphs (a) to (d) of the Pre-Acceleration Revenue Allocation.

The Program

Pursuant to the terms of the Program, the Issuer will issue Covered Bonds to the Covered Bondholders from time to time. The Covered Bonds will be direct, unsecured, unsubordinated and unconditional obligations of the Issuer.

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

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

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.

Intercompany Loan Agreement

Pursuant to the terms of the Intercompany Loan Agreement, it is anticipated that ANZBGL as Intercompany Loan Provider will make a Term Advance to the Covered Bond Guarantor in an amount equal to either (i) if a Current Covered Bond Swap is entered into on the relevant Issue Date, the Principal Amount Outstanding on the Issue Date of each Series or, as applicable, each Tranche of Covered Bonds in the Specified Currency of the relevant Series or Tranche of Covered Bonds or (ii) if a Contingent Covered Bond Swap is entered into on the relevant Issue Date, the Australian Dollar Equivalent of the nominal value of each Series or, as applicable, each Tranche of Covered Bonds, and for a matching term. Payments by the Issuer of amounts due under the Covered Bonds will not be conditional upon receipt by the Issuer of payments from the Covered Bond Guarantor pursuant to the Intercompany Loan Agreement. Amounts owed by the Covered Bond Guarantor under the Intercompany Loan Agreement will be subordinated to amounts owed by the Covered Bond Guarantor under the Covered Bond Guarantee in accordance with the applicable Cashflow Allocation Methodology.

The Covered Bond Guarantor will use the proceeds of the Term Advances received under the Intercompany Loan Agreement from time to time (if not denominated in Australian Dollars, upon exchange into Australian Dollars under the applicable Current Covered Bond Swap): (i) to fund (in whole or part) the Purchase Price of a New Receivable Portfolio (consisting of Receivables originated by the Seller) from the Seller in accordance with the terms of the Mortgage Sale Agreement (or to fund the repayment of a short-term Demand Loan used for that purpose); and/or (ii) acting on the directions of the Trust Manager, to invest in Substitution Assets in an amount not exceeding the prescribed limit (as specified in the Supplemental Deed) to the extent required to meet the requirements of the Asset Coverage Test; and thereafter or otherwise the Covered Bond Guarantor may use such proceeds (subject to complying with the Asset Coverage Test as directed by the Trust Manager (as described below)): (A) if an existing Series or Tranche or part of an existing Series or Tranche of Covered Bonds is being refinanced (by the issue of a further Series or Tranche of Covered Bonds to which the Term Advance relates) to repay the Term Advance(s) corresponding to the Covered Bonds being so refinanced (after exchange into the currency of the Term Advance(s) being repaid, if necessary); and/or (B) to make a repayment of the Demand Loan, provided that the Calculation Manager has calculated the Asset Coverage Test as at the Intercompany Loan Drawdown Date having taken into account such repayment and the Calculation Manager has confirmed that the Asset Coverage Test will continue to be met after giving effect to such repayment; and/or (C) to make a deposit of all or part of the proceeds into the GIC Account (including, without limitation, to fund the Reserve Fund to an amount not exceeding the amount by which the Reserve Fund Required Amount exceeds the existing balance of the Reserve Ledger).

Demand Loan Agreement

Pursuant to the Demand Loan Agreement, ANZBGL as Demand Loan Provider will make a Demand Loan Facility available to the Covered Bond Guarantor. The Covered Bond Guarantor may draw Demand Loan Advances denominated in Australian Dollars from time to time under the Demand Loan Facility. The Demand Loan Facility is a revolving credit facility. Demand Loan Advances may be used by the Covered Bond Guarantor: (i) as consideration (in whole or in part) for the acquisition of Receivables from the Seller on a Transfer Date; (ii) to repay a Term Advance on the date on which the Series of Covered Bonds corresponding to such Term Advance matures; (iii) to rectify a failure to meet the Asset Coverage Test; (iv) to rectify a breach of the Pre-Maturity Test; (v) to rectify an Interest Rate Shortfall; or (vi) to pay to the Seller the Purchase Price of a Further Advance or to reimburse the Seller for funding a Redraw. As to item (i) above, if on a Transfer Date the aggregate of the proceeds of the related Term Advance (if any) to be made on that date or (subject to paragraph (e) of the Pre-acceleration Principal Allocations) the Available Principal Receipts (if any) (or both) are not sufficient to pay to the Seller the Purchase Price for the relevant New Receivable Portfolio, the Covered Bond Guarantor (acting on the directions of the Trust Manager) shall request a Demand Loan Advance under the Demand Loan Facility in an amount determined by the Trust Manager to allow the Covered Bond Guarantor to pay the applicable Purchase Price in full in accordance with the Mortgage Sale Agreement. Each Demand Loan Advance will be consolidated to form the Demand Loan. The Senior Portion Outstanding of the Demand Loan is the amount of the Demand Loan which represents the excess of the amount of the Purchased Receivables above the amount required to meet the Asset Coverage Test and the test prescribed by section 31A(1) of Australian Banking Act described under paragraph (ii) in the second bullet point of “*Background and Australian legislative framework – Issue restriction and maintenance of cover pool*”. The Demand Loan Agreement contains provisions which requires in certain circumstances repayment of the Senior Portion Outstanding of the Demand Loan in kind with Receivables, Substitution Assets and Authorised Investments.

Assets subject to the payment in kind provisions in respect of the Senior Portion Outstanding of the Demand Loan are not available as collateral to secure the Covered Bonds

Subject to the payment in kind provisions in respect of the Senior Portion Outstanding of the Demand Loan, amounts owed by the Covered Bond Guarantor under the Demand Loan Agreement will be subordinated to amounts owed by the Covered Bond Guarantor under the Covered Bond Guarantee and the Intercompany Loan Agreement in accordance with the applicable Cashflow Allocation Methodology (other than the Senior Portion Outstanding in the Pre-acceleration Principal Allocations and other than accrued but unpaid interest in respect of the Senior Portion Outstanding of the Demand Loan, to the Demand Loan Provider pursuant to the terms of the Demand Loan Agreement in the Guarantee Allocations and the Post-enforcement Allocations).

Mortgage Sale Agreement

The Seller will, subject to the satisfaction of certain conditions, be permitted to sell Receivables to the Covered Bond Guarantor from time to time.

Under the terms of the Mortgage Sale Agreement, the consideration payable to the Seller for the sale of Receivables originated by the Seller to the Covered Bond Guarantor on any Transfer Date will be a cash payment paid by the Covered Bond Guarantor to the Seller on the applicable Transfer Date by or on behalf of the Covered Bond Guarantor to the Seller from proceeds of a Term Advance and/or the proceeds of a Demand Loan Advance and/or in accordance with the applicable Cashflow Allocation Methodology. The consideration payable may, by agreement between the Seller and Covered Bond Guarantor, be set-off in whole or in part against any amount payable on the Transfer Date by the Seller as Intercompany Loan Provider or Demand Loan Provider (or both) under the Intercompany Loan Agreement or Demand Loan Agreement (or both).

Servicing Deed

In its capacity as Servicer, ANZBGL has entered into the Servicing Deed with the Covered Bond Guarantor, the Trust Manager and the Security Trustee, pursuant to which the Servicer has agreed to provide administrative services in respect of, *inter alia*, the Purchased Receivables sold by ANZBGL (in its capacity as Seller) to the Covered Bond Guarantor.

Covered Bond Guarantee

Pursuant to the terms of the Bond Trust Deed, the Covered Bond Guarantor has guaranteed payments of interest and principal under the Covered Bonds issued by the Issuer. Under the guarantee, the Covered Bond Guarantor has agreed to pay amounts equal to Guaranteed Amounts as and when the same shall become Due for Payment. The obligations of the Covered Bond Guarantor under the Covered Bond Guarantee constitute direct, unconditional (following service of a Notice to Pay or a Covered Bond Guarantee Acceleration Notice) and unsubordinated obligations of the Covered Bond Guarantor, secured by the Secured Property under the Deed of Charge. The Bond Trustee will be required to serve a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager) following the occurrence of an Issuer Event of Default and service of an Issuer Acceleration Notice to the Issuer (with a copy to the Covered Bond Guarantor) (whereupon the Covered Bonds will become immediately due and payable as against the Issuer but not at such time as against the Covered Bond Guarantor).

A Covered Bond Guarantee Acceleration Notice may (subject to certain limitations) be served by the Bond Trustee on the Issuer and the Covered Bond Guarantor (copied to the Trust Manager and the Security Trustee) following the occurrence of a Covered Bond Guarantor Event of Default. If a Covered Bond Guarantee Acceleration Notice is served, the Covered Bonds will become immediately due and payable (if they have not already become due and payable) and the obligations of the Covered Bond Guarantor under the Covered Bond Guarantee will be accelerated and the Security Trustee will be entitled to enforce the Charge.

Amounts payable by the Covered Bond Guarantor under the Covered Bond Guarantee will at the relevant time be paid subject to, and in accordance with, the Guarantee Allocations or the Post-enforcement Allocations, as applicable.

Covered Bond Guarantor's Limitation of Liability

The Covered Bond Guarantor enters into the Program Documents only in its capacity as trustee of the Trust and in no other capacity. A liability arising under or in connection with the Program Documents or the Trust is limited to and can be enforced against the Covered Bond Guarantor only to the extent to which it can be satisfied out of the Assets of the Trust out of which the Covered Bond Guarantor is actually indemnified for the liability. This limitation of the Covered Bond Guarantor's liability applies despite any other provision of the Program Documents and extends to all liabilities and obligations of the Covered Bond Guarantor in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to the Program Documents or the Trust.

The Covered Bondholders may not sue the Covered Bond Guarantor in any capacity other than as trustee of the Trust, including seeking the appointment of a receiver (except in relation to the Assets), or a liquidator, an administrator or any similar person to the Covered Bond Guarantor or prove in any liquidation, administration or arrangements of or affecting the Covered Bond Guarantor (except in relation to an Asset).

The above limitations of the Covered Bond Guarantor's liability will not apply to any obligation or liability of the Covered Bond Guarantor to the extent that it is not satisfied because under any Program Document in relation to the Trust or by operation of law there is a reduction in the extent of

the Covered Bond Guarantor's indemnification out of the Assets of the Trust, as a result of the Covered Bond Guarantor's fraud, gross negligence or wilful default.

It is acknowledged that the Transaction Parties are responsible under the Program Documents for performing a variety of obligations relating to the Trust. No act or omission of the Covered Bond Guarantor (including any related failure to satisfy its obligations or breach of representation or warranty under any Program Document) will be considered fraud, gross negligence or wilful default for the purpose of the preceding paragraph if and to the extent the act or omission was caused or contributed to by any failure by any Transaction Party or any other person appointed by the Covered Bond Guarantor under any Program Document (other than a person whose acts or omissions the Covered Bond Guarantor is liable for in accordance with any Program Document) to fulfil its obligations relating to the Trust or by any other act or omission of any Transaction Party or any other such person regardless of whether or not the act or omission is purported to be done on behalf of the Covered Bond Guarantor.

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

The Covered Bond Guarantor is not obliged to do anything or refrain from doing anything under or in connection with the Program Documents (including incur a liability) unless the Covered Bond Guarantor's liability is limited in the same manner as set out in this section.

Fraud, Gross Negligence and Wilful Default

A reference to the "fraud", "gross negligence" or "wilful default" of the Covered Bond Guarantor (in its capacity as Covered Bond Guarantor, Seller Trust Trustee and Seller Trust Beneficiary) means the fraud, gross negligence or wilful default of the Covered Bond Guarantor, and of its officers, employees, agents and any other person where the Covered Bond Guarantor (in such capacity) is liable for the acts or omissions of such other person under the terms of the relevant Program Document.

Security Trustee's Limitation of Liability

Except where expressly contemplated in a Program Document, the Security Trustee enters into the Program Documents only in its capacity as trustee of the Security Trust and in no other capacity and the Security Trustee has no liability under or in connection with the Program Documents (whether to the Secured Creditors, the Covered Bond Guarantor or any other person) other than to the extent to which the liability is able to be satisfied out of the property of the Security Trust from which the Security Trustee is actually indemnified for the liability. This limitation will not apply to a liability of the Security Trustee to the extent that it is not satisfied because, under the Program Documents or by operation of law, there is a reduction in the extent of the Security Trustee's indemnification out of the Security Trust as a result of the Security Trustee's fraud, gross negligence or wilful default.

Fraud, Gross Negligence and Wilful Default

A reference to the "fraud", "gross negligence" or "wilful default" of the Security Trustee means the fraud, gross negligence or wilful default of the Security Trustee as the case may be, and of its officers, employees, agents and any other person where the Security Trustee is liable for the acts or omissions of such other person under the terms of the relevant Program Document.

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

Following the occurrence of an Issuer Event of Default, the Bond Trustee may serve an Issuer Acceleration Notice on the Issuer (with a copy to the Covered Bond Guarantor) and a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager).

Following service of an Issuer Acceleration Notice and a Notice to Pay, any moneys received by the Bond Trustee from the Issuer (or any administrator, receiver, liquidator or other similar official appointed in relation to the Issuer) and then held by it or under its control (**Excess Proceeds**) will be paid by the Bond Trustee to the Covered Bond Guarantor and shall be used by the Covered Bond Guarantor in the same manner as all other moneys available to it from time to time.

Following service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager), the Covered Bond Guarantor will, subject to and in accordance with the terms of the Bond Trust Deed, pay or procure to be paid on each Scheduled Payment Date to or to the order of the Bond Trustee (for the benefit of the Covered Bondholders) those Guaranteed Amounts which shall have become Due for Payment, but which have not been paid by the Issuer.

Payments by the Covered Bond Guarantor under the Covered Bond Guarantee will be made in accordance with the Guarantee Allocations.

Deed of Charge

To secure its obligations under the Covered Bond Guarantee and the Program Documents to which it is a party, the Covered Bond Guarantor will grant security over the Secured Property (which consists primarily of the Covered Bond Guarantor's interest in the Receivables, the Substitution Assets, the Authorised Investments, the rights under the Program Documents to which it is a party and the Trust Accounts) in favour of the Security Trustee (for itself and on trust for the other Secured Creditors) pursuant to the Deed of Charge.

Cashflow Allocation Methodology

Pre-acceleration Revenue Allocation and Pre-acceleration Principal Allocation

Prior to service of a Notice to Pay, the service of a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer (copied to the Trust Manager and the Security Trustee) or the enforcement of the Charge, the Covered Bond Guarantor will (subject to the application of payments under Swaps):

- (a) apply Available Revenue Receipts (A) to pay interest due and payable on the Term Advances and/or (B) to pay interest due and payable on the Demand Loan. However, these payments will only be made after giving effect to certain payments which may be due to and from certain Swap Providers and payment of certain items ranking higher in the Pre-Acceleration Revenue Allocation (including, but not limited to, certain fees and expenses and amounts due to the Swap Providers); and
- (b) subject to the application of the payment in kind provisions in respect of the Senior Portion Outstanding of the Demand Loan as described in "*Summary of the Principal Documents – Demand Loan Agreement*", apply Available Principal Receipts towards making repayments of the Demand Loan and Term Advances but only after payment of certain items ranking higher in the Pre-Acceleration Principal Allocation (including, but not limited to, funding any liquidity that may be required in respect of Hard Bullet Covered Bonds following any breach of the Pre-Maturity Test and acquiring New Receivables offered by the Seller to the Covered Bond Guarantor) provided that the Senior Portion Outstanding of the Demand Loan may be

repaid, subject to certain conditions and the availability of funds, immediately after funding liquidity that may be required in respect of Hard Bullet Covered Bonds.

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

At any time after service on the Covered Bond Guarantor of an Asset Coverage Test Breach Notice (which has not been revoked), but prior to the occurrence of an Issuer Event of Default and service of an Issuer Acceleration Notice to the Issuer (with a copy to the Covered Bond Guarantor) (or, if earlier, 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 (copied to the Trust Manager and the Security Trustee)) and/or the enforcement of the Charge:

- (a) all Available Revenue Receipts will continue to be applied in accordance with the Pre-Acceleration Revenue Allocation save that, whilst any Covered Bonds remain outstanding, no moneys will be applied: (i) to repay interest due or to become due and payable to the Intercompany Loan Provider in respect of each Term Advance; (ii) to pay interest on the Demand Loan; or (iii) towards a distribution to the Residual Income Unitholder and the remainder (if any) will be deposited into the GIC Account and applied as Available Revenue Receipts on the next succeeding Trust Payment Date; and
- (b) all Available Principal Receipts will continue to be applied in accordance with the Pre-Acceleration Principal Allocation save that, whilst any Covered Bonds remain outstanding, moneys will not be applied to acquire New Receivables from the Seller and/or to acquire Substitution Assets pursuant to paragraph (e) of the Pre-Acceleration Principal Allocation and the remainder (if any) will be deposited into the GIC Account and applied as Available Principal Receipts on the next succeeding Trust Payment Date.

Application of moneys following service of a Notice to Pay

Following service on the Covered Bond Guarantor (copied to the Trust Manager) of a Notice to Pay (but prior to service of a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer (copied to the Trust Manager and the Security Trustee) or the enforcement of the Charge) the Covered Bond Guarantor will, subject to the application of the payment in kind provisions in respect of the Senior Portion Outstanding of the Demand Loan as described in “*Summary of the Principal Documents – Demand Loan Agreement*”, and the application of payments under Swaps, use all Available Revenue Receipts and Available Principal Receipts to pay Guaranteed Amounts in respect of the Covered Bonds when the same shall become Due for Payment, subject to paying certain higher ranking obligations of the Covered Bond Guarantor in the Guarantee Allocations (including, but not limited to, fees and expenses and amounts due to Swap Providers). In such circumstances, the Intercompany Loan Provider, the Demand Loan Provider (other than in respect of interest on the Senior Portion Outstanding of the Demand Loan, which is senior ranking) and the Seller will only be entitled to receive any remaining funds of the Trust after all amounts due under the Covered Bond Guarantee in respect of the Covered Bonds have been paid in full or have otherwise been provided for.

Acceleration of the Covered Bonds

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 (copied to the Trust Manager and the Security Trustee), the Covered Bonds will become immediately due and repayable (if not already due and payable as against the Issuer) and each of the Bond Trustee and (if instructed to do so by the Bond Trustee) the Security Trustee may or shall take such proceedings or steps in accordance with the first and third paragraphs, respectively, of Condition 9(c) (*Enforcement*) and the Covered Bondholders shall have a claim against the Covered Bond Guarantor, under the Covered Bond Guarantee, for an amount equal to the Early Redemption Amount in respect of each

Covered Bond of each Series together with accrued interest and any other amount due under the Covered Bonds (other than additional amounts relating to such items as prepayments, early redemption premiums, default interest and interest upon interest and amounts payable by the Issuer under Condition 7 (*Taxation*)) and the Charge created by the Covered Bond Guarantor over the Secured Property will become enforceable (if not already realised). Any moneys received or recovered by the Security Trustee following enforcement of the Charge created by the Covered Bond Guarantor over the Secured Property will be distributed, subject to the application of the payment in kind provisions in respect of the Senior Portion Outstanding of the Demand Loan as described in “*Summary of the Principal Documents – Demand Loan Agreement*”, according to the Post-Enforcement Cashflow Allocation Methodology.

For a more detailed description of the transactions summarised above relating to the Covered Bonds see, among other relevant sections of this Offering Memorandum, “*Program Overview*”, “*Risk Factors Relating to the Covered Bonds*”, “*Summary Of The Principal Documents*”, “*Credit Structure*”, “*Cashflows*”, “*The Receivables Portfolio*” and “*Terms and Conditions of the Covered Bonds*” below.

Background and Australian legislative framework

Each issue of the Covered Bonds will be subject to, and undertaken in, compliance with Division 3A of Part II of the Australian Banking Act. The Australian Banking Act was amended with effect from October 17, 2011 by the Banking Amendment (Covered Bonds) Act 2011 of Australia to provide for the issue of covered bonds by ADIs.

The legislative framework established under the Australian Banking Act for the issuance of covered bonds by ANZBGL is summarised in the following paragraphs.

- *Definition of “covered bonds” and “cover pool”*: Under the Australian Banking Act, “covered bonds” are defined to be bonds, notes or other debentures, liabilities to the holders of which, or their representatives, are recoverable from the issuing ADI and secured by assets beneficially owned by a special purpose vehicle (a covered bond special purpose vehicle). Assets beneficially owned by the covered bond special purpose vehicle, to the extent that they secure the liabilities to the holders of covered bonds or their representatives equally or in priority to any other liabilities of the covered bond special purpose vehicle, constitute the cover pool for those covered bonds. The Covered Bonds to be issued by ANZBGL under the Program will be “covered bonds”.
- *Issue restriction and maintenance of the cover pool*: The Australian Banking Act provides that:
 - (i) ANZBGL must not issue a covered bond if the combined value of assets in cover pools securing all covered bonds (within the meaning of the Australian Banking Act) issued by ANZBGL would exceed 8%, or such other percentage prescribed by regulation, of the value of ANZBGL’s assets in Australia. This restriction is only to be tested at the time of the issuance of covered bonds; and
 - (ii) the value of assets in a cover pool must be at least 103% (or such other percentage prescribed by regulation) of the face value of covered bonds secured by the assets, except as otherwise permitted by the Australian Banking Act. This is an ongoing requirement which applies for so long as the covered bonds are outstanding.
- *Cover pools, eligible assets and cover pool monitor*: Sections 31 and 31A of the Australian Banking Act specify the nature of assets that may comprise the cover pool (which include

residential mortgage loans, certain cash deposits and liquid securities and certain derivatives). Pursuant to the terms of the Program Documents (in particular, the Supplemental Deed and the Mortgage Sale Agreement), the Covered Bond Guarantor is only permitted to hold as part of the cover pool assets which meet the requirements of sections 31 and 31A.

The Australian Banking Act also provides for the mandatory appointment of a cover pool monitor which must be either a registered auditor under the Corporations Act or an entity which holds an Australian financial services licence that covers the provision of financial services as the cover pool monitor (or is exempt from the requirement to do so). The cover pool monitor cannot be the issuing ADI or an associated entity of the issuing ADI. The Asset Monitor and the functions to be performed by the Asset Monitor under the Asset Monitor Agreement satisfy the applicable requirements of the Australian Banking Act for a cover pool monitor. The role of the Asset Monitor under the Asset Monitor Agreement is described further below under “*Summary of the Principal Documents*”.

- *Prudential supervision and standards:* The Australian Banking Act also provides broad administrative powers to APRA to regulate and intervene in the operations of an ADI, including:
 - (i) in certain circumstances (including where APRA has reason to believe that the ADI is unable to meet its liabilities, there has been a material deterioration in the ADI’s financial condition, the ADI is conducting its affairs in an improper or financially unsound way, the failure to issue a direction would materially prejudice the interests of the ADI’s depositors or the ADI is conducting its affairs in a way that may cause or promote instability of the Australian financial system), APRA has the power to direct an ADI not to issue a covered bond or to take, or not take, other action. Subject to paragraph (a) below, such directions could apply to any aspect of the business carried on by ANZBGL and its subsidiaries (and include, in the case of the Covered Bonds, a direction that ANZBGL not make a payment to the Covered Bondholders or transfer an asset to the Covered Bond Guarantor even if contractually obliged to do so). The Covered Bond Guarantor is not a subsidiary of ANZBGL for these purposes. An ADI has the power to comply with APRA’s direction despite anything in its constitution or any contract or arrangement to which it is a party;
 - (ii) if the ADI becomes unable to meet its obligations or suspends payment (and in certain other circumstances), APRA has the power to appoint an “ADI statutory manager” to take control of an ADI’s business;
 - (iii) to determine prudential standards which provide for matters relating to covered bonds including in relation to the issuing of covered bonds, assets in cover pools, the maintenance of cover pools and the capital treatment of assets in cover pools and liabilities between an issuing ADI and the covered bond special purpose vehicle; and
 - (iv) the power to direct a covered bond special purpose vehicle (such as the Covered Bond Guarantor) to return certain assets to the issuing ADI, but only to the extent that, at the time the direction is given, the relevant asset(s) do not secure “covered bond liabilities” (as defined in the Australian Banking Act including, in the case of ANZBGL, the liabilities of ANZBGL to the Covered Bondholders). A covered bond special purpose vehicle has the power to comply with APRA’s direction despite anything in its constitution or any contract or arrangement to which it is a party.

These broad administrative powers are of general application and have been provided to APRA to enable it to protect depositors and to maintain the stability of the Australian financial system. In addition, APRA's powers to give directions as described above are also subject to secrecy requirements which means that investors will not necessarily receive any notice or otherwise be aware that APRA has given any direction to ANZBGL or the Covered Bond Guarantor. Notwithstanding these broad administrative powers, sections 11CA(2AA), 31B and 31C of the Australian Banking Act provide that:

- (a) APRA must not direct, or give a direction to ANZBGL that would cause or require, the Covered Bond Guarantor to deal, or not deal, with an asset to the extent that the asset secures covered bond liabilities of ANZBGL to the Covered Bondholders, or make a payment, or not make a payment, in relation to a liability of ANZBGL to the Covered Bondholders
- (b) neither the giving of a direction by APRA to ANZBGL nor the fact that an ADI statutory manager is in control of ANZBGL's business prevents the exercise of a contractual right in relation to an asset that secures liabilities to the Covered Bondholders, if payments under the Covered Bonds are not made;
- (c) neither an ADI statutory manager nor an external administrator (as defined in the Australian Banking Act) in control of ANZBGL's business has any powers in relation to an asset to the extent that the asset secures the liabilities to the Covered Bondholders, apart from the contractual powers of ANZBGL; and
- (d) an ADI statutory manager or external administrator has the same contractual obligations of ANZBGL in relation to an asset to the extent that the asset secures the liabilities to the Covered Bondholders.

On November 8, 2011, APRA released for consultation a discussion paper outlining its proposals to introduce a new prudential standard for ADIs that issue covered bonds and make amendments to existing fundamental standards and a draft of *Prudential Standard APS 121 Covered Bonds (APS 121)*. Submissions on the discussion paper and prudential standard were due in December 2011 and APRA indicated that the prudential standard would be implemented in early 2012. However, as at the date of this Offering Memorandum, a final version of APS 121 is yet to be released.

PROGRAM OVERVIEW

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

The Parties

Issuer: ANZBGL, incorporated as a company under Australian law with Australian Business Number 11 005 357 522 and having its registered office at Level 9, 833 Collins Street Docklands Vic 3008, Australia.

Covered Bond Guarantor: Perpetual Corporate Trust Limited, a company incorporated with limited liability with Australian Business Number 99 000 341 533 and having its registered office at Level 12, 123 Pitt Street, Sydney NSW 2000, as trustee of the ANZ Residential Covered Bond Trust.

In its capacity as trustee of the Trust, the Covered Bond Guarantor's principal business is to acquire, *inter alia*, Receivables (Housing Loans and Related Securities) from the Seller pursuant to the terms of the Mortgage Sale Agreement and to guarantee certain payments in respect of the Covered Bonds. The Covered Bond Guarantor will hold the Receivables forming part of the Assets of the Trust and the other Secured Property as trustee in accordance with the terms of the Program Documents.

The Covered Bond Guarantor has provided a guarantee covering all Guaranteed Amounts when the same become Due for Payment, but only following service on the Issuer (with a copy to the Covered Bond Guarantor) of an Issuer Acceleration Notice and service on the Covered Bond Guarantor (copied to the Trust Manager) of a Notice to Pay, or if earlier, service of a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer (copied to the Trust Manager and the Security Trustee). The obligations of the Covered Bond Guarantor under the Covered Bond Guarantee and the other Program Documents to which it is a party are secured by the Deed of Charge under which the Covered Bond Guarantor has granted security over the Secured Property.

The liability of the Covered Bond Guarantor to make payments under the Program Documents (including under the Covered Bond Guarantee) is limited to its right of indemnity from the Assets of the Trust. Except in the case of, and to the extent that the Covered Bond

	Guarantor's right of indemnification against the Assets of the Trust is reduced as a result of fraud, gross negligence or wilful default, no rights may be enforced against the personal assets of the Covered Bond Guarantor by any person and no proceedings may be brought against the Covered Bond Guarantor except to the extent of the Covered Bond Guarantor's right of indemnity and reimbursement out of the Assets of the Trust. Other than in the exception previously mentioned, the personal assets of the Covered Bond Guarantor are not available to meet payments under the Covered Bond Guarantee.
The Trust:	The ANZ Residential Covered Bond Trust is established for the primary purposes of the Trustee: (a) acquiring (and disposing of) Receivables, Related Securities, Authorised Investments and Substitution Assets in accordance with the Program Documents in respect of the Trust; (b) guaranteeing the obligations of the Issuer under and in respect of Covered Bonds in accordance with the Program Documents; and (c) entering into, performing its obligations and exercising its rights under and taking any action contemplated by any of the Program Documents (as amended from time to time) and including any additional Program Documents entered into in accordance with the Trust Terms Deed, the relevant Supplemental Deed and the Bond Trust Deed from time to time, and the Trustee, on the direction of the Trust Manager, may exercise any or all of its powers under the Program Documents for these purposes and any purposes incidental to these purposes.
Residual Income Unitholder and Residual Capital Unitholder:	ANZBGL
Trust Manager:	ANZ Capel Court Limited (ANZCCL)
Seller:	ANZBGL
Calculation Manager / Servicer / Interest Rate Swap Provider / Covered Bond Swap Provider / Account Bank / Intercompany Loan Provider / Demand Loan Provider:	ANZBGL
Bond Trustee:	DB Trustees (Hong Kong) Limited
Security Trustee:	P.T. Limited

Asset Monitor:	KPMG
Dealers:	ANZ Securities, Inc., Citigroup Global Markets Inc. and UBS Securities LLC
Covered Bond Paying Agent:	Deutsche Bank AG, Hong Kong Branch
US Paying Agent/US Registrar:	Deutsche Bank Trust Company Americas
Luxembourg Registrar:	Deutsche Bank Luxembourg S.A.
Designated Rating Agencies:	Fitch Australia Pty Ltd and Moody's Investors Service Pty Ltd
<i>The Covered Bonds</i>	
Program Size:	Up to US\$20,000,000,000 (or its equivalent in other currencies determined as described in the Distribution Agreement) outstanding at any time. The Issuer may increase the amount of the Program in accordance with the terms of the Distribution Agreement.
Distribution:	Covered Bonds may be distributed on a syndicated or non-syndicated basis, subject to the restrictions set forth in " <i>Subscription and Sale and Selling Restrictions (Conflicts of Interests)</i> " below.
Specified Currencies:	Subject to any applicable legal or regulatory restrictions, Covered Bonds may be issued in such currency or currencies as may be agreed from time to time by the Issuer, the Relevant Dealer(s), the Principal Paying Agent and the Bond Trustee (as set out in the applicable Final Terms).
Certain Restrictions:	Each issue of Covered Bonds denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see " <i>Subscription and Sale and Selling Restrictions (Conflicts of Interests)</i> ").
Issue Price:	Covered Bonds may be issued at par or at a premium or discount to par on a fully-paid basis or partly-paid basis (as set out in the applicable Final Terms).
Form of Covered Bonds:	The Covered Bonds will be issued in registered form as described in "<i>Form of the Covered Bonds</i>". Covered Bonds may be Fixed Rate Covered Bonds, Floating Rate Covered Bonds, Zero Coupon Covered Bonds, Index Linked Interest Covered Bonds, Dual Currency Interest Covered Bonds, Index Linked Redemption Covered Bonds, Instalment Covered Bonds,

	Dual Currency Redemption Covered Bonds, Partly Paid Covered Bonds or a combination of any of the foregoing, depending on the applicable Final Terms, and subject, in each case, to confirmation from the Designated Rating Agencies that the then current ratings of any outstanding Series of Covered Bonds will not be adversely affected by the issuance of such Covered Bonds.
Fixed Rate Covered Bonds:	Fixed Rate Covered Bonds will bear interest at a fixed rate which will be payable on such date or dates as may be agreed between the Issuer and the Relevant Dealer(s) and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the Relevant Dealer(s) (in each case as set out in the applicable Final Terms).
Floating Rate Covered Bonds:	Floating Rate Covered Bonds will bear interest at a rate determined: (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the ISDA Definitions; or (ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or (iii) on such other basis as may be agreed between the Issuer and the Relevant Dealer(s), in each case as set out in the applicable Final Terms. The Margin (if any) relating to such floating rate will be agreed between the Issuer and the Relevant Dealer(s) for each issue of Floating Rate Covered Bonds (as set out in the applicable Final Terms).
Index Linked Covered Bonds:	Payments of principal in respect of Index Linked Redemption Covered Bonds or of interest in respect of Index Linked Interest Covered Bonds will be calculated by reference to such index and/or formula or to changes in the prices of securities or commodities or to such other factors as the Issuer and the Relevant Dealer(s) may agree.
Other provisions in relation to Floating Rate Covered Bonds and Index Linked Interest Covered Bonds:	Floating Rate Covered Bonds and Index Linked Interest Covered Bonds may also have a maximum interest rate, a minimum interest rate or both. Interest on Floating Rate Covered Bonds and Index Linked Interest Covered Bonds in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment

	Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer (and in each case as set out in the applicable Final Terms).
Dual Currency Covered Bonds:	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Covered Bonds will be made in such currencies, and based on such rates of exchange, as the Issuer and the relevant Dealer may agree (and in each case as set out in the applicable Final Terms).
Zero Coupon Covered Bonds:	Zero Coupon Covered Bonds will be offered and sold at a discount to their nominal amount and will not bear interest.
Designated Rating Agency Confirmation:	The issuance of each Series of Covered Bonds shall be subject to confirmation by each of the Designated Rating Agencies that the then current ratings for any outstanding Covered Bonds will not be adversely affected by the issuance of such types of Covered Bonds.
Maturities:	Subject to compliance with all applicable legal, regulatory and/or central bank requirements, Covered Bonds may be issued with such maturities as may be agreed between the Issuer and the Relevant Dealer(s) (as set out in the applicable Final Terms).
Redemption:	The applicable Final Terms for a Series of Covered Bonds will indicate either that the relevant Covered Bonds of such Series cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable, or for taxation reasons or if it becomes unlawful for any Term Advance or the Demand Loan to remain outstanding) or that such Covered Bonds will be redeemable at the option of the Issuer upon giving notice to the Covered Bondholders, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the Relevant Dealer(s) or that such Covered Bonds will be redeemable at the option of the Covered Bondholders upon giving notice to the Issuer, on a date or dates specified prior to such stated maturity and at their Optional Redemption Amount as specified in the applicable Final Terms. The applicable Final Terms may provide that Covered Bonds may be redeemable in two or more instalments of such amounts and on such dates as are indicated in the applicable Final Terms.
Final Redemption:	Unless an Extended Due for Payment Date is set out in the applicable Final Terms for a Series of Covered Bonds, if that Series of Covered Bonds has not already

Extendable obligations under the Covered Bond Guarantee:	been redeemed, purchased or cancelled in full in accordance with their terms and conditions, those Covered Bonds will be finally redeemed at their Final Redemption Amount on the Final Maturity Date for such Covered Bonds, as set out in the applicable Final Terms. If an Extended Due for Payment Date is set out in the Final Terms for a Series of Covered Bonds and (i) the Issuer fails to pay, in full, the Final Redemption Amount for such Covered Bonds on the Final Maturity Date for such Covered Bonds (or by the end of the applicable grace period) and (ii) following the service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager) by no later than the date falling one Business Day prior to the Extension Determination Date, it fails to pay, in full, the Guaranteed Amounts equal to the unpaid portion of such Final Redemption Amount on the date falling on the earlier of (i) the date which falls two Business Days after service of such Notice to pay on the Covered Bond Guarantor (with a copy to the Trust Manager) or if later the Final Maturity (in each case after the expiry of the grace period) and (ii) the Extension Determination Date for such Covered Bonds in accordance with the terms of the Covered Bond Guarantee (for example because, following the service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager), there are insufficient moneys available to it to pay, in accordance with the Guarantee Allocations, such Guaranteed Amounts in full), then the obligation of the Covered Bond Guarantor to pay the unpaid portion of such Guaranteed Amount, or any part thereof will be deferred (and a Covered Bond Guarantor Event of Default shall not occur as a result of such failure) until the first and subsequent Interest Payment Date thereafter on which sufficient moneys are available (after providing for liabilities ranking in priority thereto or <i>pari passu</i> therewith subject to and in accordance with the Guarantee Allocations) to fund the payment of such unpaid portion, or any part thereof, provided that such payment shall not be deferred beyond the Extended Due for Payment Date when the unpaid portion of such Guaranteed Amount (together with accrued interest) shall be due and payable. Interest will accrue on any such unpaid portion during such extended period and will be due and payable on each Interest Payment Date up to, and including, the Extended Due for Payment Date in accordance with Condition 4 (<i>Interest and other Calculations</i>). Denomination of Covered Bonds: The Covered Bonds will be issued in such denominations as may be agreed between the Issuer and the Relevant Dealer(s) and set out in the applicable Final Terms save that, except in certain limited circumstances, the

	minimum denomination of each Covered Bond will be U.S.\$250,000 (or, if the Covered Bonds are denominated in a currency other than U.S. dollars, the equivalent amount in such currency) or such other higher amount as is required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency.
Taxation:	All payments in respect of the Covered Bonds will be made without deduction or withholding for or on account of any taxes whatsoever, unless required by law. In the event that any such deduction is required by law, payment will be made after such amounts have been deducted and the Issuer will, subject to certain limitations and exceptions (as provided in Condition 7 (<i>Taxation</i>)), pay such additional amounts as may be necessary in order that the net amounts received by the holders of Covered Bonds after the deduction shall equal the respective amounts which would have been receivable in the absence of such deduction. If any payments made by the Covered Bond Guarantor under the Covered Bond Guarantee are or become subject to any such withholding or deduction, the Covered Bond Guarantor will not be obliged to pay any additional amount as a consequence under Condition 7 (<i>Taxation</i>).
Cross Default:	If a Covered Bond Guarantee Acceleration Notice is served in respect of any Series of Covered Bonds, then the obligation of the Covered Bond Guarantor to pay amounts equal to Guaranteed Amounts in respect of all Series of Covered Bonds outstanding will be accelerated. If a Notice to Pay is served in respect of any Series of Covered Bonds, then the Covered Bond Guarantor will be required to make payments of amounts equal to Guaranteed Amounts in respect of all Series of Covered Bonds outstanding as and when the same will become Due for Payment in accordance with the terms of the Covered Bond Guarantee.
Status of the Covered Bonds:	The Covered Bonds will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and will rank <i>pari passu</i> without any preference among themselves and, save for certain debts of the Issuer required to be preferred by law, including but not limited to, those referred to in Division 2 and 2AA of Part II of the Australian Banking Act and section 86 of the Australian Reserve Bank Act, at least equally with all other present and future unsecured and unsubordinated obligations of the Issuer, from time to time outstanding. For further detail see “-<i>Australian Banking Act – priority and ranking of the Covered Bonds</i>”. The Covered Bonds are not insured by the United States Federal Deposit Insurance Corporation or any other governmental agency.

Covered Bond Guarantee:

Payment of Guaranteed Amounts in respect of the Covered Bonds when Due for Payment will be irrevocably guaranteed by the Covered Bond Guarantor under the Covered Bond Guarantee. The Covered Bond Guarantor will be under no obligation to make payment in respect of the Guaranteed Amounts when Due for Payment unless (i) an Issuer Event of Default has occurred, and a Notice to Pay is served on the Covered Bond Guarantor (with a copy to the Trust Manager), or (ii) a Covered Bond Guarantor Event of Default has occurred and a Covered Bond Guarantee Acceleration Notice is served on the Covered Bond Guarantor and the Issuer (copied to the Trust Manager and the Security Trustee). Subject to its obligation to deliver a Notice to Pay, the Bond Trustee is entitled to enforce the Covered Bond Guarantee following an Issuer Event of Default. The obligations of the Covered Bond Guarantor under the Covered Bond Guarantee will accelerate against the Covered Bond Guarantor and the Guaranteed Amounts will become immediately due and payable upon the service of a Covered Bond Guarantee Acceleration Notice. The obligations of the Covered Bond Guarantor under the Covered Bond Guarantee constitute direct obligations of the Covered Bond Guarantor secured against the assets from time to time of the Covered Bond Guarantor and recourse against the Covered Bond Guarantor is limited to such assets.

Ratings:

Each Series of Covered Bonds to be issued under the Program will, unless otherwise specified in the applicable Final Terms, be rated “Aaa” by Moody’s and “AAA” by Fitch.

Each Series of Covered Bonds is expected on issue to be assigned a rating by each Designated Rating Agency. The rating of certain Series of Covered Bonds to be issued under the Program may be specified in the applicable Final Terms. Ratings are not a recommendation or suggestion, directly or indirectly, to any investor or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. The Designated Rating Agencies are not advisers, and nor do the Designated Rating Agencies provide investors or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services.

Listing and admission to trading:	Covered Bonds may be unlisted or may be listed or admitted to trading, as the case may be, on stock exchanges or regulated or unregulated markets, as may be agreed between the Issuer, the Covered Bond Guarantor, the Bond Trustee and the Relevant Dealers in relation to each issue. The Final Terms relating to each Series or Tranche, as applicable, of the Covered Bonds will state whether or not the Covered Bonds are to be listed and/or admitted to trading and, if so, on which stock exchange(s) and/or markets.
Governing Law:	The Covered Bonds, the Bond Trust Deed (including the Covered Bond Guarantee) and the Principal Agency Agreement and any non-contractual obligations arising out of or in connection with each of them are governed by, and will be construed in accordance with, English law. The Distribution Agreement is governed by, and will be construed in accordance with, New York law. The Notice of Creation of Trust, the Trust Terms Deed, the Supplemental Deed, the Mortgage Sale Agreement, the Servicing Deed, the Intercompany Loan Agreement, the Demand Loan Agreement, the Deed of Charge, the Definitions Schedule, the Security Trust Deed, the Interest Rate Swap Agreement, each Covered Bond Swap Agreement, the Asset Monitor Agreement and the Account Bank Agreement are governed by, and will be construed in accordance with, the laws of Victoria, Australia.
Selling Restrictions:	There are restrictions on the offer, sale and transfer of any Tranche of Covered Bonds (see “ <i>Subscription and Sale and Selling Restrictions (Conflicts of Interests)</i> ”).

Australian Banking Act – priority and ranking of the Covered Bonds

The Issuer is an “authorised deposit-taking institution” (ADI) as that term is defined under the Australian Banking Act. Under sections 13A(3) and 16(2) of the Australian Banking Act and section 86 of the Reserve Bank Act 1959 of Australia (Reserve Bank Act), certain debts of the Issuer are preferred by law, as described below.

Section 13A(3) of the 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, in the case of the Issuer, the Covered Bonds). For the purposes of section 13A(3) of the Australian Banking Act:

- (a) the assets of the ADI do not include any interest in an asset (or part of an asset) in a cover pool (as defined in the Australian Banking Act); and
- (b) the specified liabilities include certain obligations of the ADI to the Australian Prudential Regulation Authority (APRA) in respect of amounts payable by APRA to holders of protected accounts, other liabilities of the ADI in Australia in relation to protected accounts, debts to the

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

Covered Bonds do not constitute protected accounts or deposit liabilities for the purposes of the Australian Banking Act.

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

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

RISK FACTORS RELATING TO THE COVERED BONDS

Introduction

Any investment in the Covered Bonds issued under the Program will involve risks including those described in this section. All principal or material risks that have been identified by the Issuer and the Covered Bond Guarantor are included in this section, in the section titled “Risk factors relating to business/principal risks and uncertainties” in the 2012 Half Year U.S. Disclosure Document and any other information incorporated by reference herein. Prospective investors should carefully consider the following discussion of the risk factors and the other information in this Offering Memorandum (including information incorporated by reference herein) and consult their own financial and legal advisers about the risks associated with the Covered Bonds before deciding whether an investment in the Covered Bonds is suitable for them. Prospective investors should be aware that the risks set forth below are not exhaustive (as these will not include those risks that have not been identified by the Issuer or the Covered Bond Guarantor) and should carefully consider the following factors in addition to the matters set out elsewhere in this Offering Memorandum (including information incorporated by reference herein) before investing in the Covered Bonds offered under this Offering Memorandum.

As at the date of this Offering Memorandum, the Issuer and the Covered Bond Guarantor believe that the following risk factors and the risk factors in the 2012 Half Year U.S. Disclosure Document are among those that may affect the Issuer’s ability to fulfil its obligations, or the Covered Bond Guarantor’s ability to perform its obligations, under or in respect of the Covered Bonds or the Covered Bond Guarantee and could be material for the purpose of assessing the market risks associated with the Covered Bonds.

If any of the following factors actually occurs, the trading price of the Covered Bonds could decline and an investor could lose all or part of its investment. These factors in many cases are contingencies that may or may not occur and neither the Issuer nor the Covered Bond Guarantor are in a position to express a view on the likelihood of any such contingency occurring. Prospective investors should also read the detailed information set out elsewhere in this Offering Memorandum and reach their own views prior to making any investment decision.

General Risk Factors Relating to the Covered Bonds

Legal investment considerations may restrict certain investments

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

Issuer liable to make payments when due on the Covered Bonds

The Issuer will be liable to make payments when due on the Covered Bonds issued by it. The obligations of the Issuer under the Covered Bonds will be direct, unsecured, unconditional and unsubordinated obligations, ranking *pari passu* without any preference among themselves (and, save for certain debts of the Issuer required to be preferred by law, including but not limited to, those referred to in Division 2 and 2AA of Part II of the Australian Banking Act and section 86 of the Australian Reserve Bank Act, at least equally with all other present and future unsecured and unsubordinated obligations of the Issuer, from time to time outstanding).

The obligations of the Covered Bond Guarantor under the Covered Bond Guarantee will be secured by the Charge granted under the Deed of Charge.

Prior to the occurrence of a Covered Bond Guarantor Event of Default, if an Issuer Event of Default occurs in respect of a particular Series of Covered Bonds then, following the service of an Issuer Acceleration Notice on the Issuer (copied to the Covered Bond Guarantor), the Covered Bonds of all Series then outstanding will accelerate as against the Issuer but will be subject to, and have the benefit of, payments made by the Covered Bond Guarantor under the Covered Bond Guarantee (following service of a Notice to Pay by the Bond Trustee on the Covered Bond Guarantor (copied to the Trust Manager)). The Covered Bond Guarantor will have no obligation to pay the Guaranteed Amounts payable under the Covered Bond Guarantee until the occurrence of an Issuer Event of Default, service by the Bond Trustee on the Issuer (copied to the Covered Bond Guarantor) of an Issuer Acceleration Notice and service by the Bond Trustee on the Covered Bond Guarantor (copied to the Trust Manager) of a Notice to Pay. The occurrence of an Issuer Event of Default will not constitute a Covered Bond Guarantor Event of Default.

If a Covered Bond Guarantor Event of Default occurs in respect of a particular Series of Covered Bonds, then following the service of a Covered Bond Guarantee Acceleration Notice, the Covered Bonds of all Series outstanding will accelerate as against the Issuer (if not already accelerated following the occurrence of an Issuer Event of Default and the service on the Issuer (copied to the Covered Bond Guarantor) of an Issuer Acceleration Notice) and the obligations of the Covered Bond Guarantor under the Covered Bond Guarantee will accelerate.

Covered Bonds are obligations of the Issuer and the Covered Bond Guarantor

The payment obligations in relation to the Covered Bonds will be solely obligations of the Issuer and, subject to the terms of the Covered Bond Guarantee, obligations of the Covered Bond Guarantor. Accordingly the Covered Bonds will not represent an obligation or be the responsibility of any of the Dealers, the Agents, the Bond Trustee, the Security Trustee, any member of the ANZ Group including the Trust Manager (other than ANZBGL in its capacity as Issuer under the Program Documents) or any other party to the Program, their officers, members, directors, employees, security holders or incorporators, other than the Issuer and the Covered Bond Guarantor. The Issuer and the Covered Bond Guarantor will each be liable solely in their corporate capacity (and in the Covered Bond Guarantor's case, solely in its capacity as trustee of the Trust) for their obligations in respect of the Covered Bonds and such obligations will not be the obligations of their respective officers, members, directors, employees, security holders or incorporators.

The Covered Bond Guarantor will have no obligation to pay amounts equal to the Guaranteed Amounts payable under the Covered Bond Guarantee until the occurrence of an Issuer Event of Default, service by the Bond Trustee on the Issuer (with a copy to the Covered Bond Guarantor) of an Issuer Acceleration Notice and service by the Bond Trustee on the Covered Bond Guarantor (copied to the Trust Manager) of a Notice to Pay. The occurrence of an Issuer Event of Default will not constitute a Covered Bond Guarantor Event of Default.

Covered Bonds issued under the Program

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

All Covered Bonds issued from time to time will rank *pari passu* with each other in all respects (save as set out in the Guarantee Allocations) and will each have the benefit of the security granted by the Covered Bond Guarantor under the Deed of Charge.

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

- (a) it is intended that ANZBGL (as Intercompany Loan Provider) will make a Term Advance to the Covered Bond Guarantor in an amount equal to either (i) the Principal Amount Outstanding of such further issue of Covered Bonds or (ii) the Australian Dollar Equivalent of the nominal value of such further issue of Covered Bonds, and for a matching term. The Covered Bond Guarantor will use the proceeds of such Term Advance (if not denominated in Australian Dollars, upon exchange into Australian Dollars under the applicable Current Covered Bond Swap): (i) to fund (in whole or in part) the Purchase Price of a New Receivables Portfolio (consisting of Receivables originated by the Seller) from the Seller in accordance with the terms of the Mortgage Sale Agreement (or to fund the repayment of a short-term Demand Loan used for that purpose); and/or (ii) acting on the directions of the Trust Manager, to invest in Substitution Assets in an amount not exceeding the prescribed limit (as specified in the Supplemental Deed) to the extent required to meet the Asset Coverage Test; and thereafter the Covered Bond Guarantor may use such proceeds (if not denominated in A\$, after conversion into A\$) (subject to complying with the Asset Coverage Test): (A) if an existing Series or Tranche or part of an existing Series or Tranche of Covered Bonds is being refinanced (by the issue of a further Series or Tranche of Covered Bonds to which the Term Advance relates) to repay the Term Advance(s) corresponding to the Covered Bonds being so refinanced (after exchange into the currency of the Term Advance(s) being repaid, if necessary); and/or (B) to make a repayment of the Demand Loan; and/or (C) to make a deposit of all or part of the proceeds into the GIC Account (including, without limitation, to fund the Reserve Fund); and
- (b) the Asset Coverage Test will continue to be tested after any further issue of Covered Bonds.

However, there is no assurance that the issue of a further series of Covered Bonds would not be ultimately adverse to the interests of any existing holder of Covered Bonds, because for instance the level of collateralisation in the cover pool is reduced, or because of the timing subordination risk, as described below.

Timing subordination of Covered Bonds/No segregation of assets

Whilst each Series of Covered Bonds will rank *pari passu* with all other Series of Covered Bonds (and, save for certain debts of the Issuer required to be preferred by law, including but not limited to, those referred to in Division 2 and 2AA of Part II of the Australian Banking Act and section 86 of the Australian Reserve Bank Act, at least equally with all other present and future unsecured and unsubordinated obligations of the Issuer, from time to time outstanding) pursuant to the terms of the Supplemental Deed, each Series of Covered Bonds is likely to have a different Final Maturity Date. There is a risk that Covered Bonds maturing later will not be paid or will not be paid in full under the Covered Bond Guarantee, as cover pool assets are not segregated for different Series of Covered Bonds and will be used to repay earlier maturing Covered Bonds first. This risk is only partially mitigated by the Amortisation Test. In essence, the Amortisation Test will be breached if the Amortisation Test Aggregate Receivable Amount is less than the Australian Dollar Equivalent of the aggregate Principal Amount Outstanding under the Covered Bonds. If the Amortisation Test is breached then a Covered Bond Guarantor Event of Default will occur which will (subject to the Conditions) lead to the service of a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer (copied to the Trust Manager and the Security Trustee) and the acceleration of the obligations under the Covered Bond Guarantee in relation to all Covered Bonds then outstanding (hence any further timing subordination will cease to exist). However, there is no guarantee that the remaining cover pool assets will be sufficient to meet in full the claims of the remaining Covered Bondholders under the Covered Bond Guarantee.

Covered Bonds cross default

The Covered Bonds will cross-default each other. That is, if the Issuer fails to pay interest or principal due on any Series of Covered Bonds then, subject to the applicable grace periods, that will constitute an Issuer Event of Default in respect of all Series of Covered Bonds then outstanding. Similarly, following the service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager), if the Covered Bond Guarantor fails to pay any Guaranteed Amounts when Due for Payment in respect of Covered Bonds of any Series then, subject to the applicable grace periods, that will constitute a Covered Bond Guarantor Event of Default in respect of all Series of Covered Bonds then outstanding.

Final Maturity Date and extendable obligations under the Covered Bond Guarantee

If the applicable Final Terms for a Series of Covered Bonds provide that such Covered Bonds are subject to an Extended Due for Payment Date (**Extendable Maturity Covered Bonds**) then (subject to no Covered Bond Guarantor Event of Default having occurred) following the failure by the Issuer to pay, in full, the Final Redemption Amount of the relevant Series of Extendable Maturity Covered Bonds on their Final Maturity Date (subject to applicable grace periods) and if, following the service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager) (by no later than the date which falls one Business Day prior to the Extension Determination Date) the Trust Manager determines that the Covered Bond Guarantor has insufficient funds available under the Guarantee Allocations to pay the Guaranteed Amounts corresponding to the unpaid portion of such Final Redemption Amount in respect of the relevant Series of Extendable Maturity Covered Bonds in full on the earlier of (a) the date which falls two Business Days after the service of such Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager) or (b) if later, the Final Maturity Date (subject, in each case, to applicable grace periods), then the payment of such Guaranteed Amounts shall be automatically deferred to the Extended Due for Payment Date for the relevant Series of Extendable Maturity Covered Bonds.

To the extent that the Covered Bond Guarantor has received a Notice to Pay and has sufficient moneys available to pay in whole or in part the Guaranteed Amounts corresponding to the unpaid portion of the Final Redemption Amount in respect of the relevant Series of Extendable Maturity Covered Bonds, the Covered Bond Guarantor may be required to make such payment in accordance with the Guarantee Allocations and as described in Condition 5(a) (*Final redemption*) on any Interest Payment Date (from, and including, subject to applicable grace periods, the Final Maturity Date for such Covered Bonds) up to and including the relevant Extended Due for Payment Date. The Extended Due for Payment Date will be specified in the applicable Final Terms. Interest will continue to accrue and be payable on the unpaid amount in accordance with Condition 4 (*Interest and other Calculations*) and the Covered Bond Guarantor will pay Guaranteed Amounts constituting Scheduled Interest on each Original Due for Payment Date and the Extended Due for Payment Date. In these circumstances, except where the Covered Bond Guarantor has failed to apply money in accordance with the Guarantee Allocations, failure by the Covered Bond Guarantor to make payment in respect of the Final Redemption Amount on the Final Maturity Date (or such later date within any applicable grace period) shall not constitute a Covered Bond Guarantor Event of Default. However, failure by the Covered Bond Guarantor to pay Guaranteed Amounts corresponding to the Final Redemption Amount or the balance thereof, as the case may be, on the Extended Due for Payment Date and/or pay Guaranteed Amounts constituting Scheduled Interest on any Original Due for Payment Date up to and including the Extended Due for Payment Date will (subject to any applicable grace period) be a Covered Bond Guarantor Event of Default.

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

earlier Final Maturity Date than such Extended Due for Payment Date may start receiving principal repayments in advance of the Series of Extendable Maturity Covered Bonds in respect of which unpaid principal amounts have been deferred until such Extended Due for Payment Date.

The Extended Due for Payment Dates for different Series of Extendable Maturity Covered Bonds may not be the same. On each Trust Payment Date following the service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager) (but prior to the service of a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer (with a copy to the Trust Manager and the Security Trustee) or the enforcement of the Charge), the Covered Bond Guarantor will apply Available Revenue Receipts and Available Principal Receipts in accordance with the Guarantee Allocations. To the extent that the amount available for distribution under the Guarantee Allocations would be insufficient to pay the Scheduled Interest, the Scheduled Principal or the Final Redemption Amount of any Series of Covered Bonds to which an Extended Due for Payment Date applies, the shortfall will be divided among all such Series of Covered Bonds on a *pro rata* and *pari passu* basis.

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

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

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

An optional redemption feature of Covered Bonds is likely to limit their market value. During any period when the Issuer may elect to redeem Covered Bonds, the market value of those Covered Bonds generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. The Issuer may be expected to redeem Covered Bonds when its cost of borrowing is lower than the interest rate on the Covered Bonds. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Covered Bonds being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

(b) *Fixed Rate Covered Bonds*

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

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

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

- (i) the market price of such Covered Bonds may be volatile;
- (ii) they may receive no interest;
- (iii) payment of principal or interest may occur at a different time or in a different currency than expected;
- (iv) they may lose all or a substantial portion of their principal;

- (v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (vi) if a Relevant Factor is applied to Covered Bonds in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified; and
- (vii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

The historical experience of an index should not be viewed as an indication of the future performance of such index during the term of any Index Linked Covered Bonds. Accordingly, each potential investor should consult its own financial and legal advisers about the risk entailed by an investment in any Index Linked Covered Bonds and the suitability of such Covered Bonds in light of its particular circumstances.

(d) *Fixed/Floating Rate Covered Bonds*

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

Ratings of the Covered Bonds

The ratings assigned to a Series of Covered Bonds by Fitch address the likelihood of full and timely payment to Covered Bondholders of all payments of interest on each Interest Payment Date and the Final Maturity Date and the likelihood of ultimate payment of principal on the Final Maturity Date. The ratings assigned to the Covered Bonds by Moody's address the expected loss posed to potential investors. The expected ratings of a Series of Covered Bonds will be set out in the applicable Final Terms for such Series of Covered Bonds. Any Designated Rating Agency may lower its rating or withdraw its rating if, in the sole judgement of the Designated Rating Agency, the credit quality of the Covered Bonds has declined or is in question. In addition, at any time, any Designated Rating Agency may revise its relevant rating methodology with the result that, among other things, any rating assigned to the Covered Bonds may be lowered. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time (including as a result of changes to rating methodologies). A credit rating may not reflect the potential impact of all risks related to structure, market, additional factors discussed in these Risk Factors and other factors that may affect the value of the Covered Bonds. A downgrade in the corporate rating of ANZBGL or the sovereign rating of Australia may have a negative impact on the ratings of the Covered Bonds.

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

rating is maintained by Moody's and the Issuer is under no obligation to change the Asset Percentage (or any other term) in line with the level of credit enhancement required to ensure an AAA rating by Fitch or an Aaa rating by Moody's using Moody's expected loss methodology.

Rating Agency Notification in respect of Covered Bonds

Each Series of Covered Bonds to be issued under the Program will, unless otherwise specified in the applicable Final Terms, be rated "Aaa" by Moody's and "AAA" by Fitch. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning Designated Rating Agency.

The terms of certain of the Program Documents provide that, in respect of certain planned or proposed events or action, the Trust Manager must issue a Rating Agency Notification confirming that it has provided written notice to each Designated Rating Agency at least 10 Business Days prior to the implementation of such planned or proposed event or action, or such shorter period ending upon each Designated Rating Agency confirming in writing receipt of such notice and, in certain cases, that the Trust Manager has formed the view that the implementation of such planned or proposed event or action will not have an Adverse Rating Effect. If a Designated Rating Agency confirmation is required for the purposes of the Program Documents and the Designated Rating Agency does not consider such confirmation necessary, the Trust Manager shall be entitled to assume that the then current rating of the Covered Bonds from that Designated Rating Agency will not be downgraded or withdrawn by such Designated Rating Agency as a result of such event or circumstance. The Trust Manager may exercise its judgment in this regard that a proposed event or action will not cause an Adverse Rating Effect and that judgment may subsequently turn out to be wrong in that an Adverse Rating Effect is the consequence of such event or action.

A credit rating is an assessment of the likelihood of full and timely payment (for Fitch) and expected loss (for Moody's) and does not address other matters that may be of relevance to Covered Bondholders, including, without limitation, in the case of a Rating Agency Notification, whether any action proposed to be taken by the Issuer, the Covered Bond Guarantor, the Seller, the Servicer, the Trust Manager, the Calculation Manager, the Bond Trustee, the Security Trustee or any other party to a Program Document is either (a) permitted by the terms of the relevant Program Document, or (b) in the best interests of, or not materially prejudicial to, some or all of the Covered Bondholders. The fact that the Rating Agencies have not advised that the then current ratings of the Covered Bonds would not be adversely affected or withdrawn does not impose or extend any actual or contingent liability on the Designated Rating Agencies to the Issuer, the Covered Bond Guarantor, the Trust Manager, the Bond Trustee, the Security Trustee, the Secured Creditors (including the Covered Bondholders) or any other person or create any legal relations between the Designated Rating Agencies and the Issuer, the Covered Bond Guarantor, the Trust Manager, the Bond Trustee, the Security Trustee, the Secured Creditors (including the Covered Bondholders) or any other person whether by way of contract or otherwise.

Any confirmation from a Designated Rating Agency that a proposed action or inaction will not result in the downgrade or withdrawal of the then current rating on the Covered Bonds, if given, will be given on the basis of the facts and circumstances prevailing at the relevant time, and in the context of cumulative changes to the transaction of which the securities form part since the issuance closing date. Such a confirmation is given on the basis that it will not be construed as advice for the benefit of any parties to the transaction.

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

Except where expressly provided otherwise in the Deed of Charge or the Security Trust Deed, the Security Trustee will not be required to exercise any right, power, or discretion under the Deed of Charge or the Security Trust Deed and the other Program Documents, (including to require anything to be done, form any opinion or view, make a determination or give any consent waiver or approval

under the Deed of Charge or the Security Trust Deed and the other Program Documents) without first obtaining a direction from the Bond Trustee (where the Bond Trustee is the Voting Secured Creditor) or instructions from the Voting Secured Creditors of the Trust given by Extraordinary Resolution (where the Bond Trustee is not the Voting Secured Creditor). If there is at any time a conflict between a duty owed by the Security Trustee to the Covered Bondholders and a duty owed by the Security Trustee to any other Secured Creditor or class of Secured Creditor, then the Security Trustee must give priority to the interests of the Covered Bondholders while any of the Covered Bonds remain outstanding and shall not be required to have regard to the interests of any other Secured Creditor or any other person or to act upon or comply with any direction or request of any other Secured Creditor or any other person while any amount remains owing to any Covered Bondholders.

Where the Security Trustee is required to have regard to the Covered Bondholders (or any Series thereof), it shall have regard to the general interests of the Covered Bondholders (or any Series thereof) as a class and shall not have regard to any interests arising from circumstances particular to individual Covered Bondholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular country, territory or any political subdivision thereof and the Security Trustee shall not be entitled to require, nor shall any Covered Bondholder be entitled to claim from, the Issuer, the Covered Bond Guarantor, the Bond Trustee, the Security Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Covered Bondholders, except to the extent already provided for in Condition 7 (*Taxation*).

If, in connection with the exercise of its powers, trusts, authorities or discretions, the Security Trustee is of the opinion that the interests of the Covered Bondholders or, if there are no Covered Bonds outstanding, the Voting Secured Creditors, could or would be materially prejudiced thereby, the Security Trustee may determine that it shall not exercise such power, trust, authority or discretion without an Extraordinary Resolution from the Voting Secured Creditors of the relevant Trust (where the Bond Trustee is not the Voting Secured Creditor) or a direction from the Bond Trustee (where the Bond Trustee is the Voting Secured Creditor).

If the Security Trustee receives a direction from the Bond Trustee as a Voting Secured Creditor, the Security Trustee is entitled to assume for the above purposes that the action directed is in the interests of the Covered Bondholders as a class.

The Bond Trustee and the Security Trustee may in certain circumstances agree to modifications to the Program Documents without, respectively, the Covered Bondholders or other Secured Creditors' prior consent

Discretion to agree modifications

Pursuant to the terms of the Bond Trust Deed and the Security Trust Deed, the Bond Trustee and the Security Trustee may (and in the case of modification under clauses (a)(ii) and (b) below, without the consent or sanction of any of the Covered Bondholders of any Series and without the consent or sanction of the other Secured Creditors (other than any Secured Creditor who is a party to the relevant document)) at any time and from time to time concur with the Issuer, the Covered Bond Guarantor (as directed by the Trust Manager), the Trust Manager and any other party to the relevant document to be amended in making any modification to the Covered Bonds of one or more Series, to the Bond Trust Deed or to the Security Trust Deed or to any other Program Documents but only if:

- (a) in the case of the Security Trustee: (i) except if (ii) applies; (A) while the Bond Trustee is the Voting Secured Creditor, the Security Trustee is so directed by the Bond Trustee; and (B) while the Bond Trustee is not the Voting Secured Creditor, the Security Trustee is so directed by the Voting Secured Creditors; or (ii) at any time, if the modification is: (A) of a formal, minor or technical nature, or (B) made to correct a manifest error or an error established as such to the satisfaction of the Security Trustee; and

- (b) in the case of the Bond Trustee, at any time: (i) except in the case of a Series Reserved Matter, if in the opinion of the Bond Trustee such modification is not materially prejudicial to the interests of the Covered Bondholders of any Series; or (ii) if the modification is: (A) of a formal, minor or technical nature, or (B) made to correct a manifest error or an error established as such to the satisfaction of the Bond Trustee or to comply with mandatory provisions of law (and for this purpose the Bond Trustee may disregard whether any such modification relates to a Series Reserved Matter).

Obligation to concur in modifications

Pursuant to the terms of the Bond Trust Deed and the Security Trust Deed, the Security Trustee and the Bond Trustee shall be obliged to concur in and to effect any modifications to the Covered Bonds of one or more Series, to any Program Document, (a) if such modifications are certified by two Authorised Officers of the Trust Manager in a certificate to the Bond Trustee and the Security Trustee to be (i) required in order for a Program Document to comply with the ratings criteria of each Designated Rating Agency; (ii) made to comply with provisions of law or regulation or a directive applicable to the Covered Bond Guarantor, the Security Trustee, the Trust Manager or the Seller (in any capacity) provided that (other than where the provisions of the relevant law or the directive are mandatory) a Rating Agency Notification is given; or (iii) made to comply with the requirements of a Designated Rating Agency in order to prevent the occurrence of an Adverse Rating Effect; (b) to the Representations and Warranties that are requested by the Covered Bond Guarantor or the Trust Manager in order that new types of Receivable may be purchased by the Covered Bond Guarantor; (c) to the Program Documents that are requested by the Covered Bond Guarantor or the Trust Manager to accommodate the accession of a new Servicer, new Swap Provider, new Bond Trustee, new Asset Monitor or new Agent to the Program.

Such a modification does not require the consent or sanction of any Covered Bondholders of any Series or any other Secured Creditors (other than any Secured Creditor who is party to the relevant Program Document).

Certain decisions of Covered Bondholders taken at Program level

Any Extraordinary Resolution to direct the Bond Trustee to serve an Issuer Acceleration Notice following an Issuer Event of Default, to direct the Bond Trustee to serve a Covered Bond Guarantee Acceleration Notice following a Covered Bond Guarantor Event of Default and any direction to the Bond Trustee to take any enforcement action must be passed at a single meeting of the holders of all Covered Bonds of all Series then outstanding and therefore the holders of a single Series of Covered Bonds may not be able to give any directions to the Bond Trustee without the agreement of the holders of other outstanding Series of Covered Bonds.

A request in writing by the holders of at least 25 per cent of the aggregate Principal Amount Outstanding of Covered Bonds then outstanding to serve an Issuer Acceleration Notice following an Issuer Event of Default or to serve a Covered Bond Guarantee Acceleration Notice following a Covered Bond Guarantor Event of Default is to be given by reference to the Covered Bonds of all Series then outstanding. Therefore:

- (a) the holders of a single Series may be able to dictate whether or not that direction is given regardless of the interests or wishes of the Covered Bondholders of any other Series (if the aggregate Principal Amount Outstanding of the Covered Bonds of any Series is greater than 25% of the aggregate Principal Amount Outstanding of the Covered Bonds of all Series); and
- (b) the holders of a single Series of Covered Bonds may not be able to give a direction to the Bond Trustee without the agreement of the holders of other outstanding Series of Covered Bonds.

Neither the Bond Trustee nor the Security Trustee shall be bound to take enforcement proceedings in relation to the Bond Trust Deed, the Covered Bonds, the Charge or any other Program Document unless the Bond Trustee or Security Trustee, as applicable, shall have been indemnified and/or prefunded and/or secured to its satisfaction.

Covered Bondholders will not have a direct right to vote or take enforcement action

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

Similarly, holders of beneficial interests in the Global Covered Bonds will not have a direct right under the Global Covered Bonds to take enforcement action against the Issuer or the Covered Bond Guarantor in the event of default under the relevant Covered Bonds or other Program Documents but will have to rely upon their rights under the Bond Trust Deed or mandatory rules in accordance with international private law.

Submission to jurisdiction

Neither the Issuer nor the Covered Bond Guarantor have expressly agreed to submit to the jurisdiction of New York federal or state courts or appointed an agent for service of process for such purpose. In the limited instances where a Covered Bondholder may proceed directly against the Issuer or Covered Bond Guarantor due to a failure to act by the Bond Trustee or the Security Trustee, as the case may be, as described herein, it may be necessary for such Covered Bondholder to bring a suit in the courts of England and Wales or Victoria, Australia (as applicable) to enforce its rights against the Issuer or the Covered Bond Guarantor, as the case may be, with respect to the Bond Trust Deed or any other Program Document.

Absence of secondary market; lack of liquidity

There is not, at present, an active and liquid secondary market for the Covered Bonds and there can be no assurance that a secondary market for the Covered Bonds issued by the Issuer will develop. The Covered Bonds have not been, and will not be, registered under the Securities Act or any other applicable securities laws and are subject to certain restrictions on the resale and transfer thereof as set forth under “*Subscription and Sale and Selling Restrictions (Conflicts of Interests)*”. If a secondary market does develop, it may not continue for the life of the Covered Bonds or it may not provide Covered Bondholders with liquidity of investment with the result that a holder of the Covered Bonds may not be able to find a buyer to buy its Covered Bonds readily or at prices that will enable the holder of the Covered Bonds to realise a desired yield. This is particularly the case for Covered Bonds that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Covered Bonds generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Covered Bonds.

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

Conflict of interest

The Trust Manager is a subsidiary of ANZBGL and members of the board of the Trust Manager are currently employed by ANZBGL in senior positions. The Program Documents contain undertakings of the Trust Manager and under the Program Documents the Trust Manager will need to give directions to the Trustee in relation to many matters where the interests of the Trustee and the Trust

Manager on the one hand and the interest of ANZBGL may conflict. For instance (but without limiting the generality of the foregoing), the Trustee (at the direction of the Trust Manager) may need to make claims against ANZBGL under the Mortgage Sale Agreement if there has been a breach of a representation by ANZBGL. Additionally, ANZBGL fulfils duties under the Program Documents, some of which may conflict indirectly with the position or rights of ANZBGL in other capacities. Neither the Trust Manager nor ANZBGL is required to ensure that no actual or potential conflicts of interest of the sort described in this paragraph arises and Covered Bondholders are taken to acknowledge that actual and potential conflicts of interest may exist in connection with the roles of ANZBGL (in various capacities) and the Trust Manager.

Insolvency of the Issuer may adversely affect the Covered Bonds

If one or more insolvency related events occurred in respect of the Issuer, then this may adversely affect the Covered Bonds. For instance, it may adversely affect the timing of payments on the Covered Bonds, it may cause the ratings of the Covered Bonds to be adversely affected, it may affect the trading price and liquidity of the Covered Bonds in the secondary market, it may affect the value of the representations and warranties given by ANZBGL as Seller of the Receivables, it may affect the ability of ANZBGL to perform its role as Servicer of the Receivables and/or its other roles and/or it may affect the price at which Selected Receivables can be sold or the value of the Receivables in the cover pool.

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

No tax gross-up or certain other payments under the Covered Bond Guarantee

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

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

Following the occurrence of a Covered Bond Guarantor Event of Default and the service of a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer (copied to the Trust Manager and the Security Trustee), the Bond Trustee will have a claim under the Covered Bond Guarantee for an amount equal to the Early Redemption Amount of each Covered Bond, together with accrued interest and all other amounts then due under the Covered Bonds. However this will exclude additional amounts payable under Condition 7 (*Taxation*), and the Covered Bond Guarantor will not be obliged to gross up in respect of any withholding which may be required in respect of any payment.

Excess Proceeds received by the Bond Trustee

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

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

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

Following the service of a Notice to Pay on the Covered Bond Guarantor, (with a copy to the Trust Manager), the Covered Bond Guarantor's ability to meet its obligations under the Covered Bond Guarantee will depend on (a) the realisable value of Selected Receivables in the Assets of the Trust, (b) the amount of Receivables Revenue Receipts and Receivables Principal Receipts generated by the Receivables Portfolio and the timing thereof, (c) amounts received from the Swap Providers, (d) the realisable value of Substitution Assets and Authorised Investments held by it and (e) the receipt by it of credit balances and interest on credit balances on the GIC Account.

Only the Security Trustee may pursue the remedies available under the general law or under the Deed of Charge to enforce the Charge and no Covered Bondholder or any other Transaction Party will be entitled to proceed directly against the Covered Bond Guarantor to enforce the Charge. Only the Security Trustee and the Bond Trustee (in relation to the Covered Bond Guarantee) 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 Covered Bondholder or to any other Transaction Party.

As a condition to investing in the Covered Bonds, Covered Bondholders should be aware that all obligations of the Covered Bond Guarantor to the Covered Bondholders (and to any other Transaction Party) are limited recourse to the Secured Property of the Covered Bond Guarantor, and they will not have recourse to any of its other assets.

For further information on the scope of the limited recourse and non-petition provisions, see Condition 16 of the Terms and Conditions of the Covered Bonds.

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

Covered Bondholders should note that the Asset Coverage Test has been structured to ensure that the Adjusted Aggregate Receivable Amount is greater than the Australian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds for so long as Covered Bonds remain outstanding, which should reduce the risk of there ever being a shortfall (although there is no assurance of this – in particular, the sale of further Receivables by the Seller to the Covered Bond Guarantor may be required to avoid or remedy a breach of the Asset Coverage Test).

The Trust Manager will be required to determine, following the service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager) (but prior to the service of a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer (copied to the Trust Manager and the Security Trustee) and/or the enforcement of the Charge), whether the Amortisation Test is met on each Determination Date. A breach of the Amortisation Test will constitute a Covered Bond Guarantor Event of Default and will entitle the Bond Trustee to serve a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer (copied to the Trust Manager and the Security Trustee). However, Assets subject to the payment in kind provisions in respect of the Senior Portion Outstanding of the Demand Loan are not available as collateral to secure the Covered Bonds.

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

Insolvency of the Covered Bond Guarantor likely to adversely affect the Covered Bonds

If one or more insolvency related events occurred in respect of the Covered Bond Guarantor then this would constitute a Covered Bond Guarantor Event of Default, which is likely to adversely affect the Covered Bonds. For instance, all of the Covered Bonds will become immediately due and payable, the ratings of the Covered Bonds are likely to be adversely affected, the trading price and liquidity of the Covered Bonds in the secondary market is likely to be adversely affected and the price at which Selected Receivables can be sold or the value of the Receivables in the cover pool may be adversely affected.

To reduce the likelihood of the Covered Bond Guarantor becoming insolvent, it has agreed to limit its activities to those related to the Program and not to incur any further indebtedness except as contemplated by the Program Documents. Further, the claims of the Secured Creditors will be limited to the Assets of the Covered Bond Guarantor. However there is no assurance that the Covered Bond Guarantor will not become insolvent.

Reliance of the Covered Bond Guarantor on third parties

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

- (a) the Servicer has been appointed to administer and service the Purchased Receivables on behalf of the Covered Bond Guarantor and to provide certain other administration and management services to the Covered Bond Guarantor pursuant to the provisions of the Servicing Deed;
- (b) the Trust Manager has been appointed to provide the administration and cash management services set out in the Program Documents including, without limitation, assisting the Covered Bond Guarantor in operating the Trust Accounts, keeping and maintaining records, causing annual accounts of the Trust to be audited, making certain calculations necessary for the Cashflow Allocation Methodology and directing the Covered Bond Guarantor in relation to investing moneys standing to the credit of the GIC Account in Substitution Assets or Authorised Investments;
- (c) the Calculation Manager has been appointed to provide the calculation services set out in the Program Documents including, without limitation, doing all calculations on each Determination Date which are required to determine whether the Purchased Receivables are in compliance with the Asset Coverage Test, the Amortisation Test or the Pre-Maturity Test, as the case may be, and providing information to the Asset Monitor;
- (d) the Asset Monitor has been appointed to report on the accuracy of certain of the Calculation Manager’s calculations; and

- (e) the Account Bank has been appointed to operate each of the Trust Accounts in accordance with the relevant Account Bank mandate pursuant to the Account Bank Agreement.

In the event that any of those third parties fails to perform its obligations under the relevant agreement to which it is a party, the mechanics and procedures prescribed by the Program Documents designed to ensure that the Program works as intended may be affected and the realisable value of the Purchased Receivables and other assets that comprise the Assets or any part thereof or pending such realisation (if the Purchased Receivables and other assets that comprise the Assets or any part thereof cannot be sold) the ability of the Covered Bond Guarantor to make payments under the Covered Bond Guarantee may be affected. For example, if the Servicer fails to adequately administer the Purchased Receivables, this may lead to higher incidences of non-payment or default by Debtors.

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

If a Servicer Termination Event occurs, then the Covered Bond Guarantor (acting on the direction of the Trust Manager) or the Security Trustee may (acting on the direction of the Voting Secured Creditor) terminate the appointment of the Servicer. Any termination of the appointment of the Servicer and the appointment of a substitute servicer is conditional upon the Trust Manager having delivered a Rating Agency Notification.

If the appointment of the Servicer is terminated, then with effect from the date of termination unless and until a substitute servicer that satisfies certain criteria has been appointed, the Covered Bond Guarantor shall be taken to be the Substitute Servicer and shall perform all obligations, and shall be entitled to exercise all rights, of the Servicer under the Transaction Documents. In acting as Servicer in accordance with the Servicing Deed, the Covered Bond Guarantor will not be responsible for, and will not be liable for, any inability to perform, or deficiency in performing, its duties and obligations as Servicer if:

- (a) the Covered Bond Guarantor is unable to perform those duties as a consequence of:
 - (i) the acts or omissions of the previous Servicer or any other party to a Transaction Document; or
 - (ii) the state of affairs of the previous Servicer, and its books and records; or
- (b) the Covered Bond Guarantor is unable, after using reasonable endeavours, to obtain information and documents or obtain access to software, personnel or resources from the previous Servicer the Covered Bond Guarantor requires and which are reasonably necessary for the Covered Bond Guarantor to perform those duties and obligations.

In acting as Servicer:

- (a) the Covered Bond Guarantor does not make or repeat any representation of the Servicer under the Transaction Documents (but without limiting any representation under a Transaction Document which is expressed to be a representation of the Covered Bond Guarantor in that capacity);
- (b) the Covered Bond Guarantor does not assume any indemnity obligations of the Servicer; and
- (c) the applicable limitation of liability clauses that apply to it as Trustee of the Trust applies in respect of the Covered Bond Guarantor acting in the capacity of Servicer.

For so long as the Covered Bond Guarantor is acting as servicer it is entitled to the fee payable to the Servicer or such other fee as may be agreed with the Trust Manager in respect of which it has given a Rating Agency Notification.

Following the delivery of a notice of termination to the Servicer of the termination of its appointment the Covered Bond Guarantor (acting at the direction of the Trust Manager) has agreed to use reasonable endeavours to appoint a substitute servicer (**Substitute Servicer**), with such appointment to become effective no later than the effective date of the termination or resignation, as applicable. The Trust Manager has agreed to promptly notify the Designated Rating Agencies of the appointment of the Substitute Servicer.

There can be no assurance that despite the appointment of the Covered Bond Guarantor to act as Substitute Servicer (at least on an interim basis) a substitute servicer with sufficient experience of administering mortgages of residential properties would be found who would be willing and able to service the Purchased Receivables on the terms of the Servicing Deed.

The ability of a replacement servicer to perform fully the required services would depend, among other things, on the information, software and records available at the time of the appointment. Any delay or inability to appoint a replacement servicer may affect payments on the Purchased Receivables, the realisable value of such Receivables and/or the ability of the Covered Bond Guarantor to make payments under the Covered Bond Guarantee.

The Servicer has no obligation itself to advance payments that Debtors fail to make in a timely fashion. Covered Bondholders will have no right to consent to or approve of any actions taken by the Servicer under the Servicing Deed.

The Servicer is required to act as an independent contractor, except as expressly provided for in the Servicing Deed, in collecting amounts owing on the Receivables for the Covered Bond Guarantor in respect of all payments in respect of the Purchased Receivables (including, without limitation, a Receivable Scheduled Payment). However, the Servicer agrees to act on behalf of and in the best interests of the Covered Bond Guarantor in its exercise and performance of such duties. If the Servicer receives, during a Collection Period, any money whatsoever arising from the Purchased Receivables which money belongs to the Covered Bond Guarantor and such money is to be credited to the GIC Account pursuant to the Servicing Deed, the Servicer shall hold such money on trust for the Covered Bond Guarantor. The Servicer is entitled to commingle such money with any other money held by it. In the event of an insolvency of the Servicer, the ability of the Covered Bond Guarantor to trace and recover any such commingled money may be impaired. The risk of the Servicer not making payment on each Trust Payment Date immediately following the end of a Collection Period is mitigated by an obligation of the Servicer to transfer the collections into the GIC Account within two Local Business Days of receipt if the Servicer's short term credit ratings are downgraded to below P-1 (by Moody's) or F1 (by Fitch) or long term credit ratings are downgraded to below A (Fitch).

Neither the Security Trustee nor the Bond Trustee is obliged in any circumstances to act as a Servicer or to monitor the performance by the Servicer of its obligations.

If a Trust Manager Default occurs, then the Covered Bond Guarantor (with the consent of the Security Trustee) may terminate the appointment of the Trust Manager. Until the appointment of any replacement trust manager is complete, the Covered Bond Guarantor must act as Trust Manager in accordance with the Trust Terms Deed (subject to similar limitations on its obligations and liabilities as those described above in relation to it acting as substitute Servicer). There can be no assurance that a replacement trust manager would be found who would be willing and able to provide such trust management services on the terms of the Supplemental Deed and the Trust Terms Deed. Neither the Security Trustee nor the Bond Trustee will be obliged in any circumstances to act as a Trust Manager or to monitor or supervise the performance by the Trust Manager (or any replacement trust manager) of its obligations.

If a Calculation Manager Termination Event occurs, then the Trust Manager may terminate the appointment of the Calculation Manager. The Covered Bond Guarantor (at the direction of the Trust Manager) will be required to use its reasonable endeavours to appoint a substitute calculation manager. There can be no assurance that a substitute calculation manager would be found who would be willing to act as Calculation Manager and able to provide such Calculation Management Services on the terms of the Supplemental Deed. Neither the Covered Bond Guarantor, the Trust Manager nor the Security Trustee shall have any liability to any person in the event that the Covered Bond Guarantor is unable to appoint a substitute trust manager or substitute calculation manager, as the case may be. Neither the Covered Bond Guarantor, the Security Trustee nor the Bond Trustee will be obliged in any circumstances to act as the Calculation Manager or to monitor or supervise the performance by the Calculation Manager (or any replacement calculation manager) of its obligations.

Any delay or inability to appoint a replacement trust manager or calculation manager may affect, among other things in connection with their responsibilities, payments to and from the Trust Accounts in accordance with the terms of the Program Documents, and/or the provision of the Asset Coverage Reports and other information to, inter alia, the Designated Rating Agencies, the Security Trustee and the Covered Bond Guarantor and may ultimately affect the ability of the Covered Bond Guarantor to make payments under the Covered Bond Guarantee.

None of the Trust Manager, ANZBGL (in any capacity) or the Calculation Manager has any obligation itself to advance payments that Debtors fail to make in a timely fashion. Covered Bondholders will have no right to consent to or approve of any actions taken by the Trust Manager under the Supplemental Deed or the Trust Terms Deed.

The appointment of the Account Bank may be terminated by the Covered Bond Guarantor (acting on the direction of the Trust Manager) or the Security Trustee upon the occurrence of certain events and must be terminated by the Covered Bond Guarantor (acting on the direction of the Trust Manager) or the Security Trustee if an Insolvency Event occurs in relation to the Account Bank or if Account Bank ceases to be an Eligible Bank and does not obtain a guarantee from an Eligible Bank of its obligations under the Account Bank Agreement within 30 Local Business Days. The Trust Manager will be required to use its reasonable endeavours (in consultation with the Covered Bond Guarantor and the Security Trustee) to establish replacement bank accounts with an Eligible Bank on substantially the same terms as the Account Bank Agreement. However, there can be no assurance that a replacement bank will be found within a particular period or that any replacement bank will in fact be an Eligible Bank. The Trust Manager will have no liability to any person in the event that, after having used reasonable endeavours, replacement bank accounts cannot be established which satisfy these and other requirements of the Account Bank Agreement. If the transfer of accounts does not occur before the Account Bank becomes insolvent, then the Covered Bond Guarantor would have only a claim as an unsecured creditor of the Account Bank. Accordingly, there is a potential risk of loss of the Covered Bond Guarantor's funds held with the Account Bank if the Account Bank has insufficient funds to meet all the claims of its unsecured creditors.

Change of counterparties

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

If the party concerned ceases to satisfy the applicable criteria, including such ratings criteria, then the rights and obligations of that party (including the right or obligation to receive moneys on behalf of the Covered Bond Guarantor) may be required to be transferred to another entity which does satisfy the applicable criteria, unless the Bond Trustee is satisfied that maintaining the existing arrangements (or modifying them) with the existing counterparty would not adversely affect the then current ratings

of the Covered Bonds. If the rights and obligations of that counterparty are transferred to another entity, then the terms agreed with the replacement entity may not be as favourable as those agreed with the original party pursuant to the Program Documents. In addition, there is no guarantee that a replacement counterparty could be found. The occurrence of either of these factors may adversely affect the ratings assigned to the Covered Bonds or the ability of the Covered Bond Guarantor to make payments under the Covered Bond Guarantee.

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

Reliance on Swap Providers

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

If the Covered Bond Guarantor fails to make timely payments of amounts due under any Swap Agreement then it will have defaulted under that Swap Agreement and such Swap Agreement may be terminated. Further, a Swap Provider is only obliged to make payments to the Covered Bond Guarantor if the Covered Bond Guarantor complies with its payment obligations under the relevant Swap Agreement. If a Swap Agreement terminates or the relevant Swap Provider is not obliged to make payments or if it defaults in its obligations to make payments of amounts in the relevant currency equal to the full amount to be paid to the Covered Bond Guarantor on the payment date under such Swap Agreement, the Covered Bond Guarantor will be exposed to changes in the relevant currency exchange rates to Australian Dollars (where relevant) and to any changes in the relevant rates of interest. Unless a replacement swap is entered into, the Covered Bond Guarantor may have insufficient funds to make payments under the Intercompany Loan Agreement, the Demand Loan Agreement or the Covered Bond Guarantee.

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

If the Covered Bond Guarantor is obliged to pay a termination payment under any Swap Agreement, any such termination payment in respect of:

- (i) the Interest Rate Swap will rank ahead of amounts due on the Covered Bonds; and
- (ii) the Covered Bond Swap will rank *pari passu* with amounts due on the Covered Bonds,

except where the Swap Agreement has been terminated due to a default by the relevant Swap Provider or a failure by the relevant Swap Provider to comply with its obligations under the Swap Agreement following a downgrade of the Swap Provider.

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

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

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

Certain amounts due to other creditors of the Covered Bond Guarantor will rank ahead of the claims of the Covered Bondholders

Under the terms of the Guarantee Allocations, there are certain amounts due to other Secured Creditors and third parties which rank ahead of, or *pari passu* with, the claims of the Covered Bondholders under the Covered Bond Guarantee. Assets subject to the payment in kind provisions in respect of the Senior Portion Outstanding of the Demand Loan are not available as collateral to secure the Covered Bonds.

If a Covered Bondholder or another Secured Creditor receives a sum from or on behalf of the Covered Bond Guarantor which, in accordance with the terms of the Supplemental Deed, it should not have received, then it will be obliged to repay such sum to the Covered Bond Guarantor or the Security Trustee (depending on when the amount is received), so that the sum can be applied in accordance with the terms of the Supplemental Deed.

Enforcing the obligations of a Secured Creditor to repay any such amount may result in a significant period of time – particularly if the Covered Bond Guarantor or the Trust Manager is obliged to involve it in court or arbitration proceedings (which may or may not be successful). Furthermore, if that Secured Creditor becomes insolvent prior to repaying the monies to the Covered Bond Guarantor or the Trust Manager, there is then a risk that such sums will not be repaid in its entirety – that is, they may fall into the insolvency estate of that Secured Creditor. The occurrence of either of these situations may cause an overall loss or delay of payments due to the Covered Bondholders.

There are also certain creditors of the Covered Bond Guarantor that are not party to the Intercreditor Deed, such as tax authorities and Borrowers. These creditors are not bound by the limited recourse (as against the Covered Bond Guarantor) and non-petition provisions in the Program Documents.

Under the Guarantee Allocations, amounts due to certain of such creditors will also rank ahead of the claims of the Covered Bondholders.

Insolvency proceedings and subordination provisions

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

The English Supreme Court has held that a flip clause as described above is valid under English law. Contrary to this, however, the US Bankruptcy Court for the Southern District of New York has held that such a subordination provision is unenforceable under US bankruptcy law and that any action to enforce such provision would violate the automatic stay which applies under such law in the case of a US bankruptcy of the counterparty. The implications of this conflicting judgment are not yet known, particularly as the US Bankruptcy Court approved, in December 2010, the settlement of the case to which the judgment relates and a subsequent appeal was dismissed.

If a creditor of the Covered Bond Guarantor (such as a Swap Provider) or a related entity becomes subject to insolvency proceedings in any jurisdiction outside England and Wales or Australia (including, but not limited to, the US), and it is owed a payment by the Covered Bond Guarantor, a question arises as to whether the insolvent creditor or any insolvency official appointed in respect of that creditor could successfully challenge the validity and/or enforceability of subordination provisions included in the English law governed Program Documents (such as a provision of the Cashflow Allocation Methodology which refers to the ranking of the Swap Providers' payment rights in respect of Excluded Swap Termination Amounts). In particular, based on the decision of the US Bankruptcy Court referred to above, there is a risk that such subordination provisions would not be upheld under US bankruptcy laws. Such laws may be relevant in certain circumstances with respect to a range of entities which may act as Swap Provider, including US established entities and certain non-US established entities with assets or operations in the US (although the scope of any such proceedings may be limited if the relevant non-US entity is a bank with a licensed branch in a US state). In general, if a subordination provision included in the Program Documents was successfully challenged under the insolvency laws of any relevant jurisdiction outside England and Wales or Australia and any relevant foreign judgment or order was recognised by the English courts or Australian courts, there can be no assurance that such actions would not adversely affect the rights of the Covered Bondholders, the market value of the Covered Bonds and/or the ability of the Covered Bond Guarantor to satisfy its obligations under the Covered Bond Guarantee.

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

Limited description of the Portfolio

Covered Bondholders may not receive detailed statistics or information in relation to the Purchased Receivables because it is expected that the constitution of the Purchased Receivables will frequently change due to, for instance:

- (a) the Seller selling additional Receivables and the Related Security (or Receivables of New Product Types and the Related Security) to the Covered Bond Guarantor;
- (b) payments by the Debtors on those Receivables; and
- (c) the Seller repurchasing Receivables and the Related Security in accordance with the Mortgage Sale Agreement, in particular, in relation to non-compliance with the Representations and Warranties and in the case of a Further Advance, Redraw or Product Switch which the Covered Bond Guarantor has not agreed may remain in the Purchased Receivables (see “*Summary of the Principal Documents – The Mortgage Sale Agreement – Repurchase by the Seller following breach of Representations and Warranties*”).

There is no assurance that the characteristics of the New Receivables sold to the Covered Bond Guarantor on any Transfer Date will be the same as those of the other Purchased Receivables as at the relevant Transfer Date. However, each Receivable sold to the Covered Bond Guarantor will be required to be a Qualifying Receivable and the Seller will also be required to make the Representations and Warranties set out in the Mortgage Sale Agreement on such date (see “*Summary of the Principal Documents – Mortgage Sale Agreement – Sale by the Seller of Receivables*”) (although the criteria for Qualifying Receivables and Representations and Warranties may change in certain circumstances (see “*-The Bond Trustee and the Security Trustee may agree to modifications to the Program Documents without, respectively the Covered Bondholders’ or Secured Creditors’ prior consent*”). In addition, the Asset Coverage Test is intended to ensure that on each Determination Date the Adjusted Aggregate Receivable Amount is an amount at least equal to the Australian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds for so long as Covered Bonds remain outstanding and the Trust Manager will provide monthly reports that will set out certain information in relation to the Asset Coverage Test.

The Servicing Procedures may be amended or revised by ANZBGL from time to time. If any Receivables have been originated under amended or revised Servicing Procedures and the Receivables are then sold to the Covered Bond Guarantor in accordance with and pursuant to the terms of the Mortgage Sale Agreement, the characteristics of the Purchased Receivables could at such time change. This could adversely affect the ability of the Covered Bond Guarantor to meet its obligations under the Covered Bond Guarantee.

Maintenance of Portfolio

Asset Coverage Test

The Asset Coverage Test is intended to test the asset coverage of the Covered Bond Guarantor’s assets in respect of the Covered Bonds on a monthly basis. This is designed to ensure that the assets of the Covered Bond Guarantor do not fall below a certain threshold and are sufficient for the Covered Bond Guarantor to meet its obligations under the Covered Bond Guarantee and senior expenses which rank in priority or *pari passu* with amounts due on the Covered Bonds. Pursuant to the terms of the Mortgage Sale Agreement, provided that, in the reasonable opinion of the Seller, the sale of New Receivables would not materially adversely affect the business or financial condition of the Seller, the Seller has agreed to use all reasonable endeavours to offer to sell Receivables and the Related Security to the Covered Bond Guarantor, and the Covered Bond Guarantor (at the Trust Manager’s direction) agrees to use all reasonable endeavours to acquire Receivables and the Related Security from the Seller, if at any time prior to the occurrence of an Issuer Event of Default or a Covered Bond Guarantor Event of Default (or both) the Purchased Receivables are not in compliance with the Asset Coverage Test. The consideration payable to the Seller for the sale of such Receivables to the Covered Bond Guarantor may be funded by (a) cash available to the Covered Bond Guarantor to pay for such Receivables in accordance with the Pre-Acceleration Principal Allocation; and/or (b) a drawing under the Demand Loan Agreement.

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

Amortisation Test

The Amortisation Test is intended to ensure that, following service of a Notice to Pay, the assets of the Covered Bond Guarantor do not fall below a certain threshold to ensure that the assets of the Covered Bond Guarantor are sufficient to meet its obligations under the Covered Bond Guarantee and senior expenses which rank in priority or *pari passu* with amounts due on the Covered Bonds. Pursuant to the Supplemental Deed, the Trust Manager must determine whether on each Determination Date following service of a Notice to Pay on the Covered Bond Guarantor (copied to the Trust Manager) but prior to the service of a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer (copied to the Trust Manager and the Security Trustee) and/or the enforcement of the Charge, the Amortisation Test Aggregate Receivable Amount is in an amount at least equal to the Australian Dollar Equivalent of the aggregate Principal Amount Outstanding under the Covered Bonds.

If the aggregate of the Purchased Receivables has not been maintained in accordance with the terms of the Amortisation Test, then that may affect the realisable value of the Purchased Receivables or any part thereof (both before and after the occurrence of a Covered Bond Guarantor Event of Default) and/or the ability of the Covered Bond Guarantor to make payments under the Covered Bond Guarantee. Failure to satisfy the Amortisation Test on any Determination Date following an Issuer Event of Default and service of a Notice to Pay on the Covered Bond Guarantor (copied to the Trust Manager) will constitute a Covered Bond Guarantor Event of Default, thereby entitling the Bond Trustee to accelerate the Covered Bond Guarantor's obligations under the Covered Bond Guarantee against the Covered Bond Guarantor subject to and in accordance with the Conditions.

Asset Monitor to test calculations

Prior to the service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager), the Asset Monitor will as soon as reasonably practicable (and in any event not later than 20 Local Business Days following receipt of such information from the Calculation Manager), subject to receipt of the relevant information from the Calculation Manager, test the arithmetic accuracy of the calculations performed by the Calculation Manager in relation to the Asset Coverage Test semi-annually. If and for so long as the long-term unsecured, unguaranteed and unsubordinated debt obligation ratings of the Calculation Manager (or if the Calculation Manager is not so rated, if the long-term unsecured, unguaranteed and unsubordinated debt obligation ratings of the Calculation Manager's holding company) fall below Baa3 by Moody's or BBB- by Fitch (and for as long as they remain below such ratings), the Asset Monitor shall conduct the tests of the Calculation Manager's calculations, as applicable, in respect of every Determination Date, as soon as reasonably practicable

(and in any event not later than 10 Local Business Days following receipt of the relevant information from the Calculation Manager).

Following the service of a Notice to Pay on the Covered Bond Guarantor (and copied to the Trust Manager) but prior to the occurrence of a Covered Bond Guarantor Event of Default and service of a Covered Bond Guarantee Acceleration Notice, the Asset Monitor will be required to test the calculations performed by the Calculation Manager in respect of the Amortisation Test.

See further “*Summary of the Principal Documents – Asset Monitor Agreement*”.

The Security Trustee shall not be responsible for monitoring compliance with, nor the monitoring of, the Asset Coverage Test or the Amortisation Test or any other test, or supervising the performance by any other party of its obligations under any Program Document.

APRA may exercise certain powers under the Australian Banking Act

For background information on APRA’s powers under the Australian Banking Act, see “*Structure Overview - Background and Australian legislative framework*”.

Power to direct the return of certain assets

APRA has the power to direct a covered bond special purpose vehicle (such as the Covered Bond Guarantor) to return certain assets to the issuing ADI, but only to the extent that, at the time the direction is given, the relevant asset(s) do not secure “covered bond liabilities” (as defined in the Australian Banking Act including, in the case of ANZBGL, the liabilities of ANZBGL to the Covered Bondholders). A covered bond special purpose vehicle has the power to comply with APRA’s direction despite anything in its constitution or any contract or arrangement to which it is a party.

Accordingly, APRA may direct the Covered Bond Guarantor to return assets beneficially owned by the Issuer which secure such senior-ranking liabilities of the Covered Bond Guarantor to the Issuer. In the context of the Program, this means that APRA has the power to direct the Covered Bond Guarantor to return to the Issuer any assets which are referable to the Senior Portion Outstanding of the Demand Loan (which is subject to the payment in kind provisions set out in the Demand Loan Agreement (as described in “*Summary of the Principal Documents—Demand Loan Agreement*”)). The return of assets to the Issuer would discharge the Covered Bond Guarantor’s obligation to repay the Demand Loan to the extent of the value of the assets returned.

The formulation of this power gives rise to some uncertainties, as it has only recently been granted to APRA under the amendments to the Australian Banking Act which came into effect from October 17, 2011 and has not been the subject of regulatory guidance or judicial interpretation. However, the power has been provided to APRA to enable it to protect depositors and to maintain the stability of the Australian financial system.

The ability to return assets to the Issuer in respect of the Senior Portion Outstanding of the Demand Loan and the repayment in kind to that extent of the Demand Loan (prior to delivery of a Notice to Pay or Covered Bond Acceleration Notice) will be subject to the satisfaction of the Asset Coverage Test following the transfer of such Assets of the Trust. However, if APRA exercises the power to direct the return of assets to the Issuer, then depending on the manner in which APRA exercises the power, the value of the remaining assets held by the Covered Bond Guarantor and/or the ability of the Covered Bond Guarantor to meet its obligations under the Covered Bond Guarantee, may be adversely affected.

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

The Australian Banking Act permits APRA to direct the Issuer, in certain circumstances, not to transfer any asset to the Covered Bond Guarantor (that is, to prevent the Issuer “topping up” the

Assets of the Trust). This exercise of this power could potentially lead to the depletion of the Assets of the Trust which may adversely affect the ability of the Covered Bond Guarantor to meet its obligations under the Covered Bond Guarantee.

Power to prevent further issue of covered bonds

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

Sale of Selected Receivables and the Related Security following the occurrence of certain events

Following the service of an Asset Coverage Test Breach Notice on the Covered Bond Guarantor or a breach of the Pre-Maturity Test or the service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager) (but prior to service of a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer (copied to the Trust Manager and the Security Trustee) or the enforcement of the Charge), the Covered Bond Guarantor (at the direction of the Trust Manager), shall sell Selected Receivables (selected on a basis that is representative of the Purchased Receivables as a whole and that if a Purchased Receivable is selected, its Related Security is also selected unless the Related Security also secures a Purchased Receivable that is not also a Selected Receivable). The proceeds from any such sale shall be deposited into the GIC Account and applied in accordance with the applicable Cashflow Allocation Methodology (see "*Summary of the Principal Documents – Supplemental Deed – Sale of Selected Receivables*").

There is no guarantee the Covered Bond Guarantor will, where the Covered Bond Guarantor is obliged to sell Selected Receivables, find a buyer to buy Selected Receivables at the times required and there can be no guarantee or assurance as to the price which may be able to be obtained, which may affect payments under the Covered Bond Guarantee. The Covered Bond Guarantor must offer the Selected Receivables (subject to a right of pre-emption in favour of the Seller for no lesser amount) for the best price reasonably available but in any event:

- (i) following the service of an Asset Coverage Test Breach Notice (but prior to the service of a Notice to Pay) the Selected Receivables may not be sold by the Covered Bond Guarantor for an amount less than the Current Principal Balance of the Selected Receivables plus the arrears of interest and fees and accrued interest thereon; and
- (ii) following a breach of the Pre-Maturity Test or service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager), the Selected Receivables may not be sold by the Covered Bond Guarantor for an amount less than the Adjusted Required Redemption Amount for the relevant Series of Covered Bonds.

However, if the Selected Receivables have not been sold by the date which is six months prior to either (a) the Final Maturity Date in respect of the Earliest Maturing Covered Bonds, or (b) the Extended Due for Payment Date in respect of the Earliest Maturing Covered Bonds, or (c) in respect of a sale in connection with the Pre-Maturity Test, the Final Maturity Date of the relevant Series of Hard Bullet Covered Bonds, the Covered Bond Guarantor (acting on the direction of the Trust Manager) must (subject to, only if required by a law, a right of pre-emption in favour of the Seller) offer the Selected Receivables for sale for the best price reasonably available notwithstanding that such amount may be less than the Adjusted Required Redemption Amount.

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

On each Trust Payment Date the Covered Bond Guarantor will apply Available Revenue Receipts and Available Principal Receipts to redeem or repay in part the relevant Series of Covered Bonds, to the extent that the Covered Bond Guarantor has sufficient moneys available to make such payments in accordance with the Cashflow Allocation Methodology. Available Principal Receipts will include the sale proceeds of Selected Receivables (including any excess sale proceeds resulting from the sale of Selected Receivables sold in respect of another Series of Covered Bonds) and all principal repayments received on the Purchased Receivables generally. This may adversely affect repayment of later maturing Series of Covered Bonds if the Selected Receivables sold to redeem or repay in part an earlier maturing Series of Covered Bonds are sold for less than the Adjusted Required Redemption Amount and accordingly the Covered Bond Guarantor is required to apply other assets in the Purchased Receivables (such as Receivable Principal Receipts) to redeem that earlier maturing Series of Covered Bonds.

Sale of Selected Receivables if the Pre-Maturity Test is breached

The Supplemental Deed provides for the sale of Selected Receivables in circumstances where the Pre-Maturity Test has been breached in relation to a Series of Hard Bullet Covered Bonds. The Pre-Maturity Test will be breached in relation to a Series of Hard Bullet Covered Bonds if:

- (a) ANZBGL's short-term credit rating from Moody's falls to P-2 (or lower) or from Fitch falls to F1 (or lower); or
- (b) ANZBGL's long-term credit rating from Fitch is A (or lower); and
- (c) the Final Maturity Date of the Series of Hard Bullet Covered Bonds will fall within 12 months from the relevant Pre-Maturity Test Date.

The Covered Bond Guarantor will be obliged to sell Selected Receivables to Purchasers, subject to the rights of pre-emption enjoyed by the Seller to buy the Selected Receivables pursuant to the terms of the Mortgage Sale Agreement and subject to any Pre-Maturity Demand Loan Advance having been made by the Demand Loan Provider from time to time. The proceeds from any such sale will be credited to the GIC Account. If the Issuer fully repays a Series of Hard Bullet Covered Bonds on their Final Maturity Date, any amount standing to the credit of the Pre-Maturity Ledger on the GIC Account following such repayment in full shall be applied by the Covered Bond Guarantor, acting on the directions of the Trust Manager, in accordance with the applicable Cashflow Allocation Methodology unless the Issuer is in breach of the Pre-Maturity Test in respect of any other Series of Hard Bullet Covered Bonds, in which case sufficient cash shall be retained on the Pre Maturity Ledger in order to provide funding for the repayment of that other Series of Hard Bullet Covered Bonds. Otherwise, the proceeds will be applied as set out in "Cash Flows" below.

For a description of the Pre-Maturity Test, see "Credit Structure – Pre-Maturity Test" below.

Realisation of Secured Property following the occurrence of a Covered Bond Guarantor Event of Default and/or the commencement of winding up proceedings against the Covered Bond Guarantor

If a Covered Bond Guarantor Event of Default occurs and a Covered Bond Guarantee Acceleration Notice is served on the Covered Bond Guarantor and the Issuer (copied to the Trust Manager and the Security Trustee), then the Security Trustee will be entitled to enforce the Charge created under and pursuant to the Deed of Charge and the proceeds from the realisation of the Secured Property will be applied by the Security Trustee towards payment of all secured obligations in accordance with the Post-Enforcement Allocations described in "Cashflows" below.

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

If a Covered Bond Guarantee Acceleration Notice is served on the Covered Bond Guarantor and the Issuer (copied to the Trust Manager and the Security Trustee) then the Covered Bonds may be repaid sooner or later than expected or not at all.

Factors that may affect the realisable value of the Purchased Receivables or any part thereof or the ability of the Covered Bond Guarantor to make payments under the Covered Bond Guarantee

The realisable value of Selected Receivables comprised in the Purchased Receivables may be reduced (which may affect the ability of the Covered Bond Guarantor to make payments under the Covered Bond Guarantee) by, among other things:

- (a) representations or warranties not being given by the Covered Bond Guarantor or the Seller unless expressly agreed by the Security Trustee or otherwise agreed with the Seller;
- (b) default by Debtors of amounts due on their Receivables;
- (c) changes to the Servicing Procedures of the Seller;
- (d) the Covered Bond Guarantor not having legal title to the Purchased Receivables;;
- (e) risks in relation to some types of Receivables which may adversely affect the value of the Purchased Receivables or any part thereof;
- (f) changes in interest rates which may adversely affect the value of fixed rate Receivables;
- (g) limited recourse to the Seller;
- (h) possible regulatory changes by the Australian Securities and Investment Commission and other regulatory authorities;
- (i) regulations in Australia that could lead to some terms of the Receivables being unenforceable;
- (j) the sale of All Moneys Mortgages that secure Associated Debt of the Seller being subject to trust back arrangements in favour of the Seller;
- (k) other issues which impact on the enforceability of the Receivables; and
- (l) the occurrence of an insolvency event in respect of the Issuer may negatively affect the Australian mortgage market and the value of the real property underlying the Assets, thereby impairing the realisation of the Receivables and the ability of the Covered Bond Guarantor to make payments to Covered Bondholders.

Some of these factors are considered in more detail in these risk factors. However, it should be noted that the Asset Coverage Test, the Amortisation Test, the Pre-Maturity Test and the criteria for Qualifying Receivables are intended to ensure that there will be an adequate amount of Purchased Receivables, Substitution Assets, Authorised Investments and moneys standing to the credit of the GIC Account to enable the Covered Bond Guarantor to repay the Covered Bonds following an Issuer Event of Default, service of an Issuer Acceleration Notice on the Issuer (with a copy to the Covered Bond Guarantor) and the Covered Bond Guarantor and service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager) and accordingly it is expected (but there is no assurance) that Selected Receivables and the Related Security could be realised for sufficient values to enable the Covered Bond Guarantor to meet its obligations under the Covered Bond Guarantee.

No representations or warranties to be given by the Covered Bond Guarantor or the Seller if Selected Receivables and the Related Security are to be sold

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

Geographic concentration of the Receivables

To the extent that specific geographic regions have experienced or may experience in the future weaker regional economic conditions and housing markets than other regions, a concentration of the Receivables in such a region may be expected to exacerbate any or all of the risks relating to the Receivables described in this section. The Covered Bond Guarantor can predict neither when nor where such regional economic declines may occur nor to what extent or for how long such conditions may continue but if the timing and payment of the Purchased Receivables is adversely affected as described above, the ability of the Covered Bond Guarantor to make payments under the Covered Bond Guarantee could be reduced or delayed.

Default by Debtors in paying amounts due on their Receivables

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

The rate of prepayments on Receivables may be increased due to Debtors refinancing their Receivables and sales of any property charged by a Mortgage (either voluntarily by Debtors or as a result of enforcement action taken), as well as the receipt of proceeds from other investments,

buildings insurance and life assurance policies. The rate of prepayment of Receivables may also be influenced by the presence or absence of Early Repayment Charges.

In addition, the ability of a Debtor to sell a property charged by a Mortgage which secures a Receivable at a price sufficient to repay the amounts outstanding under that Receivable will depend upon a number of factors, including the availability of buyers for that property, the value of that property and property values and the property market in general at the time of such proposed sale.

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

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

If the timing and payment of the Receivables is adversely affected by any of the risks described above, the ability of the Covered Bond Guarantor to make payments under the Covered Bond Guarantee could be reduced or delayed.

The Current Principal Balance of any Defaulted Receivables that are Purchased Receivables will be given a zero weighting for the purposes of any calculation of the Asset Coverage Test and the Amortisation Test.

Issues affecting the Covered Bond Guarantor's title to the Purchased Receivables

On the relevant Transfer Date, the Covered Bond Guarantor will only take an equitable assignment of the Receivables, and will not have legal title to such Receivables. The Receivables will be legally assigned to the Covered Bond Guarantor only upon the occurrence of a Title Perfection Event.

Covered Bondholders will be subject to the following risks arising from the manner in which title to the Receivables is held by the Covered Bond Guarantor:

- (a) until notice of the assignment is received by a Debtor and the additional requirements under section 80(7) of the Personal Property Securities Act 2009 (**PPSA**) (described below) are complied with, any payment by that Debtor to the Seller discharges the Debtor's debt to the extent of the payment. As the Covered Bond Guarantor will not have the right to give notice of the assignment to the Debtor until a Title Perfection Event has occurred, there is, therefore, a risk that a Debtor may make payments to the Seller after the Seller has become insolvent, but before the Debtor receives notice of the assignment of the relevant Receivable. These payments may not be able to be recovered by the Covered Bond Guarantor;
- (b) the Covered Bond Guarantor's rights to any Receivables will be subject to both any equities which have arisen in favour of the relevant Debtor and to any equities affecting the Receivables which come into existence before the first time under section 80 of the PPSA at which payment by the relevant Debtor to the Seller no longer discharges the obligations of the relevant Debtor (which can only occur after notice of the assignment has been given to the relevant Debtor and the additional requirements of section 80(7) of the PPSA (as described below) have been complied with); and
- (c) until legal title is transferred to the Covered Bond Guarantor, the Covered Bond Guarantor may need to join the Seller as a party to any legal proceedings to enforce its rights under the Receivables.

To effect a legal assignment of Receivables will require:

- (a) the provision of notice in writing to Debtors by the Seller or the Covered Bond Guarantor in accordance with section 12 of the Conveyancing Act 1919 (NSW) or the applicable equivalent provision in each other State and Territory of Australia;
- (b) in relation to each Mortgage, the execution and registration of instruments of transfer under the applicable real property legislation in the relevant State or Territory of Australia; and
- (c) depending on the situs of the Mortgage Loan, the payment of stamp duty, if any, on the transfer of the Mortgage Loan.

In addition, section 80(7) of the PPSA provides that a Debtor will be entitled to make payments and obtain a good discharge from the Seller rather than directly to, and from, the Covered Bond Guarantor until such time as the Debtor receives a notice of the assignment that complies with the requirements of section 80(7)(a) of the PPSA, including, without limitation, a statement that payment is to be made to the Covered Bond Guarantor, unless the Debtor requests the Covered Bond Guarantor to provide proof of the assignment and the Covered Bond Guarantor fails to provide that proof within 5 business days of the request, in which case the Debtor may continue to make payments to the Seller. Accordingly, a Debtor may nevertheless make payments to the Seller and obtain a good discharge from the Seller notwithstanding the legal assignment of a Mortgage Loan to the Covered Bond Guarantor, if the Covered Bond Guarantor fails to comply with these requirements.

For details as to the circumstances in which the Covered Bond Guarantor can give the relevant notices to Debtors of the assignment of Receivables, refer to *Summary of the Principal Documents - Transfer of Title to the Receivables to the Covered Bond Guarantor* below.

Irrespective of whether the assignment of a Receivable has taken effect as a legal assignment, section 80 of the PPSA also provides that, unless the Debtor has otherwise agreed, a modification of, or substitution for, a Receivable between a Debtor and the Seller is effective against the Covered Bond Guarantor if:

- (a) the relevant Debtor and the Seller have acted honestly in modifying or substituting the relevant Receivable;
- (b) the manner in which modification or the substitution is made is commercially reasonable; and
- (c) the modification or substitution does not have a material adverse effect on:
 - (i) the Covered Bond Guarantor's rights under the relevant Receivable; or
 - (ii) the Covered Bond Guarantor's ability to perform under the relevant Receivable.

Accordingly, it is possible that in the above circumstances, the terms of a Receivable could be amended by the Debtor and the Seller even after the Covered Bond Guarantor holds legal title to that Receivable.

If the risks described above in relation to the Covered Bond Guarantor's title to the Receivable materialise, then the realisable value of the Purchased Receivables or any part thereof and/or the ability of the Covered Bond Guarantor to make payments under the Covered Bond Guarantee may be affected.

Value of the Purchased Receivables

The guarantee granted by the Covered Bond Guarantor in respect of the Covered Bonds, will, inter alia, be backed by the Covered Bond Guarantor's interest in the Purchased Receivables. Since the

economic value of the Purchased Receivables may increase or decrease, the value of the Covered Bond Guarantor's assets may decrease (for example if there is a general decline in property values). Neither the Issuer nor the Covered Bond Guarantor makes any representation, warranty or guarantee that the value of a Property will remain at the same level as it was on the date of the origination of the related Receivable or at any other time. The value of the Purchased Receivables may have been significantly reduced by the overall decline in property values experienced by the residential property market in Australia and may also be further reduced by any additional decline in the value of properties within the Purchased Receivables. This, ultimately, may result in losses to the Covered Bondholders if such security is required to be enforced.

The Servicing Procedures

Each of the Receivables in the Mortgage Portfolio originated by the Seller will have been originated in compliance with, in all material aspects, its Servicing Procedures in force at the time of origination. The Seller's Servicing Procedures consider a variety of factors such as a potential Debtor's credit history, employment history and status and repayment ability, as well as the value of the Property to be mortgaged. In the event of the sale of any new Receivables and the Related Security to the Covered Bond Guarantor, representations and warranties will at such time be given by the Seller to the Covered Bond Guarantor and the Security Trustee that those new Receivables and the Related Security were originated in all material respects in accordance with the Seller's Servicing Procedures then applicable at the time of the origination of such new Receivables.

However, the Seller retains the right to amend or revise its Servicing Procedures as determined from time to time. If any new Receivables which have been originated under revised Servicing Procedures are then sold to the Covered Bond Guarantor pursuant to the terms of the Mortgage Sale Agreement, the characteristics of the Purchased Receivables could at such time change. This could lead to a delay or reduction in the payments received by the Covered Bondholders under the Covered Bond Guarantee.

The terms of ANZBGL's loans in the Purchased Receivables require the Debtors to have in place building insurance for the Property. However, ANZBGL does not in every case verify at the time of origination of the Receivables or on an on-going basis that the Debtor has in place building insurance for the Property. Instead it relies on the Debtor complying with the insurance covenant in the loan terms. Accordingly, to the extent that Debtors do not comply with the insurance covenants, there is a risk that certain Properties in the Purchased Receivables are not insured, which may affect the value of those Properties in the Purchased Receivables and what might be recovered if the security over those Properties is required to be enforced when the Properties have been damaged or destroyed by an event which is ordinarily insurable.

Limited recourse to the Seller

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

In the event of a material breach of any of the Representations and Warranties made by the Seller or if any of the Representations and Warranties proves to be materially untrue, in each case in respect of any Purchased Receivable as at any date on which such Representations and Warranties are deemed to be given, and further provided where such material breach or untruth is (a) not capable of remedy; or (b) is capable of remedy, but is not remedied by the Seller to the satisfaction of, or waived by, the Covered Bond Guarantor (at the direction of the Trust Manager) or the Security Trustee within 28 days of receipt of the notice specified in the Mortgage Sale Agreement or such longer period as the Covered Bond Guarantor (at the direction of the Trust Manager) or the Security Trustee may direct or agree, then the Covered Bond Guarantor (acting at the direction of the Trust Manager) may serve

upon the Seller a Receivable Repurchase Notice whereupon the Seller will be required to repurchase the relevant Receivable (and Related Security, unless the Related Security also secures another Purchased Receivable), for the Repurchase Price payable no later than the date of the next Trust Payment Date to occur following expiry of a period of five days following the date of service by the Covered Bond Guarantor of the Receivable Repurchase Notice.

There can be no assurance that the Seller, in the future, will have the financial resources to repurchase from the Covered Bond Guarantor a Receivable or Receivables and the Related Security. However, if the Seller does not repurchase those Receivables and the Related Security which are in material breach of the Representations and Warranties then the Current Principal Balance of those Receivables will be excluded from the calculation of the Asset Coverage Test. There is no further recourse to the Seller in respect of a material breach of a Representation or Warranty.

Covered Bondholders must act through Bond Trustee and Security Trustee

Only the Bond Trustee may enforce the provisions of the Trust Presents. No Covered Bondholder shall be entitled to proceed directly against the Issuer or the Covered Bond Guarantor to enforce the performance of any of the provisions of the Trust Presents or to directly enforce the provisions of any other Program Document unless the Bond Trustee having become bound to so proceed fails to do so within a reasonable time and such failure is continuing, in which event any Covered Bondholder may, on giving an indemnity and/or prefunding and/or security satisfactory to the Bond Trustee, in the name of the Bond Trustee (but not otherwise) institute such proceedings and/or prove in the winding up, administration or liquidation of the Issuer or the Covered Bond Guarantor to the same extent and in the same jurisdiction (but not further or otherwise than the Bond Trustee would have been entitled to do so in respect of the Covered Bonds and/or the Bond Trust Deed).

Further, only the Security Trustee may enforce the Security Trust Deed and the Charge. No Secured Creditor is entitled to enforce the Charge or the provisions of the Security Trust Deed or to appoint or cause to be appointed a receiver, manager or receiver and manager to any of the Secured Property or otherwise to exercise any power conferred by the terms of any applicable law on charges except as provided in the Security Trust Deed and the Deed of Charge in respect of the Trust.

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

Limited Recourse against Covered Bond Guarantor

The Covered Bond Guarantor enters into the Bond Trust Deed in its capacity as Covered Bond Guarantor and no other capacity. A liability arising under or in connection with the Bond Trust Deed is limited to and can be enforced against the Covered Bond Guarantor only to the extent to which it can be satisfied out of the Assets of the Trust out of which the Covered Bond Guarantor is actually indemnified for the liability. This limitation of the Covered Bond Guarantor's liability applies despite any other provision of the Bond Trust Deed and the relevant Program Documents and extends to all liabilities and obligations of the Covered Bond Guarantor in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to the Bond Trust Deed.

The parties other than the Covered Bond Guarantor (including any Covered Bondholder) may not sue the Covered Bond Guarantor in any capacity other than as trustee of the Trust, including seeking the appointment of a receiver (except in relation to the Assets of that Trust), or a liquidator, an administrator or any similar person to the Covered Bond Guarantor or prove in any liquidation, administration or arrangements of or affecting the Covered Bond Guarantor (except in relation to the Asset of that Trust). This limitation of the Covered Bond Guarantor's liability will not apply to any obligation or liability of the Covered Bond Guarantor to the extent that it is not satisfied because under the relevant Program Document or by operation of law there is a reduction in the extent of the Covered Bond Guarantor's indemnification out of the Assets of that Trust, as a result of the Covered

Bond Guarantor's fraud, gross negligence or wilful default. No act or omission of the Covered Bond Guarantor (including any related failure to satisfy its obligations or breach of representation or warranty under the Bond Trust Deed) will be considered fraud, gross negligence or wilful default of the Covered Bond Guarantor for these purposes if and to the extent the act or omission was caused or contributed to by any failure by any other party to a Program Document or any other person appointed by the Covered Bond Guarantor under the Bond Trust Deed or any other Program Document (other than a person whose acts or omission the Covered Bond Guarantor is liable for in accordance with any Program Document) to fulfil its obligations relating to the Trust or by any other act or omission of any party to a Program Document or any other such person regardless of whether or not the act or omission is purported to be done on behalf of the Covered Bond Guarantor.

RISK FACTORS RELATING TO THE COVER POOL

Set-Off

The Housing Loans can only be sold free of set-off (as between the Seller and a Debtor) to the Covered Bond Guarantor to the extent permitted by law. The consequence of this is that if a Debtor in connection with the Receivables has funds standing to the credit of an account with the Seller or amounts are otherwise payable to a Debtor by the Seller, that Debtor may have a right on the enforcement of the Receivables or the Related Security or on the insolvency of the Seller to set-off the Seller's liability to that Debtor in reduction of the amount owing by that Debtor in connection with the Receivables.

If the Seller becomes insolvent, it can be expected that Debtors will exercise their set-off rights to a significant degree.

To the extent that, on the insolvency of the Seller set-off is claimed in this respect, the amount available for payment to the Covered Bondholders may be reduced to the extent that those claims are successful.

The Mortgage Insurance Policies

Certain Receivables may have the benefit of Mortgage Insurance Policies, but this is not a requirement for a Receivable to be a Qualifying Receivable. The Mortgage Insurance Policies are subject to some exclusions from coverage and rights of refusal or reduction of claims. The availability of funds under these Mortgage Insurance Policies will also ultimately be dependent on the financial strength of the insurers. A Debtor's payments that are expected to be covered by the Mortgage Insurance Policies may not be covered because of these exclusions, refusals or reductions or because of financial difficulties impeding the mortgage insurer's ability to perform its obligations. If such circumstances arise the Covered Bond Guarantor may not have enough money to make timely and full payments of principal and interest on the Covered Bonds.

A claim under a Mortgage Insurance Policy may be refused or reduced in certain circumstances including in the event of a misrepresentation or a breach of any duty of disclosure by the Covered Bond Guarantor or ANZBGL as Servicer. This may affect the ability of the Covered Bond Guarantor to pay the Guaranteed Amounts in respect of the Covered Bonds in full and when due. However, in respect of certain of these circumstances, the Covered Bond Guarantor may have recourse to the Seller either for breach of a representation and warranty or for breach of its obligations as Servicer).

Consumer credit laws

Some of the Receivables are regulated by the Consumer Credit Law.

The Consumer Credit Law requires anyone that engages in a credit activity, including by providing credit or exercising the rights and obligations of a credit provider, to be appropriately authorised to do

so. This requires those persons to either hold an Australian Credit Licence, be exempt from this requirement or be a credit representative of a licensed person.

The Consumer Credit Law imposes a range of disclosure and conduct obligations on persons engaging in a credit activity. For example any increase of the credit limit of a regulated loan must be considered and made in accordance with the responsible lending obligations of the Consumer Credit Law.

Failure to comply with the Consumer Credit Law may mean that court action is brought by a Debtor or by the Australian Securities and Investments Commission (**ASIC**) to:

- (a) grant an injunction preventing a regulated Receivables from being enforced (or any other action in relation to the Housing Loan) if to do so would breach the Consumer Credit Law;
- (b) order compensation to be paid for loss or damage suffered (or likely to be suffered) as a result of a breach of a civil penalty provision or a criminal offence in the Consumer Credit Law;
- (c) if a credit activity has been engaged in without a licence and no relevant exemption applies, an order it considers appropriate so that no profiting can be made from the activity, to compensate for loss and to prevent loss. This could include an order declaring a contract, or part of a contract, to be void, varying the contract, refusing to enforce, ordering a refund of money or return of property, payment for loss or damage or being ordered to supply specified services;
- (d) vary the terms of a Receivable on the grounds of hardship;
- (e) vary the terms of a Receivable or a change to such documents, that are unjust, and reopen the transaction that gave rise to the Receivable or change;
- (f) reduce or cancel any interest rate payable on the Receivable arising from a change to that rate which is unconscionable;
- (g) have certain provisions of the Receivable which are in breach of the legislation declared void or unenforceable;
- (h) obtain restitution or compensation from the credit provider in relation to any breaches of the Consumer Credit Law in relation to the Receivable; or
- (i) seek various remedies for other breaches of the Consumer Credit Law.

Applications may also be made to relevant external dispute resolution schemes which have the power to resolve disputes where the amount in dispute is \$500,000 or less. There is no ability to appeal from an adverse determination by an external dispute resolution scheme, including on the basis of bias, manifest error or want of jurisdiction.

Any such order (by a court or external dispute resolution scheme) may affect the timing or amount of interest, fees or charges, or principal payments under the relevant Housing Loan (which might in turn affect the timing or amount of interest or principal payments under the Covered Bonds).

Breaches of the Consumer Credit Law may also lead to civil penalties or criminal fines being imposed on the Seller, for so long as it holds legal title to the Receivables. If the Covered Bond Guarantor acquires legal title, it will then become primarily responsible for compliance with the Consumer Credit Law. The amount of any civil penalty payable may be set off against any amount payable by the debtor under the Housing Loans. The Covered Bond Guarantor will be indemnified out of the Assets of the Trust for liabilities it incurs under the Consumer Credit Law. Where the Covered Bond Guarantor is held liable for breaches of the Consumer Credit Law, the Covered Bond Guarantor must

seek relief initially under any indemnities provided to it by the Servicer before exercising its rights to recover against any assets of the Trust.

The Seller will give certain representations and warranties that the mortgages relating to the Receivables complied in all material respects with all applicable laws when those Receivables were entered into. The Servicer has also undertaken to comply with the Consumer Credit Law in carrying out its obligations under the Program Documents. In certain circumstances the Covered Bond Guarantor may have the right to claim damages from the Servicer where the Covered Bond Guarantor suffers loss in connection with a breach of the Consumer Credit Law by it.

Unfair Terms

If the Housing Loans have been entered into by individuals, their terms may be subject to review under Part 2 of the Australian Securities and Investments Commission Act 2001 and/or Part 2B of the Fair Trading Act 1999 (Vic) for being unfair.

Under the Australian Securities and Investments Commission Act 2001, a term of a standard-form consumer contract will be unfair, and therefore void, if it causes a significant imbalance in the parties' rights and obligations under the contract and is not reasonably necessary to protect the supplier's legitimate interests. However, in such a case, the contract will continue if it is capable of operating without the unfair term.

Under Part 2B of the Fair Trading Act 1999 (Vic), a term in a consumer contract would be unfair and therefore void if it is a prescribed unfair term or if a court or Tribunal determines that in all the circumstances it causes a significant imbalance in the parties' rights and obligations arising under the contract to the detriment of the consumer.

Both of the aforementioned statutes may apply to Housing Loans, depending when the Housing Loans were entered into. However, the provisions of Part 2B of the Fair Trading Act 1999 (Vic) ceased applying to new contracts from January 1, 2011.

Housing Loans and related mortgages and guarantees entered into before the application of either statute will become subject to the Australian Securities and Investments Commission Act 2001 going forward if those contracts are renewed or a term is varied (although, where a term is varied, the regime only applies to the varied term).

To the extent that a provision of any of the Housing Loans were found to be unfair, this could have an adverse effect on the ability of the Covered Bond Guarantor to make payments due under the Covered Bond Guarantee.

Effect of orders

Any order made under any of the above consumer credit laws may affect the timing or amount of collections under the relevant Housing Loans and Related Securities which may in turn affect the ability of the Covered Bond Guarantor to make payments due under the Covered Bond Guarantee.

Enforcement of Housing Loans can involve substantial costs and delays

In order to enforce the Housing Loans in certain situations, a court order or other judicial or administrative proceedings may be needed in order to establish the Borrower's obligation to pay and to enable a sale by executive measures. Such proceedings may involve substantial legal costs and delays before the Servicer is able to enforce such Housing Loan. Furthermore, pursuant to the Servicing Deed, the Servicer is not required to pursue such enforcement if it reasonably believes that a prudent mortgage lender in Australia in its position would not do so, provided that such inaction does not materially prejudice the interests of the Covered Bond Guarantor and the Security Trustee.

Representation and warranty

The Seller has representations and warranties under the Mortgage Sale Agreement that the Housing Loans complied in all material respects with all applicable laws at the time the Housing Loans were made. The Servicer has undertaken to comply with all applicable laws (including the NCCP) in servicing those loans regulated by the legislation.

Recharacterisation of transfer of Housing Loans

The transfer of the Housing Loans and Related Securities from the Seller to the Covered Bond Guarantor is intended by the parties to be and has been documented as a sale. However, the Seller will not treat the transfer of the Housing Loans and Related Securities as a sale for accounting purposes. If the Seller were to become insolvent, a liquidator or other person that assumes control of the Seller could attempt to recharacterise the sale of the Housing Loans and Related Securities as a loan or to consolidate the Housing Loans and Related Securities with the assets of the Seller, as applicable. Any such attempt could result in a delay in or reduction of collections on the Housing Loans and Related Securities available and have an adverse effect on the ability of the Covered Bond Guarantor to make payments due under the Covered Bond Guarantee. The risk of such a recharacterisation with respect to the Housing Loans may be increased by the treatment of the transfer of these Housing Loans as an imputed loan for accounting purposes,

Australian Anti-Money Laundering and Counter-Terrorism Financing Regime

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

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

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

The obligations placed on an entity include that entity undertaking customer identification procedures before a designated service is provided and receiving information about international and domestic institutional transfers of funds. Until the obligations have been met, an entity will be prohibited from providing funds or services to a party or making any payments on behalf of a party.

Personal Property Securities regime

A new personal property securities regime recently commenced operation throughout Australia. The PPSA established a national system for the registration of security interests in personal property, together with new rules for the creation, priority and enforcement of security interests in personal property. The PPSA took effect on January 30, 2012 (**PPSA Start Date**), with a two year transitional period beginning on that date. The PPSA has a retrospective effect on security interests and security agreements arising before the PPSA Start Date by operation of the transitional provisions.

Security interests for the purposes of the PPSA include traditional securities such as charges and mortgages. However, they also include transactions that in substance, secure payment or performance of an obligation (referred to as "in-substance" security interests), including transactions that were not regarded as securities under the law that existed prior to the introduction of the PPSA. Further, certain

other interests are deemed to be security interests whether or not they secure payment or performance of an obligation. These deemed security interests include assignments of receivables.

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

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

The transitional provisions provide that security interests registered on certain registers which existed prior to the PPSA Start Date are migrated to the PPS register. Security interests which are not migrated, or which were not immediately prior to the PPSA Start Date registered on any such pre-existing registers, will need to be registered on the PPS register (or otherwise perfected) before the end of the two year transitional period to preserve priority. This means that transactions which were not regarded as securities under the law that existed prior to the introduction of the PPSA, but may be security interests under the PPSA, either because they are “in substance” security interests or deemed security interests will need to be registered. The Program Documents may contain one or more such security interests. For example, an assignment of the Receivables from the Seller to the Covered Bond Guarantor is a deemed security interest as outlined above.

The Trust Manager has undertaken in the Supplemental Deed to review the Program Documents to determine if the Program Documents (or a transaction in connection with them other than the Receivables or Related Securities themselves) is or contains a security interest for the purposes of the PPSA and whether any such security interest has been, or should be perfected under the PPSA. As a result of this process, the Trust Manager has caused registrations to be made on the Personal Property Securities Register, in relation to assignments of Receivables and the Charge.

There is uncertainty on aspects of the PPSA regime. The PPSA is new law which significantly alters the law relating to secured transactions. There are issues and ambiguities in respect of which a market view or practice will evolve over time.

LEGAL AND OTHER CONSIDERATIONS

Legal investment considerations may restrict certain investments

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

Basel Capital Accord

A framework has been developed by the Basel Committee on Banking Supervision following the proposals from the Basel Committee on Banking Supervision for reform of the 1988 Capital Accord, with an emphasis on market discipline and sensitivity to risk. A comprehensive version of the text of the framework was published in June 2006 titled “International Convergence of Capital Measurement and Capital Standards: A Revised Framework (Comprehensive Version)” (the **Framework**), to be implemented in stages. Given that the Framework is not self-implementing, implementation dates in participating countries are dependent on the relevant national implementation process in those countries.

In December 2010, the Basel Committee issued documents outlining a revised framework for bank capital and liquidity regulations, which is intended to address lessons learned from the financial crisis that began in 2007.

As and when implemented, the Framework (and any relevant changes) may affect the risk-weighting of the Covered Bonds for investors who are subject to capital adequacy requirements that follow the Framework. Investors should consult their own advisers as to the consequences to, and effect on, them of the application of the Framework and any relevant implementing measures. Proposals and guidelines for implementing the Framework in certain participating jurisdictions are still in development and no predictions can be made as to the precise effects of these or of any changes to the Framework on any investor or otherwise.

Restrictions on Transfer

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

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

The Global Covered Bonds will be held by or on behalf of DTC and/or Euroclear and/or Clearstream, Luxembourg and/or an Alternative Clearing System, investors will have to rely on their procedures for transfer, payment and communication with the Issuer

Covered Bonds issued under the Program may be represented by one or more Global Covered Bonds. Such Global Covered Bonds will be deposited with a common depositary for Euroclear and/or Clearstream, Luxembourg and/or DTC and/or a clearing system other than Euroclear and/or Clearstream, Luxembourg and/or DTC (an **Alternative Clearing System**). Apart from the circumstances described in the relevant Global Covered Bond, investors will not be entitled to Covered Bonds in definitive form. Euroclear and/or Clearstream, Luxembourg and/or DTC and/or any relevant Alternative Clearing System will maintain records of the beneficial interests in the Global Covered Bonds. While the Covered Bonds are represented by one or more Global Covered Bonds, investors will be able to trade their beneficial interests only through Euroclear and/or Clearstream, Luxembourg and/or DTC and/or any relevant Alternative Clearing System.

While the Covered Bonds are represented by one or more Global Covered Bonds, the Issuer will discharge its payment obligations under the Covered Bonds by making payments to the common depositary for Euroclear and/or Clearstream, Luxembourg and/or DTC and/or any relevant Alternative Clearing System for distribution to their relevant account holders. A holder of a beneficial interest in a Global Covered Bond must rely on the procedures of Euroclear and/or Clearstream, Luxembourg and/or DTC and/or any relevant Alternative Clearing System to receive payments under

the relevant Covered Bonds. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Covered Bonds.

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

EU Savings Directive and other Withholding Tax Obligations

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

The European Commission has proposed certain amendments to the Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

If a payment in respect of a Covered Bond were to be made by or collected through a person in a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer, the Covered Bond Guarantor nor any Paying Agent nor any other person by or through whom a payment in respect of the Covered Bond is made or received would be obliged to pay additional amounts with respect to such Covered Bond as a result of the imposition of such withholding tax (see Condition 7 (*Taxation*)). The Issuer and, if applicable, the Covered Bond Guarantor will be required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Directive (see Condition 10(e) (*Principal Paying Agent, Paying Agents, Luxembourg Registrar*)).

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

Covered Bonds where denominations involve integral multiples: definitive Covered Bonds

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

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Covered Bonds and the Covered Bond Guarantor will make any payments under the Covered Bond Guarantee in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency or the Specified Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Covered Bonds, (2) the Investor's Currency-equivalent value of the principal payable on the Covered Bonds and (3) the Investor's Currency-equivalent market value of the Covered Bonds. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

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

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

FORM OF THE COVERED BONDS

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

Registered Covered Bonds

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

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

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

Depending on the manner of offering of the Registered Global Covered Bonds (whether in reliance on Rule 144A only or in reliance on both Rule 144A and Regulation S), Registered Global Covered Bonds will either: (i) be deposited with the Common Depositary or Common Safekeeper, as the case may be, for Euroclear and Clearstream, Luxembourg and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg, or in the name of a nominee of the Common Safekeeper, as specified in the applicable Final Terms, provided, however, that Covered Bonds sold only in reliance on Rule 144A will be deposited with a custodian for DTC and registered in the name of DTC or its nominee; or (ii) be deposited with a custodian for, and registered in the name of a nominee of, DTC for the accounts of Euroclear and Clearstream, Luxembourg. In the case of a Regulation S Global Covered Bond, prior to the end of the distribution compliance period (as defined in Regulation S) applicable to the Covered Bonds represented by such Regulation S Global Covered Bond, interests in such Regulation S Global Covered Bond may only be held through the accounts of Euroclear and Clearstream, Luxembourg.

Persons holding beneficial interests in Registered Global Covered Bonds will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of Definitive Covered Bonds in fully registered form.

The Rule 144A Global Covered Bonds will be subject to certain restrictions on transfer set forth therein and will bear a legend regarding such restrictions.

Payments of principal, interest and any other amount in respect of the Registered Global Covered Bonds will, in the absence of any provision to the contrary, be made to the person shown on the

Register as the registered holder of the Registered Global Covered Bonds. None of the Issuer, the Covered Bond Guarantor, the Bond Trustee, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to, or payments or deliveries made on account of, beneficial ownership interests in the Registered Global Covered Bonds or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Covered Bonds in definitive form will, in the absence of any provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 6(c) (Payments in respect of Registered Covered Bonds) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Covered Bond will be exchangeable (free of charge), in whole but not in part, for Registered Definitive Covered Bonds only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that: (i) in the case of Covered Bonds registered in the name of a nominee for DTC, either (a) DTC has notified the Issuer that it is unwilling or unable to continue to act as depository for the Registered Global Covered Bonds and no Alternative Clearing System is available or DTC has ceased to constitute a clearing agency registered under the Exchange Act and the Issuer fails to appoint a successor depository within 90 days, (b) an Event of Default with respect to the relevant Covered Bonds has occurred and is continuing or (c) the Issuer notifies the Bond Trustee that it wishes to have Definitive Global Covered Bonds issued in place of the relevant Registered Global Covered Bonds; or (ii) in the case of Covered Bonds registered in the name of a nominee for a common depository for Euroclear and Clearstream, Luxembourg or in the name of a nominee of the Common Safekeeper, as specified in the applicable Final Terms, either (a) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, whether statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available; (b) an Event of Default with respect to the relevant Covered Bonds has occurred and is continuing or (c) the Issuer notifies the Bond Trustee that it wishes to have Definitive Global Covered Bonds issued in place of the relevant Registered Global Covered Bonds; or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Covered Bonds represented by the Registered Global Covered Bond in definitive form. The Issuer will promptly give notice to Covered Bondholders of each Series of Registered Global Covered Bonds in accordance with Condition 14 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, DTC, Euroclear, Clearstream, Luxembourg (acting on the instructions of any registered holder of an interest in such Registered Global Covered Bond) or the Bond Trustee may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

Definitive Rule 144A Covered Bonds will be issued only in minimum denominations of U.S.\$250,000 and integral multiples of U.S.\$1,000 in excess thereof (or the approximate equivalents in the applicable Specified Currency).

Transfer of Interests

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

General

Any reference herein to DTC, Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any successor operator and/or successor clearing system and/or additional or Alternative Clearing System specified in the applicable Final Terms or as may otherwise be approved by the Issuer, the Principal Paying Agent (other than in the case of Australian Registered Covered Bonds) and the Bond Trustee.

No Covered Bondholder shall be entitled to proceed directly against the Issuer or the Covered Bond Guarantor unless the Bond Trustee having become so bound to proceed, fails so to do within a reasonable period and the failure shall be continuing. The security granted by the Covered Bond Guarantor for its obligations under its guarantee of the Covered Bonds may only be enforced by the Security Trustee.

FORM OF FINAL TERMS

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

[Date]

Australia and New Zealand Banking Group Limited

ABN 11 005 357 522

**Issue of [Aggregate Principal Amount of Tranche] [Title of Covered Bonds]
irrevocably and unconditionally guaranteed as to payment of principal and interest by
Perpetual Corporate Trust Limited as trustee of the ANZ Residential Covered Bond Trust
under the
US\$20,000,000,000 Global Covered Bond Program**

The Offering Memorandum referred to below (as completed by this Final Terms) has been prepared on the basis that any offer of Covered Bonds will be issued under the Offering Memorandum within the United States to “qualified institution buyers” (as defined in Rule 144A) in reliance on Rule 144A or outside the United States in reliance on Regulation S.

The Covered Bonds and the Covered Bond Guarantee (as defined below) are being offered and sold without registration under the United States Securities Act of 1933, as amended (the **Securities Act**): (A) in the United States to “qualified institutional buyers” (**QIBs**) as defined in Rule 144A under the Securities Act (**Rule 144A**) in reliance upon the exemptions provided by Section 4(2) of the Securities Act and Rule 144A promulgated thereunder and (B) in offshore transactions to certain non-U.S. persons in reliance upon Regulation S under the Securities Act (**Regulation S**). Prospective purchasers are hereby notified that the seller of the Covered Bonds may be relying on an exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of certain restrictions on resales and transfers, see “*Notice to Purchasers*” and “*Subscription and Sale and Selling Restrictions (Conflicts of Interests)*” in the Offering Memorandum.

[The Offering Circular referred to below (as completed by this Final Terms) has been prepared on the basis that any offer of Covered Bonds in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a **Relevant Member State**) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Covered Bonds. Accordingly, any person making or intending to make an offer in that Relevant Member State of the Covered Bonds may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorized, nor do they authorize, the making of any offer of Covered Bonds in any other circumstances.] *[Include this provision if the Covered Bonds are to be offered for sale in the European Economic Area.]*

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Offering Memorandum dated [date] [and the supplemental Offering Memorandum dated [date]]. Full information on the Issuer and the Covered Bond Guarantor and the offer of the Covered Bonds is only available on the basis of the combination of this Final Terms and

the Offering Memorandum. Copies of the Offering Memorandum [and the supplemental Offering Memorandum] are available free of charge to the public at [●] and from the specified office of the Principal Paying Agent.

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

1. (a) Issuer: Australia and New Zealand Banking Group Limited
- (b) Covered Bond Guarantor: Perpetual Corporate Trust Limited (ABN 99 000 341 533) as trustee of the ANZ Residential Covered Bond Trust
- (c) Series Number: [●]
- (d) Tranche Number: [●]
(If fungible with an existing Series, details of that Series, including the date on which the Covered Bonds become fungible)
2. Specified Currency or Currencies: [●]
3. Aggregate Principal Amount of Covered Bonds:
 - [(a) Series: [●]]
 - [(b) Tranche: [●]]
4. Issue Price: [●] per cent of the Aggregate Principal Amount [plus accrued interest from [insert date] (if applicable)]
5. (a) Denominations: \$250,000
 (this means the minimum integral amount in which transfers can be made) *(N.B. If an issue of Covered Bonds is (i) NOT admitted to trading on a regulated market within the European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Directive, the €100,000 minimum denomination is not required)*

[In the case of Covered Bonds offered in Australia, the minimum subscription amount in respect of an issue or transfer is A\$500,000 (disregarding any amount lent by the offeror, the Issuer or any associated person of the offeror or Issuer) (or, if the Covered Bonds are denominated in a currency other than Australian Dollars, at least the equivalent amount in such currency).]
- (b) Calculation Amount: [●]

6. (a) Issue Date: [●]
- (b) Interest Commencement Date: [●][specify/Issue Date/Not Applicable]
- (N.B. An Interest Commencement Date will not be relevant for certain Covered Bonds, for example Zero Coupon Covered Bonds.)*
7. (a) Final Maturity Date: [Fixed rate – specify date/ Floating rate – Interest Payment Date falling in or nearest to [specify month and year]]
- (b) Extended Due for Payment Date of Guaranteed Amounts corresponding to the Final Redemption Amount under the Covered Bond Guarantee: [Fixed rate – specify date/Floating rate – Interest Payment Date falling in or nearest to [specify month and year, in each case falling one year at least after the Maturity Date]] / [Not Applicable]
- (N.B. Zero Coupon Covered Bonds are not to be issued with an Extended Due for Payment Date unless otherwise agreed with the Dealers and the Bond Trustee)*
8. Interest Basis: [[●] per cent Fixed Rate]
 [[LIBOR/EURIBOR/BBSW/Specify other reference rate] [●] per cent Floating Rate]
 [Zero Coupon]
 [Index Linked Interest]
 [Dual Currency Interest]
 [Credit Linked Interest]
 [Equity Linked Interest]
 [specify other](further particulars specified below)
9. Redemption/Payment Basis: [Redemption at par]
 [Partly-Paid]
 [Instalment]
 [Hard Bullet Covered Bond]
 [specify other]
10. Change of Interest Basis or Redemption/Payment Basis: [Coupon Switch Option applicable in accordance with paragraph 20 below]/[Specify details of any other provision for convertibility of Covered Bonds into another Interest Basis or Redemption/Payment Basis]
11. Put/Call Options: [Investor Put]
 [Issuer Call]
 [(further particulars specified below)]
12. (a) Status of the Covered Bonds: Senior
- (b) Status of the Covered Bond Guarantee: Senior

- (c) [Date of [Board] approval for issuance of Covered Bonds obtained: [●] [and [●], respectively]]
(N.B. Only relevant where Board (or similar) authorisation is required for the particular Tranche of Covered Bonds)

13. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. Fixed Rate Covered Bond provisions: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)

- (a) Rate of Interest: [●] per cent per annum [payable [annually/ semi annually/quarterly/monthly/other (specify)] in arrear]

(N.B. If an Extended Due for Payment Date is specified, interest following the Maturity Date will continue to accrue and be payable on any unpaid amount at a Rate of Interest determined in accordance with Condition 4)

- (b) Interest Payment Date(s): [[●] in each year up to and including the Maturity Date or the Extended Due for Payment Date, if applicable]/[specify other]

(N.B. After an Extension Determination Date, the Interest Payment Dates may be monthly. See Paragraph [11] above).

- (c) Business Day Convention: [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention /[specify other, unless no adjustment is required in which case specify “No Adjustment”. If nothing is specified there will be no adjustment. Care should be taken to match the Maturity Date (as well as other key dates) of the Covered Bonds with any underlying swap transaction. Since Maturity Dates do not automatically move with business day conventions under ISDA, it may be necessary to specify “No Adjustment” in relation to the Maturity Date of the Covered Bonds to disapply the applicable Business Day Convention.]]

- (d) Additional Business Centre(s): [●]
(only relevant where a Business Day Convention is specified)

- (e) Fixed Coupon Amount(s): [●] per Calculation Amount

- (f) Broken Amount(s): [●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]

(Insert particulars where the initial or final broken interest amounts do not correspond with the Fixed Coupon Amount[s])

- (g) Day Count Fraction: [Actual/365]
[Actual/365 (Fixed)]
[30/360]
[Actual/Actual (ICMA)] *(N.B. If interest is not payable on a regular basis (for example, if Broken Amounts are specified) Actual/Actual (ICMA) may not be a suitable Day Count Fraction)*
[Actual/360]
[30E/360]
[30E/360 (ISDA)]
[specify other]
(See Condition 4 for alternatives)
[adjusted/not adjusted]
- (h) Other terms relating to the method of calculating interest for Fixed Rate Covered Bonds: [Not Applicable/Give details]
15. Floating Rate Covered Bond provisions: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Specified Period(s): [●] *(N.B. only applicable if the Specified Period does not correspond with the Interest Payment Date)*
- (b) Interest Payment Dates: [●], subject to adjustment in accordance with the Business Day Convention specified in paragraph 16(d)]

(N.B. After an Extension Determination Date, the Interest Payment Dates may be monthly. See Paragraph [11] above).
- (c) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/
[specify other, unless no adjustment is required in which case specify “No Adjustment”. If nothing is specified there will be no adjustment. Care should be taken to match the Maturity Date (as well as other key dates) of the Covered Bonds with any underlying swap transaction. Since Maturity Dates do not automatically move with business day conventions under ISDA, it may be necessary to specify “No Adjustment” in relation to the Maturity Date of the Covered Bonds to disapply the applicable Business Day Convention.]]
- (d) Additional Business Centre(s): [●]

- (e) Manner in which the Rate of Interest and Interest Amount are to be determined: [Screen Rate Determination/BBSW Covered Bonds/specify other]
- (f) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Covered Bond Paying Agent /Calculation Agent): [●]
- (g) Screen Rate Determination: [Applicable/Not Applicable] (*Specify “Not Applicable” if the Covered Bonds are BBSW Covered Bonds*) (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (A) Reference Rate: [●] (*Either LIBOR, EURIBOR or other. If other, provide additional information, including amendment to fallback provisions in the Principal Agency Agreement*)
- (B) Interest Determination Date(s): [●] (*Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or Euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which TARGET2 is open prior to the start of each Interest Period if EURIBOR or Euro LIBOR*)
- N.B. Specify the Interest Determination Date(s) up to and including the Extended Due for Payment Date, if applicable*
- (C) Relevant Screen Page: [●]
- (In the case of EURIBOR, if not Reuters EURIBOR 01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*
- (D) Relevant Time: [For example, 11.00 a.m. London time/Brussels time] [*If other than as specified in the definition of “Relevant Time” in Condition 4(m)*]
- (E) Relevant Financial Centre: [For example, London/Euro-zone (where Euro-zone means the region comprised of the countries whose lawful currency is the euro)] [*If other than as specified in the definition of “Relevant Financial Centre” in Condition 4(m)*]
- (h) ISDA Determination: [Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- Floating Rate Option: [●]
- Designated Maturity: [●]

- Reset Date: [●]
- (i) Margin(s): [+/-] [●]% per annum
- (j) Minimum Rate of Interest: [●]% per annum
- (k) Maximum Rate of Interest: [●]% per annum
- (l) Day Count Fraction: [Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/360
30/360
30E/360
30E/360 (ISDA)
Other]
(See Condition 4 for alternatives)
[adjusted/not adjusted]
- (m) Fallback provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Covered Bonds, if different from those set out in the Terms and Conditions: [●]
- (n) Accrual Feature: [Not Applicable/[●]]
- (o) Broken Amounts: (Give details)
16. Zero Coupon Covered Bond provisions: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Accrual Yield: [●]% per annum
- (b) Reference Price: [●]
- (c) Any other formula/basis of determining amount payable: [●]
(Consider applicable Day Count Fraction if not U.S. dollar denominated)
- (d) Business Day Convention: [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention [specify other]]
- (e) Additional Business Centre(s): [●]
- (f) Day Count Fraction in relation to Early Redemption Amounts and late payment: [Condition 4(c) applies /specify other]

17. Variable Interest Covered Bond provisions: (other than Dual Currency Interest Covered Bonds): [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Index/Formula/other variable: [give or annex details]
 - (b) Calculation Agent responsible for calculating the interest due: [●]
 - (c) Provisions for determining Coupon where calculated by reference to Index and/or Formula and/or other variable: [●]
 - (d) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable or otherwise disrupted: [●] *(Include a description of market disruption or settlement disruption events and adjustment provisions)*
 - (e) Specified Period(s) [●]
 - (f) Specified Interest Payment Dates: [●]
 - (g) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/specify other]
 - (h) Additional Business Centre(s): [●]
 - (i) Minimum Rate of Interest: [●]% per annum
 - (j) Maximum Rate of Interest: [●]% per annum
 - (k) Day Count Fraction: [Actual/365]
 [Actual/365 (Fixed)]
 [30/360]
 [Actual/Actual (ICMA)] *(N.B. If interest is not payable on a regular basis (for example, if Broken Amounts are specified) Actual/Actual (ICMA) may not be a suitable Day Count Fraction)*
 [Actual/360]
 [30E/360]
 [30E/360 (ISDA)]
 [specify other]
(See Condition 4 for alternatives)
 [adjusted/not adjusted]
18. Dual Currency Interest Covered Bond provisions: [Applicable/Not Applicable]
(If not applicable, delete the remaining

subparagraphs of this paragraph)

- (a) Rate of Exchange/method of calculating Rate of Exchange: [Give or annex details]
 - (b) Calculation Agent, if any, responsible for calculating the interest payable: [●]
 - (c) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: *[Include a description of market disruption or settlement disruption events and adjustment provisions]*
 - (d) Person at whose option Specified Currency(ies) is/are payable: [●]
 - (e) Additional terms and conditions: [●]
 - (f) Additional Business Centre(s): [●]
19. Coupon Switch Option: [Applicable/Not Applicable]
- Coupon Switch Option Date: [●]

PROVISIONS RELATING TO REDEMPTION

20. Redemption at the option of the Issuer (Call): [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Optional Redemption Date(s) (Call): [●]
- (N.B. Optional Redemption Dates must be Interest Payment Dates unless otherwise agreed with the Dealers and the Bond Trustee)*
- (b) Series redeemable in part: [Yes/No]
 - (c) Optional Redemption Amount of each Covered Bond (Call) and method, if any, of calculation of such amount(s): *(specify, otherwise redemption will only be permitted of whole Series) [●] per [Calculation Amount/specify other]*
- (Specify if not the outstanding principal amount or, in the case of any Zero Coupon Covered Bonds, if other than the sum of the amount provided in Condition 4(c))*
- (d) Notice period (if other than as set out in the Terms and Conditions): [●]
- (N.B. If setting notice periods which are different to those provided in the Terms and Conditions, the Issuer is advised to consider the practicalities of*

distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent or Bond Trustee)

21. Partial redemption (Call): [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
22. (a) Minimum Redemption Amount: [[●] per Calculation Amount/specify other]
- (b) Maximum Redemption Amount: [[●] per Calculation Amount/specify other]
- (c) Notice Period: [●]
(N.B. If setting notice periods which are different from those provided in the terms and conditions, issuers are advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the issuer and its paying agent or any trustee)
23. Redemption at the option of the Covered Bondholders (Put): [Applicable/Not Applicable]
(If not applicable, delete the remaining sub paragraphs of this paragraph)
 - (a) Optional Redemption Date(s): [●]
 - (b) Optional Redemption Amount(s) of each Covered Bond and method, if any, of calculation of such amount(s): [[●] per Calculation Amount/specify other]
(Specify if not the outstanding principal amount or, in the case of any Zero Coupon Covered Bonds, if other than the sum of the amount provided in Condition 4(c))
 - (c) Notice Period: [●]
(N.B. If setting notice periods which are different from those provided in the terms and conditions, issuers are advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the issuer and its paying agent or any trustee)
24. Final Redemption Amount of each Covered Bond: [[●] per Calculation Amount/specify other/see Appendix]
[N.B. If the Final Redemption Amount is other than

100% of the nominal value, the Covered Bonds will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply. This proforma contains notes indicating where the key additional requirements of Annex XII are dealt with]

In cases where the Final Redemption Amount is Index Linked:

- (a) Index: [give or annex details]
- (b) Party responsible for calculating the Final Redemption Amount (if not the Principal Paying Agent): [●]
- (c) Provisions for determining Final Redemption Amount where calculated by reference to Index: [●]
- (d) Determination Date(s): [●]
- (e) Provisions for determining Final Redemption Amount where calculation by reference to Index is impossible or impracticable or otherwise disrupted: [●]
- (f) Minimum Final Redemption Amount: [●]
- (g) Maximum Final Redemption Amount: [●]

25. Early Redemption for Tax reasons:

- (a) Early Redemption Amount (Tax) of each Covered Bond: [[●] per Calculation Amount/specify other]
(Specify if not the outstanding principal amount or, in the case of any Zero Coupon Covered Bonds, if other than the amount provided in Condition 5(k))
- (b) Date after which changes in law, etc. entitle Issuer to redeem: [Specify, if not the Issue Date]

GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS

- 26. (a) Form of Covered Bonds: [Registered Covered Bonds: Regulation S Global Covered Bond (U.S.\$[●] nominal amount) registered in the name of a nominee for [DTC/a common depository for

- Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg]
- [Rule 144A Global Covered Bond (U.S.\$[●] nominal amount) registered in the name of a nominee for [DTC/a common depository for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg]]
- (b) Talons for future Coupons to be attached to Definitive Covered Bonds: [Yes/No]
(If yes, give details)
(Where there are more than 28 Coupons, Talons will be attached)
- (c) Receipts to be attached to Instalment Covered Bonds which are Definitive Covered Bonds: [Yes/No]
(If yes, give details)
- (d) Definitive Covered Bonds to be in ICMA or successor's format: [Yes/No]

(If nothing is specified, Definitive Covered Bonds will be security printed and in ICMA or successor's format)
27. [New Global Covered Bond: [Yes/No]]
28. Additional Business Centre(s) or other special provisions relating to Payment Days: [Not applicable / give details]

(Note that this paragraph relates to the place of payment and not Interest Period end dates to which sub-paragraphs 14(d), 15(d), 16(e), 17(h) and 18(f) apply)
29. Details relating to Partly-Paid Covered Bonds: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Covered Bonds and interest due on late payment: [Not Applicable/give details. N.B. a new form of Temporary Global Covered Bond and/or Permanent Global Covered Bond may be required for Partly-Paid issues]
30. Details relating to Instalment Covered Bonds:
- (a) Instalment Amount(s): [Not Applicable/give details]
- (b) Instalment Date(s): [Not Applicable/give details]
31. Redenomination: [Not applicable/The provisions in Condition 6(i) apply]

32. Notices: *(Specify if Condition 14 applies or any other means of effective communication)*
33. Governing law: [England and Wales/ Victoria]
34. Other terms or special conditions: [Not Applicable/give details]
(When adding any other Final Terms consideration should be given as to whether such terms constitute “significant new factors” and consequently trigger the need for a supplement to the Offering Memorandum under Article 16 of the Prospectus Directive)

DISTRIBUTION

35. (a) If syndicated, names and addresses of Managers: [Not Applicable/give names]
(If the Covered Bonds are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, include names of entities agreeing to underwrite the issue on a firm commitment basis and names of the entities agreeing to place the issue without a firm commitment or on a “best efforts” basis if such entities are not the same as the Managers)
- (b) Date of Subscription Agreement: [●]
(The above is only relevant if the Covered Bonds are derivative securities to which Annex XII of the Prospectus Directive Regulation applies)
- (c) Stabilising Manager (if any): [Not Applicable/give name]
36. If non-syndicated, name and address of Dealer: [Not Applicable/give name]
37. U.S. Selling Restrictions: The Covered Bonds are being offered and sold without registration under the United States Securities Act of 1933, as amended (the **Securities Act**): (A) to investors reasonably believed to be “qualified institutional buyers” as defined in Rule 144A under the Securities Act (**Rule 144A**) in reliance upon the exemption provided by Rule 144A and (B) in offshore transactions to certain non-US persons in reliance upon Regulation S under the Securities Act. Prospective purchasers are hereby notified that the seller of the Covered Bonds may be relying on an exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of certain restrictions on resales and transfers, see “Subscription and Sale and Selling Restrictions

(Conflicts of Interests)” in the Offering Memorandum.

- 38. Additional selling restrictions: [Not Applicable/*give details*]
- 39. Additional U.S. Federal Tax Considerations: [Not Applicable/*give details*]

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING:

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

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

2. RATINGS:

Ratings:

The Covered Bonds to be issued have been rated:

[Fitch Australia Pty Ltd: [●]]

[Moody's Investors Service Pty Limited: [●]]

[[Other]: [●]]

(The above disclosure should reflect the rating allocated to Covered Bonds of the type being issued under the Program generally or, where the issue has been specifically rated, that rating.)

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

N.B. The following information regarding any Designated Rating Agency only applies to offerings of Covered Bonds admitted to trading on an European Union regulated market.

[Each such credit rating has been issued by a

credit rating agency established in the European Union and registered under Regulation (EU) No 1060/2009, as amended [with the exception of *[insert details]]*].

[[Fitch Australia Pty Ltd], [Moody's Investors Service Pty Ltd] and [*Name of the relevant non-EU CRA affiliate*] [is/are] not established in the European Union and [has/have] not applied for registration under Regulation (EC) No. 1060/2009, as amended, of the European Parliament and of the Council of September 16, 2009 on credit rating agencies (**CRA Regulation**). However, [[Fitch Ratings Limited], [Moody's Investors Service] and [*name of the CRA affiliate established in the EU that applied for registration*]] [is/are] established in the European Union and registered under the CRA Regulation and [is/are] included in the list of registered credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation. The ratings issued by [Fitch Australia Pty Ltd], [Moody's Investors Service Pty Ltd] and [*name of the relevant non-EU CRA affiliate*] [respectively] [have been / are expected to be] endorsed by [Fitch Ratings Limited], [Moody's Investors Service] and [*name of the CRA affiliate established in the EU that applied for registration*].]

[In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under Regulation (EC) No 1060/2009, as amended (the **CRA Regulation**) or issued by a credit rating agency established in a third country but whose credit ratings are endorsed by the credit rating agency established in the European Union and registered under the CRA Regulation, unless the rating is provided by a credit rating agency operating in the European Union before June 7, 2010 (European Entity) which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused, or is provided by a third country rating entity whose ratings are disclosed in that registration application as being ratings that will be endorsed by the European Entity.]

3. [COVERED BOND SWAP:

- (i) Covered Bond Swap Provider [Include name, address and additional corporate description of Covered Bond Swap Provider]
- (ii) Nature of Covered Bond Swap: [Forward Starting/Non-Forward Starting]]

4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE:

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

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

5. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES:

- (i) [Reasons for the offer:] [●]
- (ii) [Estimated net proceeds:] [●]
- (iii) [Estimated total expenses:] [●]

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

6. YIELD: (FIXED RATE COVERED BONDS ONLY)

Indication of yield: [●]

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

7. PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE AND OTHER INFORMATION CONCERNING THE UNDERLYING: (INDEX LINKED OR OTHER VARIABLE/LINKED COVERED BONDS ONLY)

[Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained. Where the underlying is an index, include the name of the index and if the index is composed by the Issuer, include a description of the index. If the index is not composed by the Issuer, include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information. Include other information concerning the underlying required by Paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.]

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

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

(N.B. This paragraph 7 applies only if the Covered Bonds are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

8. PERFORMANCE OF RATE[S] OF EXCHANGE: (DUAL CURRENCY INTEREST COVERED BONDS ONLY)

[Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained.]

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

(N.B. This paragraph 8 only applies if the Covered Bonds are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

9. OPERATIONAL INFORMATION:

- (a) ISIN Code: [●]
CUSIP: [●]
- (b) Common Code: [●]
- (c) *[(insert here any other relevant codes such as CINS codes)]*: [●]
- (d) Any clearing system(s) other than [Not Applicable/give name(s) and number(s)]
[Austraclear], DTC, Euroclear,
Clearstream, Luxembourg and the
relevant identification number(s):
- (e) Delivery: Delivery [against/free of] payment
- (f) Name and address of initial Paying Agent(s) in relation to the Covered Bonds (other than the Australian Registered Covered Bonds): [●]
- (g) Names and addresses of additional Paying Agent(s) (if any) in relation to the Covered Bonds (other than the Australian Registered Covered Bonds): [●]
- (h) Name(s) and address(es) of the Australian Registrar in relation to the Australian Registered Covered Bonds: [●]

Signed on behalf of the Issuer:

By:

Duly authorised

SCHEDULE TO THE FINAL TERMS

Certain information regarding the Receivables

[The statistical and other information contained in these Final Terms has been compiled by reference to the Purchased Receivables as at [●] (the Cut-off Date). Except as otherwise indicated, these tables have been prepared using the Principal Balance as at the Cut-off Date, which includes all principal and accrued interest for the Purchased Receivables as at the Cut-off Date and may no longer be a true reflection of the Purchased Receivables. The following information does [not] include any Receivables sold into the Portfolio since the Cut-off Date, including any sale in connection with this Series [●] issuance and it does not reflect any redemption or sales out of the Portfolio since the Cut-off Date.]

The characteristics of the Purchased Receivables as at the relevant Issue Date are not expected to differ materially from the characteristics of the Purchased Receivables as at the Cut-off Date, however, it should be noted that Receivables may be removed from the Purchased Receivables in the event that any such Receivables are repaid in full or do not comply with the terms of the Receivable Sale Agreement on the relevant Transfer Date. The Seller may also choose, in certain circumstances, to repurchase any of the Receivables in accordance with the terms of the Receivable Sale Agreement. Additionally, New Receivables may be sold into the Portfolio from time to time. Any such sales will be made in accordance with the Receivable Sale Agreement and subject to compliance with the Substitution Criteria and the Representations and Warranties. This information is provided for information purposes only.

The tables below show details of the Receivables included in the Portfolio, and stratify the Portfolio by reference to a Receivable. Columns stating percentage amounts may not add up to 100% due to rounding.

ANZ Residential Covered Bond Trust

Summary as at [●date]

Bond Issuance						
Bonds	Issue Date	Principal Balance	Principal Balance (AUD Equiv.)	Exchange Rate	Coupon Frequency	Coupon Rate
Series [●] Series [●] Series [●]						
Bonds	ISIN	CUSIP	Listing	Note Type	Expected Maturity Date	Final Maturity Date
Series [●] Series [●] Series [●]						

Pool Summary

Portfolio Cut off Date	
Current Aggregate Principal Balance (AUD)	
Number of Borrowers	
Number of Loans (Unconsolidated)	
Number of Loans (Consolidated)	
Average Loan Size (Consolidated)	
Maximum Loan Balance (Consolidated)	

Weighted Average Consolidated Current Loan to Value Ratio (LVR)	
Weighted Average Consolidated Current Indexed Loan to Value Ratio (LVR)	
Weighted Average Interest Rate	
Weighted Average Seasoning (Months)	
Weighted Average Remaining Term (Months)	

Prepayment Information

	1 Month	3 Month	6 Month	12 Month	Cumulative
Prepayment History (CPR)					
Prepayment History (SMM)					

Mortgage Pool by Unconsolidated Original Loan to Value Ratio (LVR)

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
up to and including 25.0%				
> 25.0% up to and including 30.0%				
> 30.0% up to and including 35.0%				
> 35.0% up to and including 40.0%				
> 40.0% up to and including 45.0%				
> 45.0% up to and including 50.0%				
> 50.0% up to and including 55.0%				
> 55.0% up to and including 60.0%				
> 60.0% up to and including 65.0%				
> 65.0% up to and including 70.0%				
> 70.0% up to and including 75.0%				
> 75.0% up to and including 80.0%				
> 80.0% up to and including 85.0%				
> 85.0% up to and including 90.0%				
> 90.0% up to and including 95.0%				
> 95.0% up to and including 100.0%				
> 100.0%				
Total				

Mortgage Pool by Consolidated Current Loan to Value Ratio (LVR)

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
up to and including 25.0%				
> 25.0% up to and including 30.0%				
> 30.0% up to and including 35.0%				
> 35.0% up to and including 40.0%				
> 40.0% up to and including 45.0%				
> 45.0% up to and including 50.0%				
> 50.0% up to and including 55.0%				
> 55.0% up to and including 60.0%				
> 60.0% up to and including 65.0%				
> 65.0% up to and including 70.0%				
> 70.0% up to and including 75.0%				
> 75.0% up to and including 80.0%				
> 80.0% up to and including 85.0%				
> 85.0% up to and including 90.0%				
> 90.0% up to and including 95.0%				
> 95.0% up to and including 100.0%				
> 100.0%				
Total				

Mortgage Pool by Consolidated Current Indexed Loan to Value Ratio (LVR)*

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
up to and including 25.0%				
> 25.0% up to and including 30.0%				
> 30.0% up to and including 35.0%				
> 35.0% up to and including 40.0%				
> 40.0% up to and including 45.0%				
> 45.0% up to and including 50.0%				
> 50.0% up to and including 55.0%				
> 55.0% up to and including 60.0%				
> 60.0% up to and including 65.0%				

> 65.0% up to and including 70.0%				
> 70.0% up to and including 75.0%				
> 75.0% up to and including 80.0%				
> 80.0% up to and including 85.0%				
> 85.0% up to and including 90.0%				
> 90.0% up to and including 95.0%				
> 95.0% up to and including 100.0%				
> 100.0%				
Total				

* Based on quarterly data provided by RP Data using the hedonic index values.

Mortgage Pool by Mortgage Loan Interest Rate

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
up to and including 6.0%				
> 6.0% up to and including 6.25%				
> 6.25% up to and including 6.5%				
> 6.5% up to and including 6.75%				
> 6.75% up to and including 7.0%				
> 7.0% up to and including 7.25%				
> 7.25% up to and including 7.5%				
> 7.5% up to and including 7.75%				
> 7.75% up to and including 8.0%				
> 8.0% up to and including 8.25%				
> 8.25% up to and including 8.5%				
> 8.5%				
Total				

Mortgage Pool by Interest Option

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
<= 1 Year Fixed				
<= 2 Year Fixed				
<= 3 Year Fixed				
<= 4 Year Fixed				
<= 5 Year Fixed				
> 5 Year Fixed				
Total Fixed Rate				
Total Variable Rate				
Total				

Mortgage Pool by Consolidated Loan Balance

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
up to and including \$100,000				
> \$100,000 up to and including \$200,000				
> \$200,000 up to and including \$300,000				
> \$300,000 up to and including \$400,000				
> \$400,000 up to and including \$500,000				
> \$500,000 up to and including \$600,000				
> \$600,000 up to and including \$700,000				
> \$700,000 up to and including \$800,000				
> \$800,000 up to and including \$900,000				
> \$900,000 up to and including \$1m				
> \$1m up to and including \$1.25m				
> \$1.25m up to and including \$1.5m				
> \$1.5m up to and including \$1.75m				
> \$1.75m up to and including \$2m				
> \$2m				
Total				

Mortgage Pool by Geographic Distribution

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
NSW / ACT				
VIC				
TAS				
QLD				
SA				

WA				
NT				
Total				

Mortgage Pool by Top 20 Postcodes

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
Total				

Mortgage Pool by Top 20 Statistical Subdivision

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
Total				

Mortgage Pool by Payment Type

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
P&I				
Interest Only				
Total				
Total				

Mortgage Pool by Documentation Type

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
Full Doc Loans				
Low Doc Loans				
No Doc Loans				
Total				

Mortgage Pool by Remaining Interest Only Period

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
up to and including 0 yrs				
> 0 yrs up to and including 1 yrs				
> 1 yrs up to and including 2 yrs				
> 2 yrs up to and including 3 yrs				
> 3 yrs up to and including 4 yrs				
> 4 yrs up to and including 5 yrs				
> 5 yrs up to and including 6 yrs				
> 6 yrs up to and including 7 yrs				
> 7 yrs up to and including 8 yrs				
> 8 yrs up to and including 9 yrs				
> 9 yrs up to and including 10 yrs				
> 10 yrs				
Total				

Mortgage Pool by Occupancy Status

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
Owner Occupied (Full Recourse)				
Residential Investment (Full Recourse)				
Residential Investment (Limited Recourse)				
Total				

Mortgage Pool by Loan Purpose

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
Alterations to existing dwelling				
Business / Commercial / Investment				
Construction of a dwelling				
Purchase of established dwelling				
Purchase of new erected dwelling				
Refinancing an existing debt from another lender				
Refinancing an existing debt with ANZ				
Other				
Total				

Mortgage Pool by Loan Seasoning

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
up to and including 3 months				
> 3 up to and including 6 months				
> 6 up to and including 9 months				
> 9 up to and including 12 months				
> 12 up to and including 15 months				
> 15 up to and including 18 months				
> 18 up to and including 21 months				
> 21 up to and including 24 months				
> 24 up to and including 27 months				
> 27 up to and including 30 months				
> 30 up to and including 33 months				
> 33 up to and including 36 months				
> 36 up to and including 48 months				
> 48 up to and including 60 months				
> 60 up to and including 72 months				
> 72 up to and including 84 months				
> 84 up to and including 96 months				
> 96 up to and including 108 months				
> 108 up to and including 120 months				
> 120 months				
Total				

Mortgage Pool by Remaining Tenor

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
up to and including 1 year				
> 1 up to and including 2 years				
> 2 up to and including 3 years				
> 3 up to and including 4 years				
> 4 up to and including 5 years				
> 5 up to and including 6 years				
> 6 up to and including 7 years				
> 7 up to and including 8 years				
> 8 up to and including 9 years				
> 9 up to and including 10 years				
> 10 up to and including 15 years				
> 15 up to and including 20 years				
> 20 up to and including 25 years				
> 25 up to and including 30 years				
> 30 years				
Total				

Mortgage Pool by Delinquencies

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
Current (0 days)				
> 0 days up to and including 30 days				
> 30 days up to and including 60 days				
> 60 days up to and including 90 days				
> 90 days up to and including 120 days				
> 120 days up to and including 150 days				
> 150 days up to and including 180 days				
> 180 days				
Total				

Mortgage Pool by Remaining Term on Fixed Rate Period

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
up to and including 0 months				
> 0 up to and including 3 months				
> 3 up to and including 6 months				
> 6 up to and including 9 months				
> 9 up to and including 12 months				
> 12 up to and including 15 months				
> 15 up to and including 18 months				
> 18 up to and including 21 months				
> 21 up to and including 24 months				
> 24 up to and including 27 months				
> 27 up to and including 30 months				
> 30 up to and including 33 months				
> 33 up to and including 36 months				
> 36 up to and including 48 months				
> 48 up to and including 60 months				
> 60 months				
Total				

Mortgage Pool by Payment Frequency

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
Weekly				
Fortnightly				
Monthly				
Other				
Total				

TERMS AND CONDITIONS OF THE COVERED BONDS

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

This Covered Bond is one of a Series (as defined below) of Covered Bonds issued by Australia and New Zealand Banking Group Limited, whether acting through its head office or a branch, as specified in the relevant Final Terms (the **Issuer**) constituted by a trust deed (such trust deed as modified and/or supplemented and/or restated from time to time, the **Bond Trust Deed**) dated November 14, 2011 (the **Program Date**) made between, among others, the Issuer, Perpetual Corporate Trust Limited, in its capacity as trustee of the ANZ Residential Covered Bond Trust as covered bond guarantor (the **Covered Bond Guarantor**) and DB Trustees (Hong Kong) Limited as bond trustee (in such capacity, the **Bond Trustee**, which expression shall include any successor as Bond Trustee).

Save as provided for in Conditions 9 (*Events of Default and Enforcement*) and 11 (*Meetings of Covered Bondholders, Modification, Waiver and Substitution*), references herein to the **Covered Bonds** shall be references to the Covered Bonds of this Series and shall mean:

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

The Covered Bonds have the benefit of a principal agency agreement (such principal agency agreement as amended and/or supplemented and/or restated from time to time the **Principal Agency Agreement**) dated the Program Date and made between, among others, the Issuer, the Covered Bond Guarantor, the Bond Trustee, Deutsche Bank AG, Hong Kong Branch as issuing and principal paying agent and agent bank (in such capacity, the **Principal Paying Agent**, which expression shall include any successor principal paying agent) and Deutsche Bank AG, Hong Kong Branch as issuing and covered bond paying agent and agent bank (in such capacity, the **Covered Bond Paying Agent**, which expression shall include any successor covered bond paying agent and the other paying agents appointed pursuant to the Principal Agency Agreement (together with the Covered Bond Paying Agent and the Australian Paying Agent (as defined below), the **Paying Agents**, which expression shall include any additional or successor paying agents), Deutsche Bank AG, Hong Kong Branch as exchange agent (in such capacity, the **Exchange Agent**, which expression shall include any additional or successor exchange agent) and as transfer agent (in such capacity, the **Transfer Agent**), Deutsche Bank Luxembourg S.A. as registrar (in such capacity, the **Luxembourg Registrar**, which expression shall include any successor registrar) and Deutsche Bank Trust Company Americas (in such capacity, the **US Covered Bond Paying Agent** and **US Registrar**, which expression shall include any successor registrar, and together with the Luxembourg Registrar, the **Registrars** and together with the

Paying Agents, the Exchange Agent and the Transfer Agent, the **Agents**, which expression shall include any additional or successor agents).

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

The Final Terms for this Covered Bond (or the relevant provisions thereof) is entered in the Register or attached to or endorsed on this Covered Bond and supplement these terms and conditions (the **Conditions**) 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 to the Final Terms (or the relevant provisions thereof) entered in the Register or attached to or endorsed on this Covered Bond.

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

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

The Covered Bond Guarantor has, in the Bond Trust Deed, irrevocably and unconditionally guaranteed the prompt performance by the Issuer of its obligations to pay the Guaranteed Amounts in respect of the Covered Bonds as and when the same shall become due for payment on certain dates in accordance with the Bond Trust Deed (**Due for Payment**), but only after the occurrence of (A) an Issuer Event of Default and service by the Bond Trustee of (i) an Issuer Acceleration Notice on the Issuer (with a copy to the Covered Bond Guarantor), and (ii) a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager), and/or (B) a Covered Bond Guarantor Event of Default and service by the Bond Trustee of a Covered Bond Guarantee Acceleration Notice on each of the Issuer and the Covered Bond Guarantor (copied to the Trust Manager and the Security Trustee).

The security for the obligations of the Covered Bond Guarantor under the Covered Bond Guarantee and the other Program Documents to which it is a party has been created in and pursuant to, and on the terms set out in, a deed of charge governed by the laws of the State of Victoria, Australia (such document as amended and/or supplemented and/or restated from time to time, the **Deed of Charge**) dated the Program Date and made between the Covered Bond Guarantor, the Bond Trustee, P.T. Limited (the **Security Trustee**) and ANZ Capel Court Limited (ABN 30 004 768 807) (the **Trust Manager**) and a security trust deed between the same parties and governed by the laws of the State of Victoria, Australia (such document as amended and/or supplemented and/or restated from time to time, the **Security Trust Deed**).

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

Copies of the Bond Trust Deed, the Security Trust Deed, the Definitions Schedule (as defined below), the Principal Agency Agreement and each of the other Program Documents are available for inspection during normal business hours at the specified office of the Principal Paying Agent. Copies of the applicable Final Terms for all Covered Bonds of each Series (including in relation to unlisted Covered Bonds of any Series) are obtainable during normal business hours at the specified office of the Principal Paying Agent and any Covered Bondholder must produce evidence satisfactory to the Issuer and the Bond Trustee or, as the case may be, the relevant Paying Agent as to its holding of

Covered Bonds and identity. The Covered Bondholders are deemed to have notice of, are bound by, and are entitled to the benefit of, all the provisions of, and definitions contained in, the Bond Trust Deed, the Deed of Charge, the Definitions Schedule, the Principal Agency Agreement, each of the other Program Documents and the applicable Final Terms which are applicable to them and to have notice of each set of Final Terms relating to each other Series.

Except where the context otherwise requires, capitalised terms used and not otherwise defined in these Conditions shall bear the meanings given to them in the Bond Trust Deed, the applicable Final Terms and/or the ANZBGL covered bond trust definitions schedule made between the parties to the Program Documents dated October 31, 2011 (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 as described above. In the event of inconsistency between the Bond Trust Deed and the Definitions Schedule, the Bond Trust Deed will prevail and in the event of inconsistency between the Bond Trust Deed and the applicable Final Terms, the applicable Final Terms will prevail.

1. Form, Denomination and Title

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

This Covered Bond may be a Fixed Rate Covered Bond, a Floating Rate Covered Bond, a Zero Coupon Covered Bond, an Index Linked Interest Covered Bond, a Dual Currency Interest Covered Bond or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms, and subject, in each case, to confirmation from the Designated Rating Agencies that the then current ratings of any outstanding Series of Covered Bonds will not be adversely affected by the issuance of this Covered Bond.

This Covered Bond may be an Index Linked Redemption Covered Bond, an Instalment Covered Bond, a Dual Currency Redemption Covered Bond, a Partly Paid Covered Bond or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Final Terms and subject, in each case, to confirmation from the Designated Rating Agencies that the then current rating of any outstanding Series of Covered Bonds will not be adversely affected by the issuance of this Covered Bond.

Title to the Registered Covered Bonds will pass upon registration of transfers in accordance with the provisions of the Principal Agency Agreement. The Issuer, the Covered Bond Guarantor, the Paying Agents, the Security Trustee and the Bond Trustee will (except as otherwise required by law) deem and treat the registered holder of any Registered Covered Bond as the absolute owner thereof (whether or not 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 is represented by a Global Covered Bond held on behalf of, or, as the case may be, registered in the name of a common depositary or common safekeeper for Euroclear Bank S.A./N.V. (**Euroclear**) and/or Clearstream Banking, société anonyme (**Clearstream, Luxembourg**) or the Depository Trust Company (**DTC**)) each person (other than Euroclear or 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 or Clearstream, Luxembourg as to the nominal amount of such Covered Bonds standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error and any such certificate or other document may

comprise any form of statement or print out of electronic records provided by the relevant clearing system (including, without limitation, Euroclear's EUCLID or Clearstream's Cedcom system) in accordance with its usual procedures and in which the holder of a particular nominal amount of the Covered Bonds is clearly identified with the amount of such holding) shall be treated by the Issuer, the Covered Bond Guarantor, the Paying Agents 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 shall 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 shall be construed accordingly.

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

References to Euroclear and/or Clearstream, Luxembourg and/or DTC shall, whenever the context so permits, be deemed to include a reference to any additional or Alternative Clearing System specified in the applicable Final Terms or as may otherwise be approved by the Issuer, the relevant Principal Paying Agent and the Bond Trustee.

2. Transfers of Registered Covered Bonds

(a) *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 Euroclear, Clearstream, Luxembourg or DTC, 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. A beneficial interest in a Registered Global Covered Bond may, subject to compliance with all applicable legal and regulatory restrictions, be transferred to a person who takes delivery in the form of a beneficial interest in another Registered Global Covered Bond only in the authorised denominations set out in the applicable Final Terms and only in accordance with the rules and operating procedures for the time being of Euroclear, Clearstream, Luxembourg or DTC, as the case may be, and in accordance with the terms and conditions specified in the relevant Agency Agreement. Transfers of a Registered Global Covered Bond registered in the name of DTC or its nominee shall 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.

(b) *Transfers of Registered Covered Bonds in definitive form*

Subject as provided in Conditions (c), and (f) below, upon the terms and subject to the conditions set forth in the Principal Agency Agreement, a Registered Covered Bond in definitive form 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 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 Transfer Agent; and (ii) the relevant Registrar or, as the case may be, the Transfer Agent must, after due and careful enquiry, 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 5 to the Principal Agency Agreement). Subject as provided above, the relevant Registrar or, as the case may be, the 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 Transfer Agent is located) 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, a new Registered Covered Bond in definitive form of a like aggregate nominal amount to the Registered Covered Bond (or the relevant part of the Registered Covered Bond) transferred. In the case of the transfer of part only of a Registered Covered Bond in definitive form, a new Registered Covered Bond in definitive form in respect of the balance of the Registered 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 by the transferor.

(c) ***Registration of transfer upon partial redemption***

In the event of a partial redemption of Covered Bonds under Condition 5 (*Redemption and Purchase*), the Issuer shall not be required to register the transfer of any Registered Covered Bond, or part of a Registered Covered Bond, called for partial redemption.

(d) ***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, any Registrar or any Transfer Agent may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

(e) ***Transfers of interests in Regulation S Global Covered Bonds***

Prior to expiry of the applicable Distribution Compliance Period, transfers of beneficial interests in, a Regulation S Global Covered Bond to a person who takes delivery in the form of an interest in a Rule 144A Global Covered Bond will only be made upon receipt by the Registrar 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 Luxembourg Registrar or the 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.

In the circumstances set out in this Condition 2(e), such transferee may take delivery through a Rule 144A Global Covered Bond in global or definitive form. Prior to the expiry of the applicable Distribution Compliance Period beneficial interests in Regulation S Covered Bonds registered in the name of a nominee for DTC may only be held through the accounts of Euroclear and Clearstream, Luxembourg. After expiry of the applicable Distribution Compliance Period: (i) beneficial interests in Regulation S Global Covered Bonds registered in the name of DTC or its nominee may be held through DTC directly, by a participant in

DTC or indirectly through a participant in DTC; and (ii) such certification requirements will no longer apply to such transfers.

(f) ***Transfers of interests in Rule 144A Global Covered Bonds***

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

- (i) to a transferee who takes delivery of such interest in the form of an interest in a Regulation S Global Covered Bond, upon receipt by the Luxembourg Registrar of a duly completed Transfer Certificate from the transferor to the effect that such transfer is being made in accordance with Regulation S or, if available, Rule 144 under the Securities Act and that, in the case of a Regulation S Global Covered Bond registered in the name of DTC or its nominee, 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 Global 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 jurisdiction.

Upon the transfer, exchange or replacement of Rule 144A Global Covered Bonds, or upon specific request for removal of the Legend therein, the Luxembourg Registrar shall deliver only Rule 144A Global 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.

(g) ***Exchanges and transfers of Registered Covered Bonds generally***

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

(h) ***Definitions***

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

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

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

Registered Global Covered Bond means a Regulation S Global Covered Bond or a Rule 144A Global Covered Bond;

Regulation S means Regulation S under the Securities Act;

Regulation S Global Covered Bond means a Registered Global Covered Bond representing Covered Bonds initially 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; and

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

3. Status of the Covered Bonds and the Covered Bond Guarantee

(a) Status of the Covered Bonds

The Covered Bonds constitute direct, unconditional and unsecured obligations of the Issuer and (save for certain debts of the Issuer required to be preferred by the law, including but not limited to, those referred to in sections 13A and 16 of the Banking Act 1959 of Australia (the **Australian Banking Act**) and section 86 of the Reserve Bank Act 1959 of Australia) rank *pari passu* among themselves and equally with all other unsecured obligations (other than subordinated obligations) of the Issuer.

(b) Changes to applicable laws may extend the debts required to be preferred by law

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

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

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

(c) Status of the Covered Bond Guarantee

The payment of Guaranteed Amounts in respect of the Covered Bonds when the same shall 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 shall 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 (with a copy to the Covered Bond Guarantor) of an Issuer Acceleration Notice and service by the Bond Trustee on the Covered Bond Guarantor (with a copy to the Trust Manager) 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 on the Issuer and the Covered Bond Guarantor (copied to the Trust Manager and the Security Trustee) of a Covered Bond Guarantee Acceleration Notice. The obligations of the Covered Bond Guarantor under the Covered Bond Guarantee are (following an Issuer Event of Default, service of an Issuer Acceleration Notice and service of a Notice to Pay or a Covered Bond Guarantor Event of Default and service of a Covered Bond Guarantee Acceleration Notice),

direct, unconditional (subject as provided in Condition 16 (*Limited Recourse and non-petition*)) and unsubordinated obligations of the Covered Bond Guarantor, which are secured as provided in the Deed of Charge.

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

4. Interest and other Calculations

(a) Interest on Fixed Rate Covered Bonds

- (i) Each Covered Bond where the Interest Basis in the applicable Final Terms is specified to be a Fixed Rate (a **Fixed Rate Covered Bond**) bears interest on its Principal Amount Outstanding from, and including, the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrears on each Interest Payment Date. Such Interest Payment Date(s) is/are either shown in the applicable Final Terms as specified Interest Payment Dates or, if no Interest Payment Date(s) is/are specified in the applicable Final Terms, Interest Payment Date shall mean each date which falls the number of months or other period shown in the applicable Final Terms as the specified Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.
- (ii) If a Fixed Coupon Amount or a Broken Amount is specified in the applicable Final Terms, the amount of interest payable on each Interest Payment Date will amount to the Fixed Coupon Amount or, if applicable, the Broken Amount so specified and in the case of the Broken Amount will be payable on the particular Interest Payment Date(s) specified in the applicable Final Terms.
- (iii) *Calculation of Interest Amount:* The Interest Amount payable in respect of each Covered Bond for any period for which a Fixed Coupon Amount or Broken Amount is not specified in the applicable Final Terms shall be calculated by applying the Rate of Interest to the Calculation Amount for such Covered Bond, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest unit of the Specified Currency (with halves being rounded up), save in the case of Yen, which shall be rounded down to the nearest Yen, and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Covered Bond divided by the Calculation Amount. For this purpose, a “unit” means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means 0.01 euro, as the case may be.
- (iv) *Business Day Convention:* If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then that date will be adjusted in accordance with the Business Day Convention specified in the applicable Final Terms.

(b) Interest on Floating Rate Covered Bonds and Index Linked Interest Covered Bonds

- (i) *Interest Payment Dates:* Each Covered Bond where the Interest Basis in the applicable Final Terms is specified to be Floating Rate (a **Floating Rate Covered Bond**) and each Covered Bond where the Interest Basis in the applicable Final Terms is specified to be Index Linked (an **Index Linked Interest Covered Bond**) bears interest on its outstanding Principal Amount Outstanding from, and including, the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrears on each Interest Payment Date. Such Interest Payment Date(s) is/are either shown in the applicable Final Terms as specified Interest Payment Dates or, if no Interest Payment Date(s) is/are specified in the applicable Final Terms, Interest Payment Date shall mean each date which falls the number of months or other period shown in the applicable Final Terms as the specified Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.
- (ii) *Business Day Convention:* If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then that date will be adjusted in accordance with the Business Day Convention specified in the applicable Final Terms.
- (iii) *Rate of Interest for Floating Rate Covered Bonds:* The Rate of Interest in respect of Floating Rate Covered Bonds, other than in the case of BBSW Covered Bonds (unless the relevant Final Terms specify otherwise), provisions in respect of which are set out in Condition 4(b)(v) below, for each Interest Accrual Period shall be determined in the manner specified in the applicable Final Terms and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply (as amended by the applicable Final Terms), depending upon which is specified in the applicable Final Terms.

(A) 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 Accrual Period shall be determined by the Principal Paying Agent as a rate equal to the relevant ISDA Rate. For the purposes of this subparagraph (A), “**ISDA Rate**” for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Principal Paying Agent or other person specified in the applicable Final Terms under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (x) the Floating Rate Option is as specified in the applicable Final Terms;
- (y) the Designated Maturity is a period specified in the applicable Final Terms; and
- (z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified in the applicable Final Terms.

For the purposes of this sub-paragraph (A), “**Floating Rate**”, “**Calculation Agent**”, “**Floating Rate Option**”, “**Designated Maturity**”, “**Reset Date**”, and “**Swap Transaction**” have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate/Reference Bank Determination for Floating Rate Covered Bonds

- (x) If 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 Accrual Period shall be (as determined by the Principal Paying Agent), either:

- (I) the offered quotation (if there is only one quotation on the Relevant Screen Page); or
- (II) the arithmetic mean of the offered quotations,

for the Reference Rate in each case appearing on the Relevant Screen Page at the Relevant Time on the Interest Determination Date;

- (y) if sub-paragraph (x)(I) applies and no Reference Rate appears on the Relevant Screen Page at the Relevant Time on the Interest Determination Date or if sub-paragraph (x)(II) applies and fewer than two offered quotations appear on the Relevant Screen Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the arithmetic mean of the offered quotations that each of the Reference Banks is quoting (or such of them, being at least two, as are so quoting) to leading banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date for deposits of the Specified Currency for a term equal to the relevant Interest Accrual Period as determined by the Principal Paying Agent; and

- (z) if paragraph (y) above applies and the Principal Paying Agent determines that fewer than two Reference Banks are so quoting the Reference Rate, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage), which the Principal Paying Agent determines to be the nearest equivalent to the Reference Rate, in respect of deposits of the Specified Currency that at least two out of five leading banks selected by the Principal Paying Agent (after consultation with the Issuer) in the Principal Financial Centre of the country of the Specified Currency, in each case as selected by the Principal Paying Agent (after consultation with the Issuer), are quoting at or about the Relevant Time for a period commencing on the Effective Date equivalent to the relevant Interest Accrual Period to leading banks carrying on business in (i) Europe, or (ii) (if the Principal Paying Agent determines that fewer than two of such banks are so quoting to such leading banks in Europe) the Principal Financial Centre; except that, if fewer than two of such banks are so quoting to such leading banks, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date (after readjustment for any difference between any Margin or Maximum or Minimum Rate of Interest applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period).

- (iv) *Rate of Interest for Index Linked Interest Covered Bonds:* The Rate of Interest in respect of Index Linked Interest Covered Bonds for each Interest Accrual Period shall be determined by the Calculation Agent in the manner specified in the applicable

Final Terms and interest will accrue by reference to the index or formula as specified in the applicable Final Terms.

- (v) *Rate of Interest on BBSW Covered Bonds:* If a Covered Bond is specified to be a BBSW Covered Bond, the Rate of Interest for each Interest Accrual Period will be determined by the Calculation Agent at or about the Relevant Time on the Interest Determination Date in respect of such Interest Accrual Period in accordance with the following:
- (A) the Rate of Interest shall be the stated average (expressed as an interest rate per annum and rounded up, if necessary, to the fourth decimal place) of the mean buying and selling rates (for the purposes of this Condition 4(b)(v), each such rate a “quotation”) of each BBSW Reference Bank (as defined below) excluding the highest and lowest quotations for bank bills having a tenor approximately equal to the relevant Interest Accrual Period as set forth on the display page designated on page “BBSW” on the Reuters screen service (“**BBSW Reuters Page**”) or such other information service as may replace the BBSW Reuters Page for the purpose of displaying Australian dollar bank bill rates of leading financial institutions in Australia at or about the Relevant Time on the relevant Interest Determination Date in respect of such Interest Accrual Period, converted by the Calculation Agent (by dividing such Interest Rate by 365 and then multiplying it by 360) into a rate expressed on a 360-day year basis, or as otherwise specified in the Final Terms;
 - (B) if, at or about the Relevant Time on any Interest Determination Date, the quotations of only two BBSW Reference Banks are available, or no such quotations are available, on the BBSW Reuters Page or if the BBSW Reuters Page is unavailable, the Calculation Agent shall at or about the Relevant Time on such Interest Determination Date request the principal office of each of the BBSW Reference Banks to provide the Calculation Agent with its quotation (expressed as an interest rate per annum) for the Australian dollar bank bills having a tenor approximately equal to the relevant Interest Accrual Period. The Rate of Interest for such Interest Accrual Period shall be the arithmetic mean (rounded up as aforesaid) of such quotations excluding the highest and lowest quotations, as determined by the Calculation Agent and converted by the Calculation Agent (by dividing such Rate of Interest by 365 and then multiplying it by 360) into a rate expressed on a 360-day year basis, or as otherwise specified in the Final Terms;
 - (C) if, at or about the Relevant Time on any Interest Determination Date only two or less quotations are available under sub-paragraph (A) above, but at least three but fewer than all the BBSW Reference Banks provide the Calculation Agent with quotations as referred to in sub-paragraph (B) above, the Rate of Interest for the relevant Interest Accrual Period shall be determined in accordance with subparagraph (B) above, on the basis of the quotations of those BBSW Reference Banks providing such quotations; and
 - (D) if, at or about the Relevant Time on any Interest Determination Date, the Rate of Interest cannot be determined by reference to any of sub-paragraphs (A), (B) and (C) above, the Rate of Interest for the relevant Interest Accrual Period shall, subject as provided below, be the rate per annum converted by the Calculation Agent (by dividing such Rate of Interest by 365 and then multiplying it by 360) into a rate expressed on a 360-day basis, which the

Calculation Agent determines to be either (x) the arithmetic mean (rounded upwards as aforesaid) of the offered rates (excluding the highest and lowest of such offered rates) which leading financial institutions selected by the Calculation Agent (after consultation with the Issuer) are quoting at or about the Relevant Time on such Interest Determination Date for bank bills for such Interest Accrual Period to the principal office of each of the BBSW Reference Banks or those of them (being at least three in number) to which such offered rates are, in the opinion of the Calculation Agent, being so quoted, or (y) in the event that the Calculation Agent can determine no such arithmetic mean, the arithmetic mean (rounded upwards as aforesaid) of the offered rates (excluding the highest and lowest of such offered rates) which leading financial institutions selected by the Calculation Agent (after consultation with the Issuer) are quoting on such date to leading financial institutions which have their head offices in Europe for bank bills for such Interest Accrual Period; provided that if the financial institutions selected as referred to in (y) above by the Calculation Agent are not quoting as mentioned above, the Rate of Interest for the relevant Interest Accrual Period shall be the Rate of Interest in effect for the last preceding Interest Accrual Period (after readjustment for any difference between any Margin or Maximum or Minimum Rate of Interest applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period).

- (E) In relation to BBSW Covered Bonds, unless stated to the contrary on the face thereof, “**BBSW Reference Banks**” shall mean the financial institutions appearing on the BBSW Reuters Page, (or any replacement page thereof) at or about the Relevant Time on the relevant Interest Determination Date provided that if on such Interest Determination Date there are less than three financial institutions appearing on the BBSW Reuters Page, (or any replacement page thereof) or the BBSW Reuters Page is unavailable, the “**BBSW Reference Banks**” shall be the financial institutions appearing on the BBSW Reuters Page, (or any replacement page thereof) at or about the Relevant Time on the last preceding date on which two or more financial institutions so appeared.

(c) ***Zero Coupon Covered Bonds***

Where a Covered Bond, the Interest Basis of which is specified in the applicable Final Terms to be Zero Coupon (a **Zero Coupon Covered Bond**), is repayable prior to the Final Maturity Date and is not paid when due, the amount due and payable prior to the Final Maturity Date shall be the Early Redemption Amount of such Covered Bond, unless otherwise specified in the applicable Final Terms. As from the Final Maturity Date, the Rate of Interest for any overdue principal of such a Covered Bond shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield.

(d) ***Dual Currency Covered Bonds***

In the case of Dual Currency Covered Bonds, if the rate or amount of interest is to be determined by reference to a Rate of Exchange or a method of calculating Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified in the applicable Final Terms.

(e) ***Partly Paid Covered Bonds***

In the case of Partly Paid Covered Bonds (other than Partly Paid Covered Bonds which are Zero Coupon Covered Bonds), interest will accrue as aforesaid on the paid-up Principal

Amount Outstanding of such Covered Bonds and otherwise as specified in the applicable Final Terms.

(f) ***Accrual of Interest***

Interest shall cease to accrue on each Covered Bond on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (after, as well as before, judgment) at the Rate of Interest in the manner provided in this Condition 4 to the Relevant Date.

(g) ***Margin, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts and Rounding***

- (i) If any Margin is specified in the applicable Final Terms (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 4(b) above, by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the next paragraph;
- (ii) If any Maximum or Minimum Interest Rate, Instalment Amount or Redemption Amount is specified in the applicable Final Terms, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be. Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero;
- (iii) Subject to the requirements of applicable law, for the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven decimal places (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes “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 0.01 euro, as the case may be.

(h) ***Calculations***

Unless otherwise specified in the applicable Final Terms, the amount of interest payable in respect of any Covered Bond for any period shall be calculated by multiplying the product of the Rate of Interest and the outstanding Principal Amount Outstanding of such Covered Bond by the Day Count Fraction, unless an Interest Amount (or a formula for its calculation) is specified in the applicable Final Terms in respect of such period, in which case the amount of interest payable in respect of such Covered Bond for such period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period shall be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

(i) ***Determination and Publication of Rate of Interest, Interest Amounts, Final Redemption Amounts and Instalment Amounts***

As soon as practicable after the Relevant Time on each Interest Determination Date or such other time on such date as the Principal Paying Agent or the Calculation Agent (in the case of Index Linked Interest Covered Bonds) may be required to calculate any rate or amount or Instalment Amount, obtain any quotation or make any determination or calculation, it shall determine such rate and calculate the Interest Amounts in respect of each Specified Denomination of the Covered Bonds for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Bond Trustee, the Issuer, each of the Paying Agents, the Covered Bondholders in accordance with Condition 14 (*Notices*), the Registrar, any other Calculation Agent appointed in respect of the Covered Bonds that is to make a further calculation upon receipt of such information and, if the Covered Bonds are listed on a stock exchange (and/or admitted to listing, trading and/or quotation on any other listing authority, stock exchange and/or quotation system) and the rules of such listing authority, stock exchange and/or quotation system so require, such listing authority, stock exchange and/or quotation system as soon as possible after their determination but in no event later than (y) the commencement of the relevant Interest Accrual Period, if determined prior to such time in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (z) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Accrual Period is subject to adjustment pursuant to Condition 4(a)(iv) (*Interest on Fixed Rate Covered Bonds*) or Condition 4(b)(ii) (*Interest on Floating Rate Covered Bonds and Index Linked Interest Covered Bonds*), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Accrual Period. If the Calculation Amount is less than the minimum Specified Denomination, the Principal Paying Agent (or the Calculation Agent, in respect of Index Linked Interest Covered Bonds) shall not be obligated to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Covered Bond having the minimum Specified Denomination. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Principal Paying Agent(s) or Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

(j) ***Calculation Agent and Reference Banks***

The Issuer shall procure that there shall at all times be four Reference Banks (or such other number as may be required) with offices in the Relevant Financial Centre and one or more Calculation Agents if provision is made for them in the applicable Final Terms and for so long as any Covered Bond is outstanding (as defined in the Definitions Schedule). If any Reference Bank (acting through its relevant offices) is unable or unwilling to continue to act as a Reference Bank, then the Issuer shall appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place.

(k) ***Determination by Bond Trustee***

If the Principal Paying Agent or Calculation Agent, as the case may be, defaults in its obligation to determine the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount or Optional Redemption

Amount or to comply with any other requirement, the Bond Trustee may determine (or appoint an agent to determine) the Rate of Interest or any other amount at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition, but subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified in the applicable Final Terms), it shall deem fair and reasonable in all the circumstances or, as the case may be, the Bond Trustee may calculate (or appoint an agent to calculate) the Interest Amount(s) in such manner as it shall deem fair and reasonable. In making any such determination or calculation, the Bond Trustee may appoint and rely on a determination or calculation by a calculation agent (which shall be an investment bank or other suitable entity of international repute). Each such determination or calculation shall be deemed to have been made by the Principal Paying Agent or the Calculation Agent, as the case may be.

(l) ***Certificates to be final***

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4 (*Interest and other Calculations*) shall (in the absence of wilful default, gross negligence or fraud) be binding on the Issuer, the Covered Bond Guarantor, the Calculation Agent, the Bond Trustee, the Principal Paying Agent, the other Paying Agents (if any), the Registrar and all Covered Bondholders and (in the absence of wilful default, gross negligence or fraud) no liability to the Issuer, the Covered Bond Guarantor or the Covered Bondholders shall attach to the Principal Paying Agent, the Calculation Agent or the Bond Trustee in connection with the exercise or non-exercise by it of their respective powers, duties and discretions pursuant to such provisions.

(m) ***Definitions***

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“Amortised Face Amount” has the meaning given in Condition 5(f)(iii) (*Early Redemption Amounts*) unless otherwise specified in the applicable Final Terms.

“BBSW Covered Bond” means a Floating Rate Australian Registered Covered Bond.

“Business Day” means:

- (a) a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments generally in Sydney, Melbourne, New York and London; and
- (b) in the case of:
 - (i) a Specified Currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments generally in the Principal Financial Centre for such Specified Currency; or
 - (ii) in the case of euro, a TARGET2 Business Day; and
- (c) in the case of one or more Additional Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in the Additional Business Centres or, if no currency is indicated, generally in each of the Additional Business Centres,

unless otherwise specified in the relevant applicable Final Terms.

“Business Day Convention ” in relation to an Interest Payment Date or other particular date, unless otherwise specified in the applicable Final Terms, has the following meaning as so specified in the applicable Final Terms:

- (a) **Floating Rate Business Day Convention** means that the relevant date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment;
- (b) **Following Business Day Convention** means that the relevant date shall be postponed to the next day that is a Business Day;
- (c) **Modified Following Business Day Convention** means that the relevant date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day;
- (d) **Preceding Business Day Convention** means that the relevant date shall be brought forward to the immediately preceding Business Day; or
- (e) **No adjustment** means that the relevant date shall not be adjusted in accordance with any Business Day Convention.

“Calculation Amount ” has the meaning given in the applicable Final Terms.

“Day Count Fraction ” means, in relation to the calculation of an amount of interest on any Covered Bond for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Accrual Period, the **“Calculation Period”**):

- (a) if **“Actual/Actual (ICMA)”** is specified in the applicable Final Terms:
 - (i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (x) the actual number of days in such Regular Period and (y) the number of Regular Periods in any year; and
 - (ii) where the Calculation Period is longer than one Regular Period, the sum of:
 - (1) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (x) the actual number of days in such Regular Period and (y) the number of Regular Periods in any year; and
 - (2) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (x) the actual number of days in such Regular Period and (y) the number of Regular Periods in any year;

where **“Regular Period”** means:

- (iii) in the case of Covered Bonds where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and

each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;

- (iv) in the case of Covered Bonds where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where “Regular Date” means the day and month (but not the year) on which any Interest Payment Date falls; and
 - (v) (C) in the case of Covered Bonds where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where “Regular Date” means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period.
- (b) if “**Actual/Actual (ISDA)**” or “Actual/Actual” is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (1) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (2) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
 - (c) if “**Actual/365 (Fixed)**” is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365;
 - (d) if “**Actual/365 (Sterling)**” is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
 - (e) if “**Actual/360**” is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 360;
 - (f) if “**30/360 (ICMA)**” is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360;
 - (g) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified in the applicable Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

where:

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

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

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

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

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

“**D₁**” is the first calendar day, expressed as a number, of the Calculation 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 Calculation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

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

where:

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

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

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

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

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

“**D₁**” is the first calendar day, expressed as a number, of the Calculation 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 Calculation Period, unless such number would be 31, in which case D₂ will be 30; or

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

where:

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

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

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

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

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

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

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

provided, however, that in each case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period.

“**Early Redemption Amount**” means the early redemption amount determined in accordance with Condition 5(f) (*Early Redemption Amounts*).

“**Effective Date**” means, with respect to any Floating Rate to be determined on an Interest Determination Date, unless otherwise specified in the applicable Final Terms, the first day of the Interest Accrual Period to which such Interest Determination Date relates.

“**EURIBOR**” means the Euro-Zone inter-bank offered rate.

“**Euro-Zone**” means the region comprised of Member States of the European Economic Area that adopt the single currency in accordance with the Treaty establishing the European Community, as amended (the “**Treaty**”).

“**Extraordinary Resolution**” has the meaning given in paragraph 20 of Schedule 4 to the Bond Trust Deed.

“**Final Redemption Amount**” means, in relation to a Covered Bond, its Principal Amount Outstanding unless otherwise specified in the applicable Final Terms.

“**Interest Amount**” means the amount of interest payable, and in the case of Fixed Rate Covered Bonds, means the Fixed Coupon Amount, Broken Amount or the amount calculated pursuant to Condition 4(a)(iii) (*Interest on Fixed Rate Covered Bonds*), as the case may be.

“**Interest Accrual Period**” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date, except that the final Interest Accrual Period ends on (but excludes) the Final Maturity Date or the date of any earlier redemption of a Covered Bond in accordance with the Conditions, or any other period specified in the applicable Final Terms.

“**Interest Commencement Date**” means the Issue Date or such other date as may be specified in the applicable Final Terms.

“**Interest Determination Date**” means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such in the applicable Final Terms or, if none is so specified:

- (a) if the Specified Currency is Sterling or if the Covered Bonds are BBSW Covered Bonds, the first day of such Interest Accrual Period;

- (b) except for BBSW Notes, if the Specified Currency is neither Sterling nor euro, the day falling two Business Days for the Specified Currency prior to the first day of such Interest Accrual Period; or
- (c) if the Specified Currency is euro, the day falling two TARGET2 Business Days prior to the first day of such Interest Accrual Period.

“Interest Payment Date(s)” means the date or dates specified in the applicable Final Terms and, unless otherwise specified in the applicable Final Terms, the final Interest Payment Date shall be the Maturity Date or such earlier date on which the relevant Covered Bonds are redeemed in accordance with the Conditions.

“Interest Period” means, unless otherwise specified in the applicable Final Terms, the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date, except that the final Interest Period ends on (but excludes) the Maturity Date or the date of any earlier redemption of a Covered Bond in accordance with the Conditions.

“ISDA Definitions” means, unless otherwise specified in the applicable Final Terms, the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Covered Bonds of the relevant Series (as specified in the applicable Final Terms)) or, if so specified in the applicable Final Terms, the 2000 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Covered Bonds of the relevant Series (as specified in the applicable Final Terms)) in each case as published by the International Swaps and Derivatives Association, Inc.);

“Issue Date” means the date of issue of the Covered Bonds as specified in the applicable Final Terms;

“LIBOR” means the London inter-bank offered rate;

“Offshore Associate” has the meaning given in Condition 5(i).

“Principal Amount Outstanding” in respect of a Covered Bond means the outstanding principal amount of that Covered Bond.

“Principal Financial Centre” means, in relation to a Specified Currency or any other currency, the principal financial centre of the country of that Specified Currency or other currency, which in the case of euro, is the Euro-Zone and which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be (i) Sydney or (ii) Auckland or Wellington, respectively.

“Rate of Interest” means the rate of interest payable from time to time in respect of a Covered Bond and that is either specified or calculated in accordance with these Conditions and the provisions set out in the applicable Final Terms.

“Record Date” has the meaning given in Condition 6(c) (*Payments in respect of Registered Covered Bonds*) or Condition 6(f), as applicable.

“Redemption Amount(s)” means the Final Redemption Amount or Early Redemption Amount, Optional Redemption Amount, Minimum Redemption Amount or Maximum Redemption Amount, as the case may be.

“Reference Banks” means (other than in relation to BBSW Covered Bonds, separate provisions for which are contained in Condition 4(b)(v)) the institutions specified as such in

the applicable Final Terms or, if none, four major banks selected by the Principal Paying Agent in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the Reference Rate specified in the applicable Final Terms which, if the relevant Reference Rate is EURIBOR, shall be the Euro-Zone.

“Relevant Date” has the meaning given in Condition 7 (*Taxation*).

“Relevant Financial Centre” means, with respect to any Floating Rate to be determined in accordance with Screen Rate Determination on an Interest Determination Date, the financial centre specified as such in the applicable Final Terms or, if none is so specified, the Principal Financial Centre with which the relevant Reference Rate is most closely connected (which, where the Specified Currency is euro, shall be the Euro-Zone) or, if none is so connected, London.

“Relevant Time” with respect to any Interest Determination Date, unless otherwise specified in the applicable Final Terms, in the case of BBSW Covered Bonds is 10.10 a.m. Sydney time, in the case of LIBOR is 11.00 a.m. London time and in the case of EURIBOR is 11.00 a.m. Brussels time.

“Specified Currency” means the currency specified as such in the applicable Final Terms or, if none is specified, the currency in which the Covered Bonds are denominated.

“TARGET2 Business Day” means a day on which the TARGET2 System is open.

“TARGET2 System” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System.

5. Redemption and Purchase

(a) Final redemption

Unless previously redeemed in full or purchased and cancelled as specified below, each Covered Bond will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Final Maturity Date.

Without prejudice to Condition 9 (*Events of Default and Enforcement*), if an Extended Due for Payment Date is specified as applicable in the Final Terms for a Series of Covered Bonds and the Issuer has failed to pay the Final Redemption Amount on the Final Maturity Date specified in the Final Terms (or after expiry of the grace period set out in Condition 9(a)(i) (*Issuer Events of Default*) and, following the service of a Notice to Pay on the Covered Bond Guarantor (copied to the Trust Manager) by no later than the date falling one Business Day prior to the Extension Determination Date, the Trust Manager determines that the Covered Bond Guarantor has insufficient monies available under the Guarantee Allocations 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 (with a copy to the Trust Manager) or, if later, the Final Maturity Date (or, in each case, after the expiry of the grace period set out in Condition 9(b)(i) (*Covered Bond Guarantor Events of Default*)) under the terms of the Covered Bond Guarantee and (b) the Extension Determination Date, then (subject as provided below) payment of the unpaid amount by the Covered Bond Guarantor under the Covered Bond Guarantee shall be deferred until the Extended Due for Payment Date, provided that the Covered Bond Guarantor (at the direction of the Trust Manager) 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 (at the direction of the Trust Manager) on any Interest Payment Date thereafter up to (and including) the Extended Due for Payment Date. The Issuer shall confirm to the Principal Paying Agent as soon as reasonably practicable and in any event at least four Business Days prior to the Final Maturity Date of a Series of Covered Bonds whether (x) payment will be made in full of the Final Redemption Amount in respect of a Series of Covered Bonds on that Final Maturity Date or (y) payment will not be made in full of the Final Redemption Amount in respect of a Series of Covered Bonds on that Final Maturity Date. Any failure by the Issuer to notify the Principal Paying Agent shall not affect the validity or effectiveness of the extension.

The Trust Manager shall notify the relevant Covered Bondholders (in accordance with Condition 14 (*Notices*)), the Designated Rating Agencies, the Bond Trustee, the Security Trustee, the Principal Paying Agent and the relevant Registrar (in the case of Registered Covered Bonds) as soon as reasonably practicable and in any event at least one Business Day prior to the dates specified in (a) and (b) of the preceding paragraph of any inability of the Covered Bond Guarantor to pay in full the Guaranteed Amounts corresponding to the Final Redemption Amount in respect of a Series of Covered Bonds pursuant to the Covered Bond Guarantee. Any failure by the Trust Manager to notify such parties shall not affect the validity or effectiveness of the extension nor give rise to any rights in any such party. In such circumstances, the Trust Manager must direct the Covered Bond Guarantor to, and upon receiving such direction, the Covered Bond Guarantor shall on the earlier of (a) the date falling two Business Days after the service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager) or if later the Final Maturity Date (or, in each case, after the expiry of the grace period set out in Condition 9(b)(i) (*Covered Bond Guarantor Events of Default*)) and (b) the Extension Determination Date, under the Covered Bond Guarantee, apply the monies (if any) available (after paying or providing for payment of higher ranking or *pari passu* amounts in accordance with the Guarantee Allocations) in part payment of an amount equal to the Final Redemption Amount of each Covered Bond of the relevant Series of Covered Bonds and shall 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 shall be deferred as described above. Such failure to pay by the Covered Bond Guarantor shall 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 shall 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(a).

For the purposes of these Conditions:

Designated Rating Agency means any one of Moody's Investors Service Pty Limited and Fitch Australia Pty Limited (each, a **Designated Rating Agency**) or their successors, to the extent they provide ratings in respect of the Covered Bonds.

Extended Due for Payment Date means, in relation to any Series of Covered Bonds, the date, if any, specified as such in the applicable Final Terms to which the payment of all or (as applicable) part of the Final Redemption Amount payable on the Final Maturity Date will be deferred in the event that the Final Redemption Amount is not paid in full on the Extension Determination Date.

Extension Determination Date means, in respect of a Series of Covered Bonds to which an Extended Due for Payment Date applies, the date falling two Business Days after the expiry of seven days starting on (and including) the Final Maturity Date of such Series of Covered Bonds.

Guarantee Allocations means the guarantee Cashflow Allocation Methodology relating to the allocation and distribution of all Available Revenue Receipts and Available Principal Receipts following service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager), but prior to service of a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer (copied to the Trust Manager and the Security Trustee).

(b) ***Redemption for taxation reasons***

The Covered Bonds may be redeemed at the option of the Issuer in whole, or in part, at any time (if the Covered Bond is not a Floating Rate Covered Bond, an Index Linked Interest Covered Bond nor a Dual Currency Interest Covered Bond) or on any Interest Payment Date (if the Covered Bond is a Floating Rate Covered Bond, an Index Linked Interest Covered Bond or a Dual Currency Interest Covered Bond), on giving not less than 30 nor more than 60 days' notice to the Bond Trustee and, in accordance with Condition 14 (*Notices*), the Covered Bondholders (which notice shall be irrevocable), if, on the occasion of the next Interest Payment Date, the Issuer is or will be required to pay additional amounts as provided or referred to in Condition 7 (*Taxation*). Covered Bonds redeemed pursuant to this Condition 5(b) will be redeemed at their Early Redemption Amount referred to in Condition 5(f) (*Early Redemption Amounts*) together (if appropriate) with interest accrued to (but excluding) the date of redemption. Prior to the publication of any notice of redemption pursuant to this Condition 5(b), the Issuer shall deliver to the Bond Trustee a certificate signed by an Authorised Officer of the Issuer stating that it is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and the Bond Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on all holders of the Covered Bonds.

(c) ***Redemption at the option of the Issuer (Issuer Call)***

If Issuer Call is specified in the applicable Final Terms, the Issuer may, having (unless otherwise specified, in the applicable Final Terms) given not less than 30 nor more than 60 days' notice to the Bond Trustee, the Principal Paying Agent, (in the case of the redemption of Registered Covered Bonds) the relevant Registrar and, in accordance with Condition 14 (*Notices*), the Covered Bondholders (which notice shall be irrevocable) redeem all or some only (as specified in the applicable Final Terms) of the Covered Bonds then outstanding on any Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if applicable, with interest accrued to (but excluding) the relevant Optional Redemption Date(s). Upon expiry of such notice, the Issuer shall be bound to redeem the Covered Bonds accordingly. In the event of a redemption of only some of the Covered Bonds, such redemption must be for an amount being the Minimum Redemption Amount or a Higher Redemption Amount. In the case of a partial redemption of Covered Bonds, the Covered Bonds to be redeemed (the **Redeemed Covered Bonds**) will be selected:

- (i) individually by lot, in the case of Redeemed Covered Bonds represented by Definitive Covered Bonds;
- (ii) in accordance with the applicable rules of Euroclear and Clearstream, Luxembourg and/or DTC (to be reflected in the records of Euroclear and Clearstream, Luxembourg

and/or DTC as either a pool factor or a reduction in nominal amount, at their discretion) (or any alternative or additional clearing system as may be specified in the Final Terms), in the case of Redeemed Covered Bonds represented by a Global Covered Bond,

in each case, not more than 60 days prior to the date fixed for redemption (such date of selection being hereinafter called the **Selection Date**).

In the case of Redeemed Covered Bonds represented by Definitive Covered Bonds, a list of the serial numbers of such Redeemed Covered Bonds will be published in accordance with Condition 14 (*Notices*) not less than 30 days prior to the date fixed for redemption. The aggregate nominal amount of Redeemed Covered Bonds represented by Definitive Covered Bonds shall bear the same proportion to the aggregate nominal amount of all Redeemed Covered Bonds as the aggregate nominal amount of Definitive Covered Bonds outstanding bears to the aggregate nominal amount of the Covered Bonds outstanding, in each case on the Selection Dates, provided that such first mentioned nominal amount shall, if necessary, be rounded downwards to the nearest integral multiple of the Specified Denomination, and the aggregate nominal amount of Redeemed Covered Bonds represented by a Global Covered Bond shall be equal to the balance of the Redeemed Covered Bonds. No exchange of the relevant Global Covered Bond will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 5(c) and notice to that effect shall be given by the Issuer to the Covered Bondholders in accordance with Condition 14 (*Notices*) at least 30 days prior to the Selection Date.

(d) ***Redemption at the option of the Covered Bondholders***

If Put Option is specified in the applicable Final Terms, the provisions of such Put Option will be set out in the applicable Final Terms.

(e) ***Redemption due to illegality***

The Covered Bonds of all Series may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Bond Trustee, the Principal Paying Agent, the Registrars and, in accordance with Condition 14 (*Notices*), all the Covered Bondholders (which notice shall be irrevocable), if the Issuer satisfies the Bond Trustee immediately before the giving of such notice that it has, or will before the next Interest Payment Date of any Covered Bond of any Series, become unlawful for the Intercompany Loan Provider and/or the Demand Loan Provider to make, fund or allow to remain outstanding any Term Advance and/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(e) will be redeemed at their Early Redemption Amount referred to in Condition 5(f) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

Prior to the publication of any notice of redemption pursuant to this Condition 5(e), the Issuer shall deliver to the Bond Trustee a certificate signed by an Authorised Officer of the Issuer 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 so to redeem have occurred and the Bond Trustee shall be entitled to accept the certificate as sufficient evidence

of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on all holders of the Covered Bonds.

(f) **Early Redemption Amounts**

For the purpose of Conditions 5(b) (*Redemption for taxation reasons*) and 5(e) (*Redemption due to illegality*) above and 5(h) below and Condition 9 (*Events of Default and Enforcement*), each Covered Bond will be redeemed at its Early Redemption Amount calculated as follows:

- (i) in the case of a Covered Bond with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;
- (ii) in the case of a Covered Bond (other than a Zero Coupon Covered Bond but including an Instalment Covered Bond or a Partly Paid Covered Bond) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Covered Bond is denominated, at the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its nominal amount; or
- (iii) in the case of a Zero Coupon Covered Bond, at an amount (the **Amortised Face Amount**) equal to the sum of:
 - (a) the Issue Price; and
 - (b) the product of the Accrual Yield (compounded annually) being applied to the Issue Price from (and including) the Issue Date of the first Tranche of the Covered Bonds to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Covered Bond becomes due and repayable,

or such other calculation basis as may be provided for in the applicable Final Terms.

Where such calculation is to be made for a period which is not a whole number of years, it shall be made (i) in the case of a Zero Coupon Covered Bond payable in a Specified Currency other than euro, on the basis of a 360-day year consisting of 12 months of 30 days each or (ii) in the case of a Zero Coupon Covered Bond payable in euro, on the basis of the actual number of days elapsed divided by 365 (or, if any of the days elapsed falls in a leap year, the sum of (x) the number of those days falling in a leap year divided by 366 and (y) the number of those days falling in a non leap year divided by 365) or (iii) on such other calculation basis as may be specified in the applicable Final Terms.

(g) **Instalments**

Instalment Covered Bonds will be redeemed in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 5(f) above.

(h) **Partly Paid Covered Bonds**

Partly Paid Covered Bonds will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition 5 and the applicable Final Terms. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 5(f) above.

(i) **Purchases**

The Issuer is taken to represent as at the date of issue of this Covered Bond, that it does not know, or have any reasonable grounds to suspect, that this Covered Bond or any interest in this Covered Bond is being or will later be, acquired either directly or indirectly by an Offshore Associate of the Issuer (acting other than in the capacity of a dealer, manager or underwriter in relation to the placement of this Covered Bond or a clearing house, custodian, funds manager or responsible entity of a registered scheme within the meaning of the Corporations Act 2001 of Australia).

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

The Issuer or any of its subsidiaries or the Covered Bond Guarantor (acting at the direction of the Trust Manager) may, to the extent permitted by applicable laws and regulations, at any time purchase or otherwise acquire Covered Bonds in the open market or otherwise at any price and in any manner. 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, surrendered to the relevant Registrar and/or to any Paying Agent for cancellation (except that any Covered Bonds purchased or otherwise acquired by the Covered Bond Guarantor must immediately be surrendered to the relevant Registrar and/or to any Paying Agent for cancellation).

(j) **Cancellation**

All Covered Bonds which are redeemed, all Global Covered Bonds which are exchanged in full and all Registered Covered Bonds which have been transferred shall be cancelled by the Agent by whom they are redeemed, exchanged, transferred or paid. All Covered Bonds so cancelled and any Covered Bonds purchased and surrendered for cancellation pursuant to Condition 5(i) above and cancelled shall be forwarded to the Principal Paying Agent and cannot be held, reissued or resold.

(k) **Late payment on Zero Coupon Covered Bonds**

If the amount payable in respect of any Zero Coupon Covered Bond upon redemption of such Zero Coupon Covered Bond pursuant to Condition 5(a), (b), (c), (d) or (e) above or upon its becoming due and repayable as provided in Condition 9 (*Events of Default and Enforcement*) is improperly withheld or refused or default is otherwise made in the payment thereof, the amount due and repayable in respect of such Zero Coupon Covered Bond shall be the amount calculated as provided in Condition 5(f)(iii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Covered Bond becomes due and payable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Covered Bond have been paid; and
- (ii) the date on which the full amount of the monies payable in respect of such Zero Coupon Covered Bonds has been received by the Principal Paying Agent or the Bond Trustee or the relevant Registrar and notice to that effect has been given to the Covered Bondholders either in accordance with Condition 14 (*Notices*) or individually.

6. Payments

(a) *Method of payment*

Subject as provided below:

- (i) payments in a Specified Currency other than euro will be made by credit or electronic transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be (i) Sydney or (ii) Auckland and Wellington, respectively); and
 - (ii) payments in euro will be made by credit or electronic transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.
- (b) Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment (including withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code) but without prejudice to the provisions of Condition 7 (Taxation). References to Specified Currency will include any successor currency under applicable law.
- (c) ***Payments in respect of Registered Covered Bonds***

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Covered Bond (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Covered Bond at the specified office of the relevant Registrar or any of the Paying Agents. Such payments will be made by electronic transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Covered Bond appearing in the register of holders of the Registered Covered Bonds maintained by the Registrar (the **Register**) at the close of business on the third Business Day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. Notwithstanding the previous sentence, if (i) a holder does not have a Designated Account or (ii) the principal amount of the Covered Bonds held by a holder is less than U.S.\$250,000 (or its approximate equivalent in any other Specified Currency), payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, **Designated Account** means the account maintained by a holder with a Designated Bank and identified as such in the Register and **Designated Bank** means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland and Wellington, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Covered Bond (whether or not in global form) will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the Business Day in the city where the specified office of the relevant Registrar is located on the relevant due date to the holder (or the first named of joint holders) of the Registered Covered Bond appearing in the Register:

- (i) where the Registered Covered Bond is in global form, at the close of the business day (being for this purpose a day on which Euroclear, Clearstream, Luxembourg and DTC are open for business) before the relevant due date; and
- (ii) where in definitive form, at the close of business on the 15th day (whether or not such 15th day is a Business Day) before the relevant due date,

(in either case, the **Record Date**) in relation to such Covered Bonds at the holder's address shown in the Register on the Record Date and at the holder's risk. Upon application of the holder to the specified office of the relevant Registrar not less than three Business Days in the city where the specified office of the relevant Registrar is located before the due date for any payment of interest in respect of a Registered Covered Bond, the payment may be made by electronic transfer on the due date in the manner provided in the preceding paragraph. Any such application for electronic transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) and instalments of principal (other than the final instalment) in respect of the Registered Covered Bonds which become payable to the holder who has made the initial application until such time as the relevant Registrar is notified in writing to the contrary by such holder. Payment of the interest due in respect of each Registered Covered Bond on redemption and the final instalment of principal will be made in the same manner as payment of the principal in respect of such Registered Covered Bond.

(d) ***General provisions applicable to payments***

Where payments in respect of a Registered Covered Bond are to be made by cheque, 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 Registered Covered Bond as a result of a cheque posted in accordance with these Conditions arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the relevant Registrar in respect of any payments 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 shall be paid by electronic transfer by the Luxembourg Registrar to an account in the relevant Specified Currency of the Exchange Agent on behalf of DTC or its nominee for conversion into and payment in U.S. dollars in accordance with the provisions of the Principal Agency Agreement.

None of the Issuer, the Covered Bond Guarantor, the Bond Trustee or 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.

The holder of a Global Covered Bond (or, as provided in the Bond Trust Deed, the Bond Trustee) shall be the only person entitled to receive payments in respect of Covered Bonds represented by such 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 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, Clearstream, Luxembourg or DTC, as the case may be, as the beneficial holder of a particular nominal amount of Covered Bonds represented by such Global Covered Bond must look solely to Euroclear, Clearstream, Luxembourg or DTC, as the case may be, for his share of each payment so made by the Issuer or the Covered Bond Guarantor to, or to the order of, the holder of such Global Covered Bond (or the Bond Trustee, as the case may be). No person other than the holder of the relevant

Global Covered Bond (or, as provided in the Bond Trust Deed, the Bond Trustee) shall have any claim against the Issuer or the Covered Bond Guarantor in respect of any payments due on that Global Covered Bond.

(e) ***Payment Business Day***

If the date for payment of any amount in respect of any Covered Bond is not a Payment Business Day (as defined below), the holder thereof shall not be entitled to payment of the relevant amount due until the next following Payment Business Day and shall not be entitled to any interest or other sum in respect of any such delay. In this Condition (unless otherwise specified in the applicable Final Terms), **Payment Business Day** means any day (other than a Saturday or a Sunday) on which (subject to Condition 8 (*Prescription*)):

- (i) commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
 - (A) in the case of Covered Bonds in definitive form, the relevant place of presentation; and
 - (B) any Additional Financial Centre specified in the applicable Final Terms; and
- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, 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 Condition 6(e)(i) and which if the Specified Currency is Australian dollars shall be Sydney) or (2) in relation to any sum payable in euro, the TARGET 2 System is open; and
- (iii) 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.

(f) ***Interpretation of principal and interest***

Any reference in these Conditions to principal in respect of the Covered Bonds shall be deemed to include, as applicable:

- (i) any additional amounts which may be payable with respect to principal under Condition 7 (*Taxation*) or under any undertakings or covenants given in addition thereto, or in substitution therefore, pursuant to the Bond Trust Deed;
- (ii) the Final Redemption Amount of the Covered Bonds;
- (iii) the Early Redemption Amount of the Covered Bonds;
- (iv) the Optional Redemption Amount(s) (if any) of the Covered Bonds;
- (v) in relation to Covered Bonds redeemable in instalments, the Instalment Amounts;
- (vi) in relation to Zero Coupon Covered Bonds, the Amortised Face Amount (as defined in Condition 5(f) (*Early Redemption Amounts*));

- (vii) any premium and any other amounts (other than interest) which may be payable under or in respect of the Covered Bonds;
- (viii) in relation to Dual Currency Covered Bonds, the principal payable in any relevant Specified Currency; and
- (ix) 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 shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7 (*Taxation*) or under any undertakings given in addition thereto, or in substitution therefore, pursuant to the Bond Trust Deed.

(g) ***Redenomination***

Where redenomination is specified in the applicable Final Terms as being applicable, the Issuer may, without the consent of the Covered Bondholders, on giving prior written notice to the Bond Trustee, the Security Trustee, the Principal Paying Agent, the Luxembourg Registrar (in the case of Registered Covered Bonds), Euroclear and Clearstream, Luxembourg and at least 30 days' prior notice to the Covered Bondholders in accordance with Condition 14 (*Notices*), elect that, with effect from the Redenomination Date specified in the notice, the Covered Bonds shall be redenominated in euro. In relation to any Covered Bonds where the applicable Final Terms provides for a minimum Specified Denomination in the Specified Currency which is equivalent to at least euro 100,000 and which are admitted to trading on a regulated market in the European Economic Area, it shall be a term of any such redenomination that the holder of any Covered Bonds held through Euroclear and/or Clearstream, Luxembourg and/or DTC must have credited to its securities account with the relevant clearing system a minimum balance of Covered Bonds of at least euro 100,000.

The election will have effect as follows:

- (i) the Covered Bonds shall be deemed to be redenominated in euro in the denomination of euro 0.01 with a nominal amount for each Covered Bond equal to the nominal amount of that Covered Bond in the Specified Currency, converted into euro at the Established Rate, provided that, if the Issuer determines, in consultation with the Principal Paying Agent and the Bond Trustee, that the then market practice in respect of the redenomination in euro of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Covered Bondholders, the competent listing authority, stock exchange and/or market (if any) on or by which the Covered Bonds may be listed and/or admitted to trading and the Paying Agents of such deemed amendments;
- (ii) the amount of interest due in respect of the Covered Bonds will be calculated by reference to the aggregate nominal amount of Covered Bonds presented for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest euro 0.01;
- (iii) if Definitive Covered Bonds are required to be issued after the Redenomination Date, they shall be issued at the expense of the Issuer in the denominations of euro 100,000 and/or such higher amounts as the Principal Paying Agent may determine and notify to the Covered Bondholders and any remaining amounts less than euro 100,000 shall be redeemed by the Issuer and paid to the Covered Bondholders in euro in accordance with Condition 5 (*Redemption and Purchase*);

- (iv) after the Redenomination Date, all payments in respect of the Covered Bonds, other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in euro as though references in the Covered Bonds to the Specified Currency were to euro. Payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque;
- (v) if the Covered Bonds are Fixed Rate Covered Bonds and interest for any period ending on or after the Redenomination Date is required to be calculated for a period ending other than on an Interest Payment Date, it will be calculated:
 - (a) in the case of Covered Bonds represented by a Global Covered Bond, by applying the Rate of Interest to the aggregate outstanding nominal amount of the Covered Bonds represented by such Global Covered Bonds; and
 - (b) in the case of Definitive Covered Bonds, by applying the Rate of Interest to 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 in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Covered Bond shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding;

- (vi) if the Covered Bonds are Floating Rate Covered Bonds or Variable Interest Covered Bonds, the applicable Final Terms will specify any relevant changes to the provisions relating to interest; and
- (vii) such other changes shall be made to this Condition (and the Program Documents) as the Issuer may decide, after consultation with the Principal Paying Agent and the Bond Trustee, and as may be specified in the notice, to conform it to conventions then applicable to instruments denominated in euro.

(h) **Definitions**

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

Established Rate means the rate for the conversion of the relevant Specified Currency (including compliance with rules relating to roundings in accordance with applicable European Community regulations) into euro established by the Council of the European Union pursuant to Article 123 of the Treaty.

euro means the lawful currency for the time being of the member states of the European Union that adopt the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty.

Rate of Interest means the rate of interest payable from time to time in respect of a Series of Covered Bonds, as determined in, or as determined in the manner specified in, the applicable Final Terms.

Redenomination Date means (in the case of interest bearing Covered Bonds) any date for payment of interest under the Covered Bonds or (in the case of Zero Coupon Covered Bonds) any date, in each case specified by the Issuer in the notice given to the Covered Bondholders pursuant to Condition 6(f)(i) and which falls on or after the date on which the country of the relevant Specified Currency first participates in the third stage of European economic and monetary union.

Treaty means the Treaty establishing the European Community, as amended.

7. Taxation

Subject as provided below, all payments of principal and interest (if any) in respect of the Covered Bonds by or on behalf of the Issuer and all payments of Guaranteed Amounts by or on behalf of the Covered Bond Guarantor, as the case may be, will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction (together, **Taxes**) unless such withholding or deduction is required by law (including withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code). In that event, the Issuer (but not the Covered Bond Guarantor) will pay such additional amounts as shall be necessary in order that the net amounts received by the Covered Bondholders after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Covered Bonds in the absence of such withholding or deduction; except that the foregoing obligation to pay additional amounts shall not apply with respect to any Covered Bond:

- (a) presented for payment or held by or on behalf of a holder which is liable to such Taxes, duties, assessments or governmental charges in respect of such Covered Bond by reason of its having some connection with the jurisdiction of incorporation of the Issuer or, where the Issuer is acting through its branch, the jurisdiction, country or territory in which the branch through which the Issuer is acting as specified in the Final Terms, other than the mere holding of such Covered Bond or the receipt of the relevant payment in respect thereof; or
- (b) presented for payment or held by or on behalf of a holder who is an Australian resident or a non-resident who is engaged in carrying on business in Australia at or through a permanent establishment of that non-resident in Australia, if that person has not supplied an appropriate tax file number, Australian business number or other exemption details; or
- (c) presented (or in respect of which the Registered Definitive Covered Bond representing it is presented) for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth such day; or
- (d) in respect of which the holder thereof is an Offshore Associate of the Issuer, (acting other than in the capacity of a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme within the meaning of the Corporations Act 2001 of Australia); or
- (e) in respect of which the Taxes have been imposed or levied as a result of the holder of such Covered Bond being party to or participating in a scheme to avoid such Taxes, being a scheme which the Issuer was neither a party to nor participated in; or
- (f) presented for payment where such withholding or deduction is imposed on a payment to an individual 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;

- (g) presented for payment by, or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Covered Bond to another Paying Agent in a Member State of the European Union; or
- (h) presented for payment, where such withholding or deduction is imposed by reason of the failure of a person entitled to such payment to perfect an exemption from any withholding imposed pursuant to Sections 1471 through 1474 of the Code and any regulations or agreements thereunder or official interpretations thereof.

If any payments made by the Covered Bond Guarantor under the Covered Bond Guarantee are or become subject to any withholding or deduction, on account of any taxes, duties or other charges of whatever nature, imposed or levied by or on behalf of Australia or by any other authority having power to tax, the Covered Bond Guarantor will not be obliged to pay any additional amount as a consequence.

As used herein:

- (i) **Tax Jurisdiction** means Australia and/or, where the Issuer is acting through its branch, the jurisdiction, country or territory in which the branch through which the Issuer is acting as specified in the relevant Final Terms is located or, in each case, any political sub-division thereof or by any authority therein or thereof having power to tax;
- (ii) the **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 or the Agent on or prior to such 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 14 (*Notices*).

8. Prescription

The Covered Bonds will become void unless presented for payment within 10 years (in the case of principal) and five years (in the case of interest) in each case from the Relevant Date (as defined in Condition 7 (*Taxation*)) therefor, subject in each case to the provisions of Condition 6 (*Payments*).

9. Events of Default and Enforcement

(a) *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(a) means the Covered Bonds of this Series together with the Covered Bonds of any other Series) 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 shall, (but in the case of the happening of any of the events mentioned in subparagraph (ii) or (vi) below, only if the Bond Trustee shall have 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 (copied to the Covered Bond Guarantor) 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 shall,

unless such event shall have 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**) shall occur:

- (i) default is made in the payment of any principal or interest when due, in respect of any Covered Bonds and such default continues for a period of seven days; or
- (ii) the Issuer fails to perform or observe any of its obligations under any Covered Bonds (other than those specified in paragraph (i) above and other than the obligation of the Issuer to comply with the Asset Coverage Test) and in such case (except where such failure is incapable of remedy) such failure continues for the period of 30 days next following the service by the Bond Trustee on the Issuer of written notice requiring the same to be remedied; or
- (iii) otherwise than for the purpose of an amalgamation or reconstruction or merger within the meaning of these words under the laws of Australia or, where the Issuer is acting through its branch, of the jurisdiction, country or territory in which the branch through which the Issuer is acting as specified in the relevant Final Terms is located, a resolution is passed that the Issuer be wound up or dissolved; or
- (iv) the Issuer stops payment (within the meaning of Australian or any other applicable bankruptcy law) of its obligations; or
- (v) an encumbrancer takes possession of or a receiver is appointed of the whole or a substantial part of the undertaking and assets of the Issuer and any such event is continuing for 45 days after its occurrence and would materially prejudice the performance by the Issuer of its obligations under the Covered Bonds or a distress or execution is levied or enforced upon or sued out against the whole or a substantial part of the undertaking and assets of the Issuer which would materially prejudice the performance of the Issuer of its obligations under the Covered Bonds and is not discharged within 60 days thereof; or
- (vi) proceedings shall have been initiated against the Issuer under any applicable bankruptcy, reorganisation or other similar law and such proceedings shall not have been discharged or stayed within a period of 60 days; or
- (vii) the Issuer shall initiate or consent to proceedings relating to itself under any applicable bankruptcy, insolvency, composition or other similar law (otherwise than for the purpose of amalgamation, reconstruction or merger (within the meaning of those words under the laws of Australia or, where the Issuer is acting through its branch, of the jurisdiction, country or territory in which the branch through which the Issuer is acting as specified in the relevant Final Terms is located) and such proceedings would materially prejudice the performance by the Issuer of its obligations under the Covered Bonds; or
- (viii) if an Asset Coverage Test Breach Notice is served and not revoked (or deemed to be revoked) in accordance with the terms of the Supplemental Deed on or before the next Determination Date to occur following the service of such Asset Coverage Test Breach Notice; or
- (ix) 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:

- (A) the later of
 - (x) the date that is 10 Local Business Days from the date that the Seller is notified of that breach; and
 - (y) the date that is 10 Local Business Days from the date that is six months prior to the Final Maturity Date of that Series of Hard Bullet Covered Bonds; and
- (B) the Final Maturity Date of that Series of Hard Bullet Covered Bonds.

Upon the Covered Bonds becoming immediately due and repayable against the Issuer pursuant to this Condition 9(a), the Bond Trustee shall forthwith serve a notice to pay (the **Notice to Pay**) on the Covered Bond Guarantor (copied to the Trust Manager) pursuant to the Covered Bond Guarantee and the Covered Bond Guarantor shall be required to make payments of Guaranteed Amounts when the same shall 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 shall take such proceedings or other action or step against the Issuer in accordance with Condition 9(c) (*Enforcement*).

The Bond Trust Deed provides that all monies received by the Bond Trustee following the occurrence of an Issuer Event of Default and the delivery of an Issuer Acceleration Notice and Notice to Pay from the Issuer or any receiver, liquidator, administrator or other similar official appointed in relation to the Issuer, and are then held by it or under its control (the **Excess Proceeds**), shall 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 shall be held by the Covered Bond Guarantor in the GIC Account and the Excess Proceeds shall thereafter be subject to the Charge and shall be used by the Covered Bond Guarantor in the same manner as all other monies from time to time standing to the credit of the GIC Account pursuant to the Deed of Charge and the Supplemental Deed. Any Excess Proceeds received by the Bond Trustee shall discharge *pro tanto* the obligations of the Issuer in respect of the payment of the amount of such Excess Proceeds under the Covered Bonds (as applicable and to the extent of the amount so received and subject to restitution of the same if such Excess Proceeds shall be required to be repaid by the Covered Bond Guarantor) (but the Issuer shall be deemed not to have discharged such obligation 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, or on behalf of, the Bond Trustee of any Excess Proceeds and payment to the Covered Bond Guarantor of such Excess Proceeds shall not reduce or discharge any of such obligations.

By subscribing for Covered Bond(s), each Covered Bondholder shall 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.

(b) ***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(b) means the Covered Bonds of this Series together with the Covered Bonds of any other Series) 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 shall, (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 (ii) or (v) below, only if the Bond Trustee shall have 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 (copied to the Trust Manager and the Security Trustee), that (x) each Covered Bond of each Series is, and each Covered Bond of each Series shall as against the Issuer (if not already due and repayable against it following the service of an Issuer Acceleration Notice in accordance with Condition 9(a)), 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 shall 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 Charge shall become enforceable if any of the following events (each a **Covered Bond Guarantor Event of Default**) shall occur and be continuing:

- (i) 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(a) (*Final redemption*) where the Covered Bond Guarantor shall 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
- (ii) 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 Deed of Charge or any other Program Document to which the Covered Bond Guarantor is a party (other than the Distribution Agreement or any Subscription Agreement) and, except where such default is or the effects of such default are, in the opinion of the Bond Trustee, not capable of remedy when no such continuation and notice as is hereinafter mentioned will be required, such default continues for 30 days (or such longer period as the Bond Trustee may permit) after written notice thereof has been given by the Bond Trustee to the Covered Bond Guarantor (with a copy to the Trust Manager) requiring the same to be remedied; or
- (iii) if the Covered Bond Guarantor ceases or threatens to cease to carry on its business or substantially the whole of its business; or

- (iv) the Covered Bond Guarantor shall stop payment or shall be unable, or shall admit inability, to pay its debts generally as they fall due or shall be adjudicated or found bankrupt or insolvent; or
- (v) proceedings are initiated against the Covered Bond Guarantor under any applicable liquidation, winding up, insolvency, bankruptcy, composition, reorganisation or other similar laws (including, but not limited to, presentation of a petition or the filing of documents with a court or any registrar for its winding-up, administration or dissolution or the giving notice of the intention to appoint an administrator (whether out of court or otherwise)); or a receiver and/or manager, administrative receiver, administrator, trustee or other similar official shall be appointed (whether out of court or otherwise) in relation to the Covered Bond Guarantor or in relation to the whole or any part of its assets, or a distress, diligence or execution or other process shall be levied or enforced upon or sued out against the whole or any part of its assets, or if the Covered Bond Guarantor shall initiate or consent to judicial proceedings relating to itself under any applicable liquidation, winding up, insolvency, bankruptcy, composition, reorganisation or other similar laws or shall make a conveyance, assignment or assignation for the benefit of, or shall enter into any composition with, its creditors generally; or
- (vi) a failure to satisfy the Amortisation Test (as set out in the Supplemental Deed) on any Determination Date following service of a Notice to Pay on the Covered Bond Guarantor (copied to the Trust Manager); or
- (vii) 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 (copied to the Trust Manager and the Security Trustee) each of the Bond Trustee and the Security Trustee may or in the case of the Security Trustee, if so directed by the Bond Trustee shall take such proceedings or steps in accordance with the first and third paragraphs, respectively, of Condition 9(c) (*Enforcement*) and the Covered Bondholders shall 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 (*Taxation*)) as provided in the Bond Trust Deed in respect of each Covered Bond.

(c) ***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 Issuer and the Covered Bond Guarantor) take such proceedings or other action or step as it may think fit against or in relation to the Issuer and/or the Covered Bond Guarantor, as the case may be, and/or any other person as it may think fit to enforce the provisions of the Bond Trust Deed, the Covered Bonds or any other Program Document and may, at any time after the Charge has become enforceable, direct the Bond Trustee to take such steps as it may think fit to enforce the Charge, but it shall not be bound to take any such enforcement proceedings or other action or step in relation to the Bond Trust Deed, the Covered Bonds or any other Program Document unless (i) it shall have 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 percent 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 shall have been indemnified and/or secured and/or prefunded to its satisfaction.

In exercising any of its powers, trusts, authorities and discretions the Bond Trustee shall only have regard to the interests of the Covered Bondholders of all Series equally and shall 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 or instruct the Security Trustee to take such steps or proceedings against the Covered Bond Guarantor and/or any other person as it may think fit to enforce the provisions of the Deed of Charge or any other Program Document, but it shall not be bound to take or to give any direction to the Security Trustee to take any such steps, proceedings or actions in relation to the Bond Trust Deed, the Covered Bond Guarantee, the Covered Bonds or any other Program Document referred to in clause 10.1 of the Bond Trust Deed or give any notice pursuant to Conditions 9(a) or 9(b) unless (i) the Bond Trustee shall have 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 percent 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 shall have been indemnified and/or secured and/or prefunded to its satisfaction. In exercising any of its powers, trusts, authorities and discretions under this paragraph the Bond Trustee shall have regard to the interests of the Covered Bondholders of all Series equally and shall not have regard to the interests of any other Secured Creditors.

No Covered Bondholder shall be entitled to institute proceedings directly against the Issuer or the Covered Bond Guarantor to enforce performance of any of the provisions of the Trust Presents or to directly enforce the provisions of any other Program Documents or to take any step or action with respect to the Bond Trust Deed or the Covered Bonds unless the Bond Trustee, having become bound so to proceed, fails so to do within a reasonable time and such failure is continuing in which event any Covered Bondholder may, on giving an indemnity and/or pre-funding and/or security satisfactory to the Bond Trustee, in the name of the Bond Trust (but not otherwise), himself institute such proceedings and/or prove in the winding up, administration or liquidation of the Issuer or the Covered Bond Guarantor to the same extent and in the same jurisdiction (but not further or otherwise than the Bond Trustee would have been entitled to do so in respect of the Covered Bonds and/or the Bond Trust Deed).

In exercising any of its powers, trust authorities and discretions, the Bond Trustee shall have regard to the interests of the Covered Bondholders of all Series equally and shall not have regard to the interests of any other Secured Creditor.

10. Principal Paying Agent, Paying Agents, Luxembourg Registrar, Transfer Agent and Exchange Agent

The names of the initial Principal Paying Agent, the other initial Paying Agents, the initial Luxembourg Registrar, the initial Transfer Agent, the initial Exchange Agent and their initial specified offices are set out below.

In the event of the appointed office of any such bank being unable or unwilling to continue to act as the Principal Paying Agent, or failing duly to determine the Rate of Interest, if

applicable, or to calculate the Interest Amounts for any Interest Period, the Issuer shall appoint the London office of such other bank as may be approved by the Bond Trustee to act as such in its place. The Principal Paying Agent may not resign its duties or be removed from office without a successor having been appointed as aforesaid.

The Issuer and the Covered Bond Guarantor are entitled, with the prior written approval of the Bond Trustee (such approval not to be unreasonably withheld or delayed), to vary or terminate the appointment of any Paying Agent or Registrar and/or appoint additional or other Paying Agents or Registrars and/or approve any change in the specified office through which any Paying Agent or Registrar acts, provided that:

- (a) there will at all times be a Principal Paying Agent and a Luxembourg Registrar, and in the cases of issuances through DTC, a US Paying Agent;
- (b) so long as any of the Covered Bonds are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Transfer Agent 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;
- (c) so long as any of the Registered Global Covered Bonds payable in a Specified Currency other than U.S. dollars are held through DTC or its nominee, there will at all times be an Exchange Agent;
- (d) the Issuer will ensure that it maintains a Paying Agent in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to such Directive if any; and
- (e) the Issuer will ensure that it appoints a Paying Agent in a Member State of the European Union (other than the United Kingdom) in the event that it is required to withhold or deduct tax on payments made in the United Kingdom.

Notice of any such variation, termination, appointment or change will be given by the Issuer to the Covered Bondholders as soon as reasonably practicable in accordance with Condition 14 (*Notices*).

In acting under the Principal Agency Agreement, the Agents act solely as agents of the Issuer and the Covered Bond Guarantor and do not assume any obligation to, or relationship of agency or trust with, any Covered Bondholders. The Principal Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

11. Meetings of Covered Bondholders, Modification, Waiver and Substitution

Covered Bondholders and other Secured Creditors should note that the Issuer and the Covered Bond Guarantor (acting at the direction of the Trust Manager) may concur with any other party (including any Paying Agent) without the consent of the Covered Bondholders or other Secured Creditors or the consent of the Bond Trustee or the Security Trustee and 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 proven error or to comply with any mandatory provisions of law or in the circumstances described below.

- (a) 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 by Extraordinary Resolution 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 two or more persons present holding Definitive Covered Bonds or voting certificates or being proxies or representatives and holding or representing more than 50 percent of the aggregate Principal Amount Outstanding of the Covered Bonds of such Series for the time being outstanding, or at any adjourned meeting two or more persons present holding Bearer Definitive Covered Bonds or voting certificates or being proxies or representatives (whatever the Principal Amount Outstanding of the Covered Bonds then outstanding so held or represented by them) of such Series, except that at any meeting the business of which comprises of any Series Reserved Matter, the quorum for any adjourned meeting shall be two or more persons holding or representing not less than one-third of the aggregate Principal Amount Outstanding of the Covered Bonds of the relevant Series (in the case of an Extraordinary Resolution not in relation to a Program Resolution) 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 seventy five per cent 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 seventy five per cent 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 two 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. An Extraordinary Resolution passed at any meeting of the Covered Bondholders of a Series shall, subject as provided below, be binding on all the Covered Bondholders of such Series, whether or not they are present at the meeting and whether or not voting on the resolution. 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 shall 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(a) (*Issuer Events of Default*) or to give a Covered Bond Guarantee Acceleration Notice pursuant to Condition 9(b) (*Covered Bond Guarantor Events of Default*) or to direct the Bond Trustee or the Security Trustee or to direct the Bond Trustee to direct the Security Trustee to take any enforcement action or to direct the Bond Trustee to determine that any Issuer Event of Default, Potential Issuer Event of Default, Covered Bond Guarantor Event of Default or Potential Covered Bond Guarantor Event of Default shall not be treated as such for the purposes of the Bond Trust Deed (each a **Program Resolution**) shall 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 Program 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 Program Resolution is two or more persons holding or representing more than two-thirds of the aggregate Principal Amount Outstanding of the Covered Bonds of all Series for the time being outstanding or at any adjourned such meeting two or more persons holding or representing in the aggregate not less than one-third

of the aggregate Principal Amount Outstanding of the Covered Bonds of all Series for the time being outstanding. A Program Resolution passed at any meeting of the Covered Bondholders of all Series shall be binding on all the Covered Bondholders of all Series, whether or not they are present at the meeting.

In connection with any meeting of the holders of Covered Bonds of more than one Series where such Covered Bonds are not denominated in Australian Dollars, the Principal Amount Outstanding of the Covered Bonds of any Series not denominated in Australian Dollars shall be converted into Australian Dollars at the relevant Swap Rate.

The Bond Trustee may (and in the case of any modification contemplated by (c) below the Bond Trustee must), without the consent or sanction of any of the Covered Bondholders of any Series, and without the consent of the other Secured Creditors (other than any Secured Creditor who is party to the relevant documents), at any time and from time to time, concur with the Issuer, the Covered Bond Guarantor (acting at the direction of the Trust Manager) and any other party and/or direct the Security Trustee to concur with the Issuer, the Covered Bond Guarantor (acting at the direction of the Trust Manager) and any other party in making:

- (i) any modification (other than in relation to a Series Reserved Matter) to the Covered Bonds of one or more Series or any Program Document provided that in the opinion of the Bond Trustee such modification is not materially prejudicial to the interests of the Covered Bondholders of any Series but such power does not extend to any such modification referred to in the definition of Series Reserved Matter; or
- (ii) any modification to the Covered Bonds of any one or more Series or any Program Document which is in the opinion of the Bond Trustee of a formal, minor or technical nature, or in the opinion of the Bond Trustee is made to correct a manifest error or error established as such to the satisfaction of the Bond Trustee or is made to comply with mandatory provisions of law (and for this purpose the Bond Trustee may disregard whether any such modification relates to a Series Reserved Matter); or
- (iii) any modification contemplated by Clause 21.4 and/or Clause 21.5 of the Bond Trust Deed.

Notwithstanding the above, or any provision of any Program Document, the Bond Trustee shall not be obliged to agree to any amendment, which, in the sole opinion of the Bond Trustee or the Security Trustee, (as applicable), would have the effect of (x) exposing the Bond Trustee or the Security Trustee, (as applicable), 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 or the Security Trustee, (as applicable), in the Bond Trust Deed, the other Program Documents and/or the Conditions.

The Bond Trustee may without the consent of any of the Covered Bondholders of any Series, and without the consent of any other Secured Creditor and without prejudice to its rights in respect of any subsequent breach, Issuer Event of Default, Potential Issuer Event of Default, Covered Bond Guarantor Event of Default or Potential Covered Bond Guarantor Event of Default from time to time and at any time but only if in so far as in its opinion the interests of the Covered Bondholders of any Series shall 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 Trust Presents, the other Program 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 shall not be treated as such for the purposes of the Trust Presents, PROVIDED ALWAYS THAT the

Bond Trustee shall not exercise any powers conferred on it by this Condition 11 in contravention of any express direction given by Extraordinary Resolution or by a request under Condition 9(a) or (b) (*Events of Default and Enforcement*) but so that no such direction or request shall 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, shall be binding on the Covered Bondholders and, if, but only if, the Bond Trustee will so require by writing to the Issuer, shall be notified by the Issuer or Covered Bond Guarantor (at the direction of the Trust Manager) (as the case may be) to the Covered Bondholders in accordance with Condition 14 (*Notices*) as soon as practicable thereafter.

Subject to as provided below, the Bond Trustee shall be bound to waive or authorise, or direct the Security Trustee to waive or authorise, any breach or proposed breach by an Issuer or the Covered Bond Guarantor or any other person of any of the covenants or provisions contained in the Trust Presents, the other Program 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 shall 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 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 shall be indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing.

The Security Trustee may, without the consent of the Covered Bondholders of any Series and without the consent of any 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 instructed to do so by a resolution of Voting Secured Creditors (where the Bond Trustee is not the voting secured creditor) or by a direction from the Bond Trustee (where the Bond Trustee is the voting secured creditor), authorise or waive any proposed or actual breach of any of the covenants or provisions contained in the Covered Bonds of any Series, any Program 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 shall not be treated as such for the purposes of the Security Trust Deed. Any such authorisation or waiver or determination shall be binding on the Secured Creditors and if, but only if, the resolution or direction (as the case may be) shall so require, shall be notified by the Bond Trustee to the Covered Bondholders in accordance with Condition 14 (*Notices*).

In connection with the exercise by it of any of its trusts, powers, authorities and discretions under the Program Documents, (including, without limitation, any modification, waiver,

authorisation or determination), the Bond Trustee and the Security Trustee shall have regard to the general interests of the Covered Bondholders (of each Series) as a class (but shall not have regard to any interests arising from circumstances particular to individual Covered Bondholders whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Covered Bondholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Security Trustee shall not be entitled to require, nor shall any Covered Bondholder be entitled to claim, from the Issuer, the Covered Bond Guarantor, the Bond Trustee, the Security Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Covered Bondholders, except to the extent already provided for in Condition 7 (*Taxation*) and/or in any undertaking or covenant given in addition to, or in substitution for, Condition 7 (*Taxation*) pursuant to the Trust Presents.

(b) Substitution

The Bond Trust Deed provides that in connection with any scheme of amalgamation or reconstruction 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 shall, if requested by the Issuer, be obliged, without the consent of the Covered Bondholders, at any time to agree with the Issuer to the substitution in the place of the Issuer (or the previous substitute under this Condition) as principal debtor under the Trust Presents of another company (the **Substituted Debtor**) being the entity with and into which the Issuer amalgamates or the entity to which all or substantially all of the business and assets of the Issuer is transferred, or succeeded to, pursuant to such scheme of amalgamation or reconstruction (whether by operation of law or otherwise), subject to, inter alia:

- (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 Trust Presents with any consequential amendments which the Bond Trustee may deem appropriate as fully as if the Substituted Debtor had been named in the Trust Presents as principal debtor in place of the Issuer (or the previous substitute under this Condition);
- (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; and
- (iii) confirmations being received by the Bond Trustee from each Designated Rating Agency that the substitution will not adversely affect the rating of the Covered Bonds.

Any such supplemental trust deed or undertaking shall, if so expressed, operate to release the Issuer 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 of the Covered Bondholders at any time agree with the Issuer to the substitution in place of the Issuer (or any previous substitute under this Condition) as the principal debtor under the Covered Bonds and the Bond Trust Deed of any Subsidiary of the Issuer subject to (a) the Bond Trustee being satisfied that the interests of the Covered

Bondholders will not be materially prejudiced by the substitution and (b) certain other conditions set out in the Bond Trust Deed being complied with.

Any substitution pursuant to this Condition 11(b) shall be binding on the Covered Bondholders and, unless the Bond Trustee agrees otherwise, shall be notified by the Issuer to the Covered Bondholders not later than 14 days after any such substitution in accordance with Condition 14 (Notices).

It shall be a condition of any substitution pursuant to this Condition 11(b) that the Covered Bond Guarantee shall remain in place or be modified to apply mutatis mutandis and continue in full force and effect in relation to any Substituted Debtor.

(c) Designated Rating Agencies

If:

- (i) a confirmation or affirmation of rating or other response by a Designated Rating Agency is a condition to any action or step under any Program Document; and
- (ii) the Trust Manager has delivered to the Covered Bond Guarantor (copied to the Seller, the Bond Trustee and each Designated Rating Agency) written confirmation that it has notified the Designated Rating Agencies of the action or step and that the Trust Manager is satisfied, following discussions with the Designated Rating Agencies, that the action or step, as applicable, will not result in a reduction, qualification or withdrawal of the ratings then assigned by the Designated Rating Agencies and the Designated Rating Agency does not consider such confirmation necessary,

the parties to the Program Documents shall be entitled to assume that the then current rating of the Covered Bonds from that Designated Rating Agency will not be downgraded or withdrawn by such Designated Rating Agency as a result of such action or step.

The Bond Trustee shall be entitled to treat as conclusive a certificate signed by an Authorised Officer of the Issuer or the Trust Manager that the Trust Manager has notified the Designated Rating Agencies of an action or step under any Program Document and that the Trust Manager is satisfied, following discussions with the Designated Rating Agencies, that the action or step, as applicable, will not result in a reduction, qualification or withdrawal of the ratings then assigned by the Designated Rating Agencies to the Covered Bonds and the Bond Trustee shall not be responsible for any Liabilities that may be caused as a result.

For the purposes of this Condition 11:

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 (or any combination of them), 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 (or any combination of them), would constitute a Covered Bond Guarantor Event of Default; and

Series Reserved Matter in relation to Covered Bonds of a Series means any proposal:

(i) to amend the dates of maturity or redemption of the Covered Bonds, or any date for payment of interest or Interest Amounts on the Covered Bonds or the obligation of the Issuer to pay additional amounts pursuant to Condition 7 (*Taxation*), (ii) to reduce or cancel the Principal Amount Outstanding of, or any premium payable on redemption of, the Covered Bonds, (iii) to reduce the rate or rates of interest in respect of the Covered Bonds or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Covered Bonds, (iv) if a Minimum and/or a Maximum Rate of Interest, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount is set out in the Final Terms, to reduce any such amount, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or Specified Denomination of the Covered Bonds, (vii) to take any steps that as specified in the Final Terms may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply, or (viii) to modify the provisions concerning the quorum required at any meeting of Covered Bondholders or the majority required to pass the Extraordinary Resolution.

12. Replacement of Covered Bonds

Should any Covered Bond be lost, stolen, mutilated, defaced or destroyed, it may be replaced subject to applicable laws, regulations and listing authority, stock exchange and/or quotation system regulations at the specified office of the relevant Registrar, or any other place approved by the Bond Trustee of which notice shall have been published in accordance with Condition 14 (*Notices*) upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Covered Bond is subsequently presented for payment, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Covered Bonds) and otherwise as the Issuer may require. Mutilated or defaced Covered Bonds must be surrendered before replacements will be issued.

13. Further Issues

The Issuer shall be at liberty from time to time without the consent of the Covered Bondholders to create and issue further bonds having terms and conditions the same as the Covered Bonds of any Series or the same in all respects save for the amount and date of the first payment of interest thereon, issue date and/or purchase price and so that the same shall be consolidated and form a single Series with the outstanding Covered Bonds of such Series.

14. Notices

All notices regarding the Registered Covered Bonds will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Registered Covered Bonds are admitted to trading on a stock exchange and the rules of that stock exchange (or any other relevant authority) so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules.

Until such time as any Definitive Covered Bonds are issued, there may, so long as the Covered Bonds are represented in their entirety by any Global Covered Bonds held on behalf of Euroclear and/or Clearstream, Luxembourg, and/or DTC be substituted for such

publication in such newspaper(s) or such mailing the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or DTC for communication by them to the Covered Bondholders and, in addition, for so long as any Covered Bonds are listed on a stock exchange or admitted to trading by any other relevant authority and the rules of that stock exchange, or as the case may be, other relevant authority so require, such notice or notices will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the Covered Bondholders on the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg and/or DTC.

Notices to be given by any Covered Bondholder shall 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 Registrar. 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 Registrar through Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, in such manner as the Principal Paying Agent, the Registrar and/or Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, may approve for this purpose.

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

15. 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 shall 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 Program Documents.

The Bond Trust Deed and the Security Trust 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 Trust Deed also contain provisions pursuant to which each of the Bond Trustee and Security Trustee, respectively, is entitled, *inter alia*: (i) to enter into business transactions with the Issuer, the Covered Bond Guarantor and/or any of their respective Subsidiaries and affiliates and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer, the Covered Bond Guarantor and/or any of their respective Subsidiaries and affiliates; (ii) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Covered Bondholders or the other Secured Creditors and (iii) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

The Bond Trustee will not be responsible for any loss, expense or liability which may be suffered as a result of any Purchased Receivables or Related Security, 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. The Bond Trustee will not be responsible for *inter alia*: (i) supervising the performance by the Issuer or any other party to the Program Documents of their respective obligations under the Program Documents and the Bond Trustee will be entitled to assume, until it has 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 Program Documents under the Program Documents; (iii) monitoring the Purchased Receivables, including, without limitation, whether the Purchased Receivables are in compliance with the Asset Coverage Test, the Pre-Maturity Test or the Amortisation Test; or (iv) monitoring whether Receivables are Qualifying Receivables. The Bond Trustee will not be liable to any Covered Bondholder or other Secured Creditor for any failure to make or to cause to be made on their behalf the searches, investigations and enquiries which would normally be made by a prudent secured creditor in relation to the Charge and have no responsibility in relation to the legality, validity, sufficiency and enforceability of the Charge and the Program Documents. In addition, each Covered Bondholder shall, by virtue of purchasing and/or holding Covered Bonds, be deemed to have acknowledged and agreed that that the Security Trustee is not required *inter alia*, (i) to provide it with any information concerning the business or financial condition of any party to any Program Document; (ii) to investigate the accuracy, adequacy or completeness of any information provided by any party in connection with a Program Document; (iii) to assess or keep under review the business, financial condition, status or affairs of any party to any Program Document; (iv) to investigate whether an Issuer Event of Default, or Covered Bond Guarantor Event of Default has occurred, or (v) to investigate or keep itself informed as to the performance by any other party of that party's obligations under any document.

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 Program 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.

16. Limited Recourse and non-petition

The Covered Bondholders shall, by virtue of purchasing and/or holding Covered Bonds, be deemed to have agreed with the Covered Bond Guarantor and the Security Trustee as follows:

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

- (b) The Covered Bondholders may not sue the Covered Bond Guarantor in any capacity other than Covered Bond Guarantor of the Trust, including seeking the appointment of a receiver (except in relation to the Assets), or a liquidator, an administrator or any similar person to the Covered Bond Guarantor or prove in any liquidation, administration or arrangements of or affecting the Covered Bond Guarantor (except in relation to an Asset of the Trust).
- (c) The provisions of Condition 16(a) and Condition 16(b) limiting the Covered Bond Guarantor's liability will not apply to any obligation or liability of the Covered Bond Guarantor to the extent that it is not satisfied because under any Program Document in relation to the Trust or by operation of law there is a reduction in the extent of the Covered Bond Guarantor's indemnification out of the Assets of the Trust, as a result of the Covered Bond Guarantor's fraud, gross negligence or wilful default.
- (d) The Transaction Parties are responsible under the Program Documents in relation to the Trust for performing a variety of obligations relating to the Trust. No act or omission of the Covered Bond Guarantor (including any related failure to satisfy its obligations or breach of representation or warranty under these Conditions will be considered fraud, gross negligence or wilful default for the purpose of Condition 16(c) if and to the extent the act or omission was caused or contributed to by any failure by any Transaction Party or any other person appointed by the Covered Bond Guarantor under any Program Document (other than a person whose acts or omissions the Covered Bond Guarantor is liable for in accordance with any Program Document) to fulfil its obligations relating to the Trust or by any other act or omission of any Transaction Party or any other such person regardless of whether or not the act or omission is purported to be done on behalf of the Covered Bond Guarantor.
- (e) No attorney, agent, receiver or receiver and manager appointed in accordance with the Program Documents has authority to act on behalf of the Covered Bond Guarantor in a way that exposes the Covered Bond Guarantor to any personal liability, and no act or omission of any such person will be considered fraud, gross negligence or wilful default of the Covered Bond Guarantor for the purpose of this Condition 16.
- (f) The Covered Bond Guarantor is not obliged to do anything or refrain from doing anything under or in connection with the Program Documents (including incur a liability) unless the Covered Bond Guarantor's liability is limited in the same manner as set out in this Condition 16.
- (g) Only the Security Trustee may pursue the remedies available under the general law or to enforce the Charge granted under the Deed of Charge and no Covered Bondholder shall be entitled to proceed directly against the Covered Bond Guarantor to enforce the Charge.
- (h) Except to the extent expressly provided in the Program Documents:
 - (i) none of the Covered Bondholders (nor any person on their behalf, other than the Security Trustee where appropriate and the Bond Trustee in relation to the Covered Bond Guarantee) is entitled to direct the Security Trustee to enforce the Charge or take any proceedings against the Covered Bond Guarantor to enforce the Charge;
 - (ii) none of the Covered Bondholders shall 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 the Covered Bondholders;
 - (iii) until the date falling two years after the Vesting Date none of the Covered Bondholders nor any person on their behalf shall initiate or join any person in

initiating an Insolvency Event in relation to the Trust other than a Receiver appointed pursuant to the Security Trust Deed; and

- (iv) none of the Covered Bondholders shall be entitled to take or join in the taking of any corporate action, legal proceedings or other procedure or step which would result in the Cashflow Allocation Methodology not being complied with.
- (i) Each Covered Bondholder shall, by virtue of purchasing and/or holding Covered Bonds, be deemed to have agreed to be bound by the terms of the Cashflow Allocation Methodology set out in the Supplemental Deed and that, notwithstanding any other provision contained in the Program Documents (other than clause 9.3 of the Demand Loan Agreement (described under “*Summary of the Principal Documents—Demand Loan Agreement*”) to which this Condition 16(i) is to be subject):
- (i) it will not demand or receive payment of, or any distribution in respect of or on account of, any amounts payable by the Covered Bond Guarantor or the Security Trustee, as applicable, to that Secured Creditor under the Program Documents, in cash or in kind, and will not, save to the extent permitted by or provided for in the Program Documents, apply any money or assets in discharge of any such amounts payable to it (whether by set-off or by any other method), unless all amounts then due and payable by the Covered Bond Guarantor to all other Secured Creditors ranking higher in the Cashflow Allocation Methodology have been paid in full;
 - (ii) if any amount is received by it (including by way of set-off) in respect of Secured Money owed to it other than in accordance with the provisions of the Program Documents and the Cashflow Allocation Methodology then an amount equal to the difference between the amount so received by it and the amount that it would have received had it been paid in accordance with the provisions of the Program Documents and the Cashflow Allocation Methodology, shall be received and held by it as trustee for the Covered Bond Guarantor and shall be paid over to the Covered Bond Guarantor immediately upon receipt so that such amount can be applied in accordance with the Cashflow Allocation Methodology;
 - (iii) without prejudice to the foregoing, whether in the winding up of the Trust or any other party to the Program Documents or otherwise, if any payment or distribution (or the proceeds of any enforcement of any Encumbrance) is received by a Secured Creditor (including a Covered Bondholder other than the Covered Bond Guarantor in relation to the Covered Bond Guarantee) in respect of any amount payable by the Covered Bond Guarantor or the Security Trustee or any insolvency official of the Trust, as applicable, to that Secured Creditor under the relevant Program Document at a time when, by virtue of the provisions of the relevant Program Documents, no payment or distribution should have been made, the amount so received shall promptly be paid by that Secured Creditor to the Security Trustee and pending such payment shall be held by that Secured Creditor upon trust for the Security Trustee, and immediately upon receipt by the Security Trustee shall be applied in accordance with the terms of the Security Trust Deed and the other Program Documents; and
 - (iv) without prejudice to Condition 16(f), it shall not claim, rank, prove or vote as creditor of the Covered Bond Guarantor or its estate in competition with any prior ranking Secured Creditors in the Cashflow Allocation Methodology, the Security Trustee or the Covered Bond Guarantor, as applicable, or claim a right of set-off until all amounts then due and payable to Secured Creditors who rank higher in the Cashflow Allocation Methodology have been paid in full.

- (j) The Covered Bondholders shall, by virtue of purchasing and/or holding Covered Bonds, be deemed to have acknowledged and agreed that, except to the extent set out in clause 9.3 of the Demand Loan Agreement, neither the Covered Bond Guarantor nor the Security Trustee shall pay or repay, or make any distribution in respect of, any amount owing to a Secured Creditor (including a Covered Bondholder) under the relevant Program Documents (in cash or in kind) unless and until all amounts then due and payable by the Covered Bond Guarantor or the Security Trustee to all other Secured Creditors ranking higher in the Cashflow Allocation Methodology have been paid in full.

17. Governing Law

The Bond Trust Deed (including the Covered Bond Guarantee), the Principal Agency Agreement, the Covered Bonds and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

18. Jurisdiction and forum

- (a) 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 the Covered Bonds and all matters connected with the Covered Bonds (respectively, **Proceedings** and **Disputes**) and, for such purposes, irrevocably submits to the jurisdiction of such courts.
- (b) 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.

19. Service of process - England

The Issuer agrees that the process by which any Proceedings in England are begun may be served on it by being delivered to the officer in charge of the London branch of Australia and New Zealand Banking Group Limited at 40 Bank Street, Canary Wharf, London E14 5EJ. If such person is not or ceases to be effectively appointed to accept service of process on the Issuer's behalf, the Issuer shall appoint a further person in England to accept service of process on the Issuer's behalf and, failing such appointment, within 15 days, the Bond Trustee shall be entitled to appoint such a person by written notice addressed to the Issuer delivered to the Issuer or to the specified office of the Principal Paying Agent. Nothing in this paragraph shall affect the right of the Bond Trustee to serve process in any other manner permitted by law.

20. Details of Agents

For the purposes of these Conditions, the details of relevant Agents are as below:

- (a) The Covered Bond Paying Agent, the Exchange Agent and the Covered Bond Transfer Agent is Deutsche Bank AG, Hong Kong Branch, whose registered office is Level 52 International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong.
- (b) The US Covered Bond Paying Agent, the US Covered Bond Transfer Agent and the US Registrar is Deutsche Bank Trust Company Americas, whose registered office is Trust & Securities Services, 60 Wall Street, 27th Floor, New York NY 10005, USA.

USE OF PROCEEDS

The gross proceeds from each issue of Covered Bonds by ANZBGL will be used for the general purposes of ANZBGL and its subsidiaries.

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED'S MORTGAGE BUSINESS

Introduction

The Seller's residential loan products have a wide variety of payment characteristics and are within the broad classification of one-to-four-family loans. The loans will have various maturities, interest rates, and amortisation schedules, among other characteristics.

The Seller may from time to time offer new products which have not been described in this Offering Memorandum and borrowers whose loans have been sold to the Covered Bond Guarantor may have the opportunity to convert to these products. See "*Summary of the Principal Documents – Mortgage Sale Agreement - Product Switches, Further Advances and Redraws*" for more information in relation to the impact of certain product switches in relation to loans.

Except as otherwise described in this Offering Memorandum, all of the loans will be secured by registered first ranking mortgages on one-to-four-owner-occupied or non-owner occupied residential properties located in the Commonwealth of Australia. The mortgaged properties may consist of detached individual units, condominiums, townhouses, row houses, duplexes and other attached dwelling units.

Loans originated by the Seller may bear interest at (1) a rate per annum that is subject to periodic adjustment, as frequently as daily, as announced by the Seller from time to time, (2) a fixed rate per annum for a specified interval (generally 1, 2, 3, 4, 5, 7 or 10 years) which then reverts to a rate described in (1) above unless the borrower elects a further fixed rate term, or (3) an initial fixed rate per annum which, after a specified period, may be reset for a further fixed rate period or convert to a rate described in (1) above.

Proceeds of the loans may be used by borrowers to acquire property, refinance existing loans or for other personal requirements. Certain loans may have been the subject of refinancing for the purpose of utilizing equity. See "*The Seller's Product Types—Special Features of the Loans*" below. Prepayments of principal on fixed rate loans, subject to the prevailing market rates of interest at the time of prepayment, may result in an amount being payable by the borrower.

The Seller and its originators may from time to time offer borrowers an opportunity to convert a loan to another product which may have an interest rate which is below prevailing market rates or which may offer borrowers certain additional features (such as a repayment holiday or a discount on fees), subject to certain eligibility criteria. These conversions will reduce the aggregate yield on the pool of mortgage loans sold by the Seller to the issuer trustee and may therefore reduce funds available to pay interest on the Covered Bonds.

In certain respects, the loans differ from mortgage loans offered by other lenders in other jurisdictions. Some of the principal differences are:

- *Variable Rate Loans:* The variable rate loans are not tied to an objective index (e.g., LIBOR), but rather are determined from time to time by the Seller in its own judgment. See "*Risk Factors Relating to the Covered Bonds*" in this Offering Memorandum.
- *Redraws:* As described below under "*The Seller's Product Types—Special Features of the Loans—(b) Redraw,*" borrowers under certain loans are able to "Redraw" on their mortgage loans.

- *Fixed Mortgage Rates:* The Seller does not originate “fixed rate” principal and interest loans in the traditional sense (i.e., loans that are issued with a single, specified rate for the term of the loan). Instead, as described above, the Seller originates loans that bear a fixed rate of interest for a specified period, but which then revert to the variable rate at the end of the specified period, unless the applicable borrower elects an alternative product type. Therefore, the interest rate at the conclusion of the “fixed” rate term may decline or increase over the remaining life of the loan.

The Seller’s Product Types

Standard Variable Home Loan

This type of loan is the Seller’s traditional standard mortgage product which bears interest at a standard variable rate. The standard variable rate set under this product is not linked to any objective index (e.g. LIBOR). However, it may fluctuate with market conditions.

In addition, some loans in this category have an interest rate which is discounted by a fixed percentage to the standard variable rate. These discounts are offered on a discretionary basis.

Fixed Rate Loan

This type of loan allows a borrower to set a designated rate of interest for selected periods. Terms for which the fixed rate can apply are 1, 2, 3, 4, 5, 7 and 10 years. On expiration of the fixed term, unless a new fixed term has been arranged by the borrower, or the borrower elects an alternative product type, the loan will automatically revert to the standard variable rate. Following this, the borrower may switch to a fixed interest rate at any time and payment of a new loan approval fee may be applicable.

Simplicity Plus Home Loan

This type of loan has a variable interest rate which is not linked to the standard variable rate or to any objective index and which may fluctuate independently of any such rates and other standard variable rates in the market. The interest rate for this product historically has been less than that for the “Standard Variable Home Loan” product. There is no interest offset feature available to Borrowers under “Simplicity Plus Loans”.

Special Features of the Loans

Each loan may have some or all of the features described in this section. In addition, during the term of any loan, the Seller may agree to change any of the terms of that loan from time to time at the request of the borrower.

- (a) **Variable or Fixed Interest Rates.** Unless otherwise specified in this Offering Memorandum, all loans in the pool for a trust at the Cut-off Date are variable rate mortgage loans with borrowers able to apply to fix the interest rate for various terms from 1 to 10 years. If rates are fixed, they revert to the standard variable rate applicable at the end of the fixed rate term unless the borrower elects an alternative product type. Additional payments can be made for variable rate loans without penalty. Whole or partial prepayments on fixed rate loans and certain variable rate loans may incur a break payment due from, or to, the borrower.
- (b) **Redraw.** The general terms and conditions of the variable rate loans allow the borrower to request a redraw of principal repayments made in excess of scheduled principal repayments. The aggregate amount that may be advanced at any time is limited to the difference between the current outstanding principal balance and the scheduled balance at that time (which, in general terms, will be equal to the amount of principal prepayments previously made by the borrower, provided all other scheduled payments have been made). See “Summary of the

Principal Documents – Mortgage Sale Agreement - Product Switches, Further Advances and Redraws” for more information in relation to redraws..

As of the date of this Offering Memorandum, the criteria that must be met for a borrower to make a Redraw are:

- the minimum Redraw amount that can be requested by a borrower is A\$2,000;
- the loan must not have been fully repaid;
- the amount of early or additional repayments, less any previous redraws, must be at least A\$2,000;
- if the loan is guaranteed, the written consent of the guarantor must be obtained; and
- no event of default has occurred under the loan.

These criteria may change from time to time at the discretion of the Seller.

- (c) Loans paid in advance. The variable rate loans also allow borrowers to stop making payments to the extent the borrower has prepaid principal, creating a difference between the outstanding principal balance of the variable rate loan and the scheduled amortised principal balance of the loan. The borrower is not required to make any payments, including payments of interest, until the outstanding principal balance of the loan plus unpaid interest equals the scheduled amortised principal balance. For fixed rate loans, if a borrower misses more than one payment, the borrower will be recognized as being in arrears despite the fact that the borrower has prepaid principal creating a difference between the outstanding principal balance and the scheduled amortised principal balance of the loan.
- (d) Portability to transfer loan so that it is secured by another property. Subject to meeting the required credit standards, the borrower may be permitted to transfer the loan so that it is secured by another security property. If this results in an increase in the loan size, it is treated as an additional advance.
- (e) Multiple Credit Facilities. Some borrowers may have the option of more than one separate advance under separate loan contracts but secured by the same property. If any multiple credit facilities are included in the pool of loans for the Trust this will be disclosed in this Offering Memorandum. If a borrower requests the splitting of a loan, a partial prepayment of the existing loan would occur using the proceeds of the second loan with a separate loan account being established for the second loan.
- (f) Further Advances. To the extent described in this Offering Memorandum the loans may provide borrowers the ability to seek additional advances under the same loan contract (i.e., in excess of the original approved loan balance). Any such further advances are subject to full credit assessment and, if approved, will be advanced by the Seller.
- (g) Repayment Holiday. The borrower is permitted to apply for relief from regular repayments for a period of up to three months. Approval of this application is granted at the discretion of the Seller and is dependent upon the borrower’s particular circumstances assessed by the Seller on a case by case basis. Typically, a repayment holiday may be granted only if at the time of the application there are no arrears, and the borrower has had no previous arrears history of greater than 30 days during the life of the existing loan and where this service has not been utilized within the previous two years. Upon approval, the borrower is granted relief

and repayments are recalculated to ensure that the term of the loan is not extended beyond the original maturity date.

Loan Renewals and Modifications

From time to time borrowers may seek to modify the terms of their loan or apply for additional funds.

A loan may be modified, which may result in the establishment of a new loan account rather than a variation of the existing loan account. This may occur in circumstances where, for example, there is an addition or removal of a borrower, a change to loan repayment amount or loan term or a change from an amortising loan to an interest only loan. In these circumstances, if a new loan account is established in the Seller's records, it will result in a full repayment of the existing loan. Where there is an application for additional funds, the Seller may either provide a further advance under the existing loan or lend the required funds under a separate supplementary loan. The customer has the discretion to decide which of these two alternatives will occur.

Interest Offset

The Seller offers borrowers an interest offset product known as a mortgage offset account, under which the interest accrued on the borrower's deposit account is offset against interest on the borrower's loan at the same interest rate. The Seller does not actually pay interest to the borrower on the offset account, but reduces the amount of interest which is payable by the borrower under its loan. The borrower continues to make its scheduled loan repayment with the result that the portion allocated to principal is increased by the amount of interest offset.

If, following a Title Perfection Event, the Covered Bond Guarantor obtains legal title to a loan, the Seller will no longer be able to offer an interest offset arrangement for that loan.

Interest Only Periods

A borrower may also request to make payments of interest only on his or her loan for a period of up to 10 years. If the Seller agrees to such a request it does so conditional upon higher principal repayments applying upon expiration of the interest only period so that the loan is repaid within its original term. Such loans will only be included in the pool of loans for the Trust to the extent described in this Offering Memorandum.

Additional Features

From time to time, with the consent of the borrower on existing loans, additional features in relation to a loan which are not described above may be offered by the Seller or features that have been previously offered may cease to be offered by the Seller and any fees or other conditions applicable to such features may be added, removed or varied by the Seller.

Origination Process

The loans in the pool for the Trust includes a portfolio of variable rate mortgage loans which are originated by the Seller and its distribution networks through loan applications from new and existing borrowers. The Seller originates loans through the following key sources:

- (h) The Seller's established distribution network. This includes the branch network, telephone sales operations, business relationship managers and via the Internet through the Seller's website at www.anz.com.
- (i) Approved mortgage origination companies. Mortgage originators must successfully complete a company level review. Each individual sales force member must complete an accreditation

program prior to introducing applications to the Seller. All mortgage origination applications are assessed by the Seller according to its credit criteria and processes, and are managed by the Seller following settlement of the loan.

Approval and Underwriting Process

When a loan application is received it is processed in accordance with the Seller's approval policies. These policies are subject to review and amendment by the Seller. The Seller, like other lenders in the Australian residential mortgage loan market, does not divide its borrowers into groups of differing credit quality for the purposes of setting standard interest rates for its residential mortgage loans. All borrowers must satisfy the Seller's approval criteria described in this section.

Loan advances may only be applied for owner occupied, investment or personal purposes, and for the purchase, construction or renovation of a residential or investment property. While loan advances may also be applied to finance loans secured by land only, such loans are not included in the cover pool. Construction loans are not included in the cover pool until construction is completed.

There is a minimum loan amount of A\$20,000 and no maximum loan amount (subject to security and capacity to repay). Unless specified in this Offering Memorandum, loans will not have a current loan balance exceeding A\$2,000,000 and will not have a current loan balance less than A\$20,000. The Seller lends up to a maximum of 95% of the market value of the property (excluding any capitalised amounts). It is the Seller's standard policy that lender's mortgage insurance be issued for all loans where the loan-to-value ratio (see below) is more than 80% on standard residential properties. The insurance provides 100% coverage against loss on the entire loan principal, interest and recovery expenses (but not Early Repayment Costs or penalty interest). The minimum term for a loan is one month. The maximum loan term is 30 years. The approval process includes verifying the borrower's identity and application details, assessing the suitability of the loan type against the borrower's stated purpose, assessing the borrower's ability to repay the loan and determining the value of the mortgaged property.

Process for Verification of Application Details

The verification process involves borrowers providing proof of identity, evidence of employment, income and (for loans which are subject to primary mortgage insurance) a savings pattern (except in the case of Stated Income Loans where income verification is not undertaken, as described below in *"The Seller's Product Types—Approval and Underwriting Process—Stated Income Loans (Lo Doc 60)"*). Indicators of ability to repay the proposed loan are also considered. For an employed applicant, the process includes confirming employment and income levels by way of recent payslips, salary credits to a bank account held with the Seller or tax assessments. For a self-employed or business applicant the process includes checking both annual accounts and tax assessments. Where applicants are refinancing debts from another financial institution, the process requires a check of the last six months' statements of the existing loan to be made to determine the regularity of loan repayments. The credit histories of any existing borrowings from the Seller are also checked. External credit checks outlining previous enquiries for credit made by the borrower and historical loan defaults that may have occurred involving that borrower are also undertaken by the Seller.

Assessing Ability to Repay

Once the applicant's details have been verified, an assessment is made of their ability to repay the proposed loan. This is primarily based on the applicant's income being sufficient to cover all commitments including the proposed loan, along with any risk factors identified in verifying the applicant's income, savings or credit history. The credit decision is made using one of the following processes:

- Credit scorecard. A credit scorecard system developed by the Seller automatically and consistently applies the Seller's credit assessment rules without relying on the credit experience of the inputting officer. The credit scorecard returns a decision to approve, reject or refer an application. An application is referred by the system if certain risk factors, such as loan size or a high commitment level, are present which require the application to be assessed by an experienced loan officer. The credit score determined by this system is based on historical performance data of the Seller's mortgage loan portfolio.
- Credit approval authorities. Mortgage loan applications which are referred by the credit scorecard or via manual escalation are assessed by a loan officer. Each loan officer is allocated a credit approval authority based on their level of experience and past performance. Loans which have certain risk characteristics, such as loan size or a high commitment level, are assessed or verified by more experienced loan officers.
- The Seller monitors the quality of lending decisions and approvals.

Valuation of mortgaged property

For applications which successfully pass the credit decision process, the maximum allowable loan-to-value ratio, being the ratio of the loan amount (excluding certain capitalised amounts) to the value of the mortgaged property, is calculated and an offer for finance is made conditional upon any outstanding approval conditions being satisfied. The amount of the loan that will be approved for a successful applicant is based on an assessment of the applicant's ability to repay the proposed loan and the loan-to-value ratio. For the purposes of calculating the loan-to-value ratio, except as otherwise described in this Offering Memorandum, the value of the properties proposed as security for the loans to be assigned to the Trust have been determined at origination by one of the following methods:

- Valuation by appraiser. Valuations by qualified professional appraisers are carried out when there is some attribute of the loan or the property offered as security which, in accordance with the Seller's policies, requires a professional appraiser to undertake the assessment.
- Contract of sale. A contract of sale that specifies the amount paid for the proposed security property can be used under designated policies of the Seller.
- Automated valuation model. Valuations obtained by supplying the address and key features of the property offered as security to an external party which returns a statistically-derived valuation may be used where permitted by the Seller's policies.
- Valuation by an officer of the Seller. Where a dedicated appraiser is not available for the specified location of the property, the value of the security property is assessed by an officer of the Seller.

The maximum loan-to-value ratio that is permitted for any loan (which in no case will exceed 95% (excluding any capitalised amounts)) is determined according to the Seller's credit policy and is dependent on the size of the proposed loan, the nature and location of the proposed property and other relevant factors. Where more than one property is offered as security for a loan, the sum of the valuations for each property is assessed against the loan amount sought.

Stated Income Loans (Lo Doc 60)

Except as otherwise described in the Offering Memorandum, loans that may be sold to the Trust may be originated by the Seller in circumstances where income verification was not required as part of the origination process (such mortgage loans are referred to in this Offering Memorandum as **Stated**

Income Loans). Stated Income Loans are made available to borrowers (in respect of all loan product types) where:

- the security is standard residential only;
- the maximum loan-to-value ratio of the loan is 60%;
- the maximum loan size is A\$2,500,000; and
- for existing customers of the Seller, acceptable account and arrears conduct can be demonstrated, or for those borrowers who have loans with financial institutions other than the Seller, confirmation is given from that financial institution of the borrower's satisfactory payment history for a period of 3 months.

Although income verification is not undertaken in respect of the application process for Stated Income Loans, a borrower is still required to submit to the Seller a signed loan application, listing its income and assets. Applications are processed and assessed in accordance with the process described above in *"The Seller's Product Types—Approval and Underwriting Process—Assessing Ability to Repay"*.

Stated Income Loans are currently only available to self-employed customers. Since on or around January 1, 2011, self-employed customers are required to provide evidence of their declared income for the previous 12 months (being their Business Activity Statement), to confirm sales and enable comparison and benchmarking against industry profit margins.

Servicing

The Servicer

ANZBGL (the **Servicer**) will be responsible for servicing the Purchased Receivables on behalf of the Covered Bond Guarantor.

General

The Servicer is contractually obligated to administer and service the Purchased Receivables:

- in such a manner and with the same level of skill, care and diligence as would a Prudent Mortgage Lender following such collection procedures as it follows with respect to any comparable mortgage loans beneficially owned and serviced by it; and
- in accordance with the operational and servicing procedures and policies adopted by the Servicer in accordance with its credit and risk policy (as amended from time to time).

Servicing procedures include responding to customer inquiries, managing and servicing the features and facilities available under the Purchased Receivables and the management of delinquent mortgage loans.

See *"Summary of the Principal Documents—Servicing Deed"* for a more detailed description of the undertakings, remuneration and removal or resignation of the Servicer.

Delegation by the Servicer

While this Offering Memorandum describes the Servicer as performing all Servicer functions, the Servicer has the power to delegate or subcontract the performance of all or any of its powers and obligations under the Servicing Deed to third parties, including its mortgage originators. References to the Servicer servicing the Purchased Receivables should be construed accordingly. Such third parties

may in turn delegate or sub-contract some or all of their obligations to other parties. Such delegates will utilise the Servicer's standard systems and procedures or systems and procedures which are consistent with those of the Servicer in administering and servicing the Purchased Receivables. Despite any delegation, the Servicer remains responsible and liable for the performance of its obligations under the Servicing Deed.

Collection and enforcement procedures

Debtors must make the minimum repayment due under the terms and conditions of the loans on or before each scheduled instalment due date. A borrower may also elect to make his or her repayments weekly or bi-weekly so long as the equivalent of the minimum monthly repayment is received on or before the instalment due date. Payment can be made to a branch (by cash or cheque), by direct debit to a nominated bank account, or by direct credit from the borrower's salary by their employer. At present, the majority of scheduled repayments on the mortgage loans are made by way of direct debits to a nominated bank account.

A loan is subject to action (as described below) in relation to delinquent payment whenever the monthly repayment is not paid by the monthly instalment due date. However, under the terms of certain loans, borrowers may prepay amounts which are additional to their required monthly repayments. This will result in the actual balance of the loan account being lower than the scheduled balance of the loan. In the case of a variable rate loan, if a borrower subsequently fails to make some or all of a required monthly repayment, the servicing system will apply the prepaid amount until the total amount of missed payments exceeds the prepaid amount and, as a result, the variable rate loan will be considered to be delinquent only when the actual balance is greater than the scheduled balance. In the case of a fixed rate loan, if after such prepayment a borrower fails to make more than one required monthly repayment, the fixed rate loan will be considered to be delinquent.

The Servicer's collections system identifies loan accounts which are delinquent and allocates overdue loans to collection officers to take action.

Actions taken by the Servicer in relation to delinquent accounts will be determined according to a number of factors, including the following (with the input of a mortgage insurer if applicable):

- delinquency history;
- equity in the property;
- prior arrangements made with the borrower to meet overdue payments; and
- reason for arrears (*e.g.*, illness, unemployment, over-commitment).

The Servicer may make a special arrangement with a borrower to temporarily modify the borrower's repayment schedule when a borrower notifies the Servicer that the borrower may not be able to make the scheduled repayments. In considering such an arrangement, the Servicer consults with the borrower and considers the causes of the borrower missing repayments with the intention of returning the loan to the original repayment schedule at the earliest opportunity.

If satisfactory arrangements cannot be made to rectify a delinquent loan, legal notices are issued and recovery action is initiated by the Servicer. Recovery action is arranged by collections staff in conjunction with internal or external legal advisers. Recovery actions include:

- voluntary sale by the borrower;
- initiating a mortgagee sale; and

- making claims on lender's mortgage insurance.

Each account is graded into a high, medium or low risk category. The grading process considers factors such as the borrower's previous arrears history and current loan to value ratio.

Borrowers whose loans are in arrears will receive reminders via SMS, direct phone contact and by letter. The frequency of these delinquency reminders will vary according to the number of days the loan is delinquent and the risk grading allocated to the relevant loan.

When a loan is delinquent for 60 days but less than 90 days, an arrears owing notice is sent advising the borrower that, if the default is not rectified within a period of 31 days, the Servicer will require immediate repayment of all money payable under the loan and will exercise its rights under the borrower's loan contract, including the enforcement and realization of any security.

At the expiration of the 31 day notice, the account is transferred to the Servicer's recovery solicitors instructed to conduct the litigation process on behalf of the Servicer. The recovery solicitors follow procedures developed by the Servicer for a standard litigation process. Any variance from the agreed process is referred to the Servicer for further instructions. The Servicer receives confirmation of any action that has been undertaken by the recovery solicitors at each stage throughout the recovery process.

Court proceedings against the borrower will be commenced once appropriate demands and notices have been issued by the recovery solicitors. This usually occurs within 4 to 6 weeks of a matter being referred to the recovery solicitors.

Once the court papers have been served on the borrower, and provided that the borrower does not defend the court action, the Servicer can then enter default judgment in the relevant court against the borrower for possession of any security property for recovery of the debt owing. Once the Servicer has entered judgment it will apply for a warrant or writ of possession whereby the sheriff will set a date for the borrower to be evicted from the property. Timeframes for setting the date of eviction vary between relevant states and territories.

Once possession is obtained, appraisals and valuations are obtained by the Servicer and a reserve price is set for sale of the property by way of auction or private sale,

The process described above assumes that the borrower has either taken no action or has not honoured any commitments made in relation to the default to the satisfaction of the Servicer and, in some cases, the relevant mortgage insurer. It should also be noted that the Servicer's ability to exercise its power of sale of the mortgaged property is dependent upon the statutory restrictions of the relevant state or territory as to notice requirements. In addition, there may be factors outside the control of the Servicer, such as whether the borrower contests the sale and the market conditions at the time of sale, which may affect the length of time between the decision of the Servicer to exercise its power of sale and final completion of the sale.

The Servicer's collection and enforcement procedures may change from time to time in accordance with business judgment, internal policy and changes to legislation and guidelines established by the relevant regulatory bodies.

Loan Variations

The Seller, in its discretion, may agree with a borrower from time to time to vary the terms and conditions of a loan without following the underwriting procedures described in this section. Such loan variations include changes to the interest rate and reductions in the term of the loan. See *"Summary of the Principal Documents – Mortgage Sale Agreement - Product Switches, Further Advances and Redraws"* for more information in relation to the impact of certain variations to loans.

PERPETUAL CORPORATE TRUST LIMITED (ABN 99 000 341 533)

The ANZ Residential Covered Bond Trust (**Trust**) is a special purpose trust established by the Notice of Creation of Trust on October 31, 2011 pursuant to the Trust Terms Deed. Perpetual Corporate Trust Limited, the Covered Bond Guarantor, is the trustee of the Trust.

Perpetual Corporate Trust Limited was incorporated in New South Wales on October 27, 1960 as Perpetual Trustees Nominees Limited under the Companies Statute of New South Wales as a public company. The name was changed to Perpetual Corporate Trust Limited on October 18, 2006 and Perpetual Corporate Trust Limited now operates as a limited liability public company under the Corporations Act. Perpetual Corporate Trust Limited is registered in New South Wales and its registered office is at Level 12, 123 Pitt Street, Sydney, Australia. The telephone number of the Covered Bond Guarantor's principal office is +61 2 9229 9000.

Perpetual Corporate Trust Limited has 5,010,000 ordinary shares issued with a paid amount of A\$1.00 per share. Perpetual Corporate Trust Limited is a wholly owned subsidiary of Perpetual Limited, a publicly listed company on the Australian Securities Exchange.

The principal activities of Perpetual Corporate Trust Limited are the provision of trustee and other commercial services. Perpetual Corporate Trust Limited is authorised representative (No. 266799) under Australian Financial Services Licence under Part 7.6 of the Corporations Act (Australian Financial Services Licence No. 236643). Perpetual Corporate Trust Limited and its related companies provide a range of services including custodial and administrative arrangements to the funds management, superannuation, property, infrastructure and capital markets. Perpetual Corporate Trust Limited and its related companies are leading trustee companies in Australia with in excess of A\$100 billion under administration.

The name and function of each of the Directors of Perpetual Corporate Trust Limited are listed below. The business address of each Director is Level 12, 123 Pitt Street Sydney NSW 2000 Australia.

- Roger Burrows, Director;
- Christopher Green, Director; and
- Ivan Douglas Holyman, Director.

The Covered Bond Guarantor is dependent on the Trust Manager, the Servicer and the Calculation Manager (among others) to provide certain management and administrative services to it, on the terms of the Supplemental Deed and the other Program Documents.

The Trust has neither prepared nor published any historical financial information as of the date of this Offering Memorandum.

Unitholders

The Residual Income Capital Unitholder and Residential Income Unitholder of the Trust at the date of this Offering Memorandum is ANZBGL.

ANZ CAPEL COURT LIMITED (ABN 30 004 768 807)

Trust Manager

At the date of this Offering Memorandum, the Trust Manager is ANZ Capel Court Limited. The business address of the Trust Manager is Level 9, 833 Collins Street, Docklands, Victoria 3008, Australia.

Pursuant to the Management Agreement, the Trust Manager will act as manager of the Trust and will provide certain administrative services required by the Trust pursuant to the Program Documents. As compensation for the performance of the Trust Manager's obligations under the Management Agreement, the Supplemental Deed and the other Program Documents and as reimbursement for its related expenses, the Trust Manager will be entitled to a fee, which will be paid in accordance with the applicable Cashflow Allocation Methodology.

The Trust has not engaged since its establishment, and will not engage whilst the Covered Bonds or the Intercompany Loan remains outstanding, in any material activities other than activities incidental to its establishment, activities contemplated under the Program Documents to which it is or will be a party and other matters which are incidental or ancillary to the foregoing.

Directors

The directors of ANZ Capel Court Limited, the business address of each of whom should be regarded for the purposes of this Offering Memorandum as being Level 9, 833 Collins Street, Docklands, Victoria 3008, Australia, and their principal outside activities, where significant, are as follows:

David Trelawney	Director	Head of Technology, Information and Project Risk, Australia and New Zealand Banking Group Limited
Fisher		
Graham David Metcalf	Director	Global Head of Structured Capital Markets, Global Markets, Australia and New Zealand Banking Group Limited
Richard Marc Moscati	Director	Group Treasurer, Australia and New Zealand Banking Group Limited

As at the date of this Offering Memorandum, no conflicts of interest exist between any duties owed to ANZ Capel Court Limited by the members of its Board of Directors listed above and their private interests and/or other duties in respect of their management roles other than to the extent contemplated by "*Risk Factors Relating to the Covered Bonds—Conflict of Interest*".

Delegation by the Trust Manager

The Trust Manager may, in performing its functions under the Supplemental Deed, the Management Agreement and the other Program Documents, delegate to any service provider the performance of any of its functions and appoint any person to be delegate or sub-delegate, in each case subject to and in accordance with the provisions of the Supplemental Deed and the Management Agreement, as the case may be.

SUMMARY OF THE PRINCIPAL DOCUMENTS

Bond Trust Deed

The Bond Trust Deed, entered into between, among others, the Issuer, the Covered Bond Guarantor and the Bond Trustee on or about the Program Date, is the principal agreement governing the Covered Bonds. The Bond Trust Deed contains provisions relating to:

- (a) the constitution of the Covered Bonds and the Conditions (as set out under “Terms and Conditions of the Covered Bonds” above);
- (b) the covenants of the Issuer and the Covered Bond Guarantor;
- (c) the terms the Covered Bond Guarantee (as described below);
- (d) the enforcement procedures relating to the Covered Bonds and the Covered Bond Guarantee; and
- (e) the appointment, powers and responsibilities of the Bond Trustee and the circumstances in which the Bond Trustee may resign or retire or be removed.

The Covered Bond Guarantee

The Covered Bond Guarantee

The Covered Bond Guarantor has guaranteed to the Bond Trustee, for the benefit of Covered Bondholders, the prompt performance by the Issuer of their obligations to pay Guaranteed Amounts as and when the same shall become Due for Payment.

Following the occurrence of an Issuer Event of Default and the service by the Bond Trustee of firstly, an Issuer Acceleration Notice on the Issuer (with a copy to the Covered Bond Guarantor) and secondly, a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager), the Covered Bond Guarantor shall pay or procure to be paid on each Scheduled Payment Date (or on such later date provided for in the Bond Trust Deed) to or to the order of the Bond Trustee (for the benefit of the Covered Bondholders) an amount equal to those Guaranteed Amounts which shall have become Due for Payment in accordance with the terms of the Bond Trust Deed (or which would have become Due for Payment but for any variation, release or discharge of the Guaranteed Amounts) but which have not been paid by the Issuer to the relevant Covered Bondholder on the relevant date for payment.

Following the occurrence of a Covered Bond Guarantor Event of Default and the service by the Bond Trustee of a Covered Bond Guarantee Acceleration Notice on the Issuer and the Covered Bond Guarantor (copied to the Trust Manager and the Security Trustee), in respect of the Covered Bonds of each Series which shall have become immediately due and repayable (or which would have become immediately Due for Payment but for any variation, release or discharge of the Guaranteed Amounts), the Covered Bond Guarantor shall pay or procure to be paid to or to the order of the Bond Trustee (for the benefit of itself and the Covered Bondholders) in the manner described in the Bond Trust Deed) the Guaranteed Amounts.

Subject to the grace periods specified in Condition 9(b) (Covered Bond Guarantor Events of Default), failure by the Covered Bond Guarantor to pay the Guaranteed Amounts when Due for Payment will constitute a Covered Bond Guarantor Event of Default.

Covered Bond Guarantor not obliged to pay additional amounts

All payments of principal and interest (if any) in respect of the Covered Bonds by or on behalf of the Covered Bond Guarantor will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessment or governmental charges of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction (as defined in the Conditions) unless such withholding or deduction is required by law or administrative practice of any jurisdiction. If any such withholding or deduction is required, the Covered Bond Guarantor shall pay the Guaranteed Amounts net of such withholding or deduction and shall account to the appropriate tax authority for the amount required to be withheld or deducted. The Covered Bond Guarantor shall not be obliged to pay any additional amount to the Bond Trustee or any holder of Covered Bonds in respect of the amount of such withholding or deduction.

See “Taxation” for further information.

Covered Bond Guarantor as principal debtor and not merely as surety

The Covered Bond Guarantor has agreed that its obligations under the Bond Trust Deed shall be as if it were principal debtor and not merely as surety or guarantor and shall be absolute and (following service of an Issuer Acceleration Notice and Notice to Pay or a Covered Bond Guarantee Acceleration Notice) unconditional, irrespective of, and unaffected by, any invalidity, irregularity, illegality or unenforceability of, or defect in, any provisions of the Bond Trust Deed or any other Program Document, or the absence of any action to enforce the same or the waiver, modification or consent by the Bond Trustee, any of the Covered Bondholders in respect of any provisions of the same or the obtaining of any judgment or decree against the Issuer, or any action to enforce the same, or any other circumstances which might otherwise constitute a legal or equitable discharge or defence of a guarantor.

Excess Proceeds

Following the occurrence of an Issuer Event of Default and the delivery of an Issuer Acceleration Notice, and Notice to Pay any Excess Proceeds which are received by the Bond Trustee from the Issuer or any receiver, liquidator, administrator or other similar official appointed in relation to the Issuer and are then held by it or under its control, shall be paid by the Bond Trustee on behalf of the Covered Bondholders of the relevant Series to the Covered Bond Guarantor, as soon as practicable, and shall be held by the Covered Bond Guarantor in the GIC Account, and the Excess Proceeds shall thereafter form part of the Secured Property and shall 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 Deed of Charge and the Supplemental Deed. Any Excess Proceeds received by the Bond Trustee and held by it or under its control shall discharge pro tanto the obligations of the Issuer in respect of the Covered Bonds (as applicable and to the extent of the amount so received and subject to restitution of the same if such Excess Proceeds shall be required to be repaid by the Covered Bond Guarantor) (but the Issuer shall be deemed not to have discharged such obligations for the purposes of subrogation rights of the Covered Bond Guarantor contemplated by the Covered Bond Guarantee and the Bond Trust Deed). However, the obligations of the Covered Bond Guarantor under the Covered Bond Guarantee are (following service of an Issuer Acceleration Notice and Notice to Pay or, if earlier, service of an Covered Bond Guarantee Acceleration Notice) unconditional and irrevocable, and the receipt by, or on behalf of, the Bond Trustee of any Excess Proceeds shall not reduce or discharge any such obligations.

By subscribing for Covered Bonds, each Covered Bondholder shall 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.

For the avoidance of doubt, any payments by the Covered Bond Guarantor to the Covered Bondholders out of the Excess Proceeds shall reduce the Guaranteed Amounts pro tanto.

The Bond Trust Deed (including the Covered Bond Guarantee) and any non-contractual obligations arising out of or in connection with it are governed by English law.

Security Trust Deed

The Security Trust Deed, entered into between the Covered Bond Guarantor, the Security Trustee, the Trust Manager and the Bond Trustee sets out the terms and conditions of the appointment of the Security Trustee under the Program. As security for the Covered Bond Guarantor's obligations to the Secured Creditors, to pay the Secured Money, the Trustee has, under the Deed of Charge, granted a charge to the Security Trustee over all of the Assets of the Trust for the benefit of the Secured Creditors.

The Security Trust Deed contains:

- (a) terms of the Security Trust, including commencement and termination provisions, the rights of the Secured Creditors and the general powers, rights and responsibilities of the Security Trustee;
- (b) covenants of the Trustee, and the Trust Manager;
- (c) basic representations and warranties of the Trustee, Security Trustee and Trust Manager;
- (d) provisions relating to the crystallisation of the Charge from a floating charge to a fixed charge in certain circumstances such as the occurrence of a Covered Bond Guarantor Event of Default;
- (e) provisions relating to the enforcement of the security including the appointment of a receiver and the general powers of the receiver;
- (f) provisions containing various limits and exclusions on the Security Trustee's liability; and
- (g) provisions relating to the means by which the Security Trustee is to take instructions.

Commencement and Termination

A Security Trust will commence on the date on which the Notice of Creation of Trust in respect of that Security Trust is executed and terminates on the earlier of:

- (a) the Vesting Date in respect of that Security Trust; and
- (b) the date on which the related Trust is terminated in accordance with the Trust Deed.

Rights of Secured Creditors

- (a) The Secured Creditors of a Security Trust are bound by, and are deemed to have notice of, the provisions of the Program Documents of the Trust to which the Security Trust relates. The rights of the Secured Creditors of a Security Trust are limited by the terms of such Program Documents.
- (b) Without limiting paragraph (a), No Secured Creditor in respect of the Trust is entitled (other than as permitted by the Security Trust Deed or any other Program Document in respect of the Trust) to:

- (i) interfere with any Trust or any rights or powers of the Trust Manager or the Trustee under the Trust Deed or any other Program Document in respect of the Trust;
- (ii) exercise a right in respect of an Asset of the Trust or lodge a caveat or other notice affecting an Asset of the Trust or otherwise claim any interest in an Asset of the Trust;
- (iii) subject to the Program Documents for the Trust, require the transfer to it of any Asset of the Trust;
- (iv) seek to terminate or wind up the Trust;
- (v) have any recourse whatsoever to the Trustee or the Trust Manager in its personal capacity except in the case of fraud, gross negligence or wilful default on the part of the Trustee or the Trust Manager (as the case may be); or
- (vi) seek to remove the Trustee or the Trust Manager.

Subordination

Each of the Secured Creditors agrees to be bound by the terms of the Cashflow Allocation Methodology set out in the Supplemental Deed. Each of the Secured Creditors (other than the Bond Trustee in relation to the Covered Bond Guarantee) has further agreed with each other party to the Security Trust Deed that, notwithstanding any other provision contained in the Security Trust Deed or in any other Program Document (other than clause 9.3 of the Demand Loan Agreement (described below under “*-Demand Loan Agreement*”) to which sub-paragraphs (i) to (iv) (inclusive) below are subject):

- (a) it will not demand or receive payment of, or any distribution in respect of or on account of, any amounts payable by the Trustee or the Security Trustee, as applicable, to that Secured Creditor under the Program Documents, in cash or in kind, and will not, save to the extent permitted by or provided for in the Program Documents, apply any money or assets in discharge of any such amounts payable to it (whether by set-off or by any other method), unless all amounts then due and payable by the Trustee to all other Secured Creditors ranking higher in the Cashflow Allocation Methodology have been paid in full;
- (b) if any amount is received by it (including by way of set-off) in respect of Secured Money owed to it:
 - (i) prior to the occurrence of a Covered Bond Guarantor Event of Default or service of a Covered Bond Guarantee Acceleration Notice on the Trustee and the Issuer (copied to the Trust Manager and the Security Trustee), the enforcement of the Charge (or any combination of them), other than in accordance with the provisions of the Security Trust Deed and the Pre-acceleration Allocations or the Guarantee Allocations or as a result of the set-offs described in the Intercompany Loan Agreement and the Demand Loan Agreement, as applicable, then an amount equal to the difference between the amount so received by it and the amount that it would have received had it been paid in accordance with the provisions of the Security Trust Deed and the Pre acceleration Allocations or the Guarantee Allocations, as applicable, shall be received and held by it as trustee for the Trustee and shall be paid over to the Trustee immediately upon receipt so that such amount can be applied in accordance with the provisions of the Security Trust Deed and the Pre acceleration Allocations or the Guarantee Allocations, as applicable; and

- (ii) after the occurrence of a Covered Bond Guarantor Event of Default and service of a Covered Bond Guarantee Acceleration Notice on the Trustee and the Issuer (copied to the Trust Manager and the Security Trustee), the enforcement of the Charge (or any combination of them), other than in accordance with the provisions of the Security Trust Deed and the Post-enforcement Allocations or as a result of the set-offs described in the Intercompany Loan Agreement and the Demand Loan Agreement then an amount equal to the difference between the amount so received by it and the amount that it would have received had it been paid in accordance with the provisions of the Security Trust Deed and the Post-enforcement Allocations shall be received and held by it as trustee for the Security Trustee and shall be paid over to the Security Trustee immediately upon receipt so that such amount can be applied in accordance with the provisions of the Security Trust Deed and the Post enforcement Allocations;
- (c) without prejudice to the foregoing, whether in the winding up of the Trust or any other party to the Program Documents or otherwise, if any payment or distribution (or the proceeds of any enforcement of any Encumbrance) is received by a Secured Creditor (other than the Bond Trustee in relation to the Covered Bond Guarantee) in respect of any amount payable by the Trustee or the Security Trustee or any insolvency official of the Trust, as applicable, to that Secured Creditor under the relevant Program Document at a time when, by virtue of the provisions of the relevant Program Document, the Supplemental Deed and the Security Trust Deed, no payment or distribution should have been made, the amount so received shall promptly be paid by that Secured Creditor to the Security Trustee and pending such payment shall be held by that Secured Creditor upon trust for the Security Trustee, and immediately upon receipt by the Security Trustee shall be applied in accordance with the terms of the Security Trust Deed and the other Program Documents; and
- (d) it shall not claim, rank, prove or vote as creditor of the Trustee or its estate in competition with any prior ranking Secured Creditors in the Cashflow Allocation Methodology, the Security Trustee or the Bond Trustee, as applicable, or except to the extent expressly permitted in the Intercompany Loan Agreement and the Demand Loan Agreement claim a right of set-off until all amounts then due and payable to Secured Creditors who rank higher in the Cashflow Allocation Methodology have been paid in full.

Limitation of liability of the Security Trustee

The Security Trust Deed contains a number of provisions which seek to exclude or limit the liability, duties or responsibilities of the Security Trustee. In some cases this exclusion is absolute (for instance that it is not required to keep under review the financial condition of any party and is not required to advance or use its own funds for the payment of costs and expenses) and in others the exclusion only applies to the extent that any such matter or liability is not caused by the fraud, gross negligence or wilful default of the Security Trustee (for instance, losses arising out of the exercise or non-exercise of a discretion).

Security Trustee obtaining instructions

For so long as any Covered Bonds are outstanding the Security Trustee must, upon actually becoming aware of the occurrence of a Covered Bond Guarantor Event of Default in respect of the Trust and delivery of a Covered Bond Guarantee Acceleration Notice:

- (a) notify all Secured Creditors that the charge granted under the Deed of Charge has taken effect as a fixed charge over all of the Secured Property and details known to it of the Covered Bond Guarantor Event of Default and the actions and procedures which the Covered Bond Guarantor and the Trust Manager have notified the Security Trustee are being taken or will be

taken by the Trustee and the Trust Manager to remedy the relevant Covered Bond Guarantor Event of Default; and

- (b) request the Bond Trustee (as Voting Secured Creditor) to provide directions to the Security Trustee as to the action to be taken by the Security Trustee in relation to the event.

Deed of Charge

Pursuant to the terms of the Deed of Charge entered into on October 31, 2011 between the Covered Bond Guarantor, the Trust Manager, the Security Trustee and the Bond Trustee as security for the payment of the Secured Money, the Covered Bond Guarantor charges all of its right, title and interest in the Secured Property to the Security Trustee itself and on trust for the Secured Creditors.

Nature of the Charge

The security created by the Deed of Charge is a “floating charge”. A floating charge over assets should be distinguished from a fixed charge over assets.

A floating charge “floats” over a class of assets which may change from time to time. The person granting the floating charge may deal with those assets and give third parties title to the assets free from any encumbrance where such dealings and transfers of title are in the ordinary course of such person’s business. The Covered Bond Guarantor has agreed not to dispose of or create interests in the Assets of the Trust subject to a floating charge except as permitted by the Program Documents and the Trust Manager has agreed not to direct the issuer trustee to take any such actions. If the Covered Bond Guarantor disposes of any of the Assets of the Trust, including any Purchased Receivables the person acquiring the property will take it free of the floating charge. The floating charge granted over the trust assets will “crystallize” and take effect as a fixed charge immediately prior to the occurrence of a Covered Bond Guarantor Event of Default; a Trustee breach of the negative pledge or no disposal covenant contained within the Security Trust Deed (which has exclusion for Encumbrances granted and disposals made in a manner permitted by the Transaction Documents); certain notices are issued by the Australian Federal Commissioner of Taxation; the Trustee files an Australian tax return which results in tax being due by the Trustee as trustee which is not paid; or the law provides that the Charge becomes fixed. On crystallization of a floating charge, the Covered Bond Guarantor may not deal with the assets of the Trust without the consent of the Security Trustee.

Under section 79 of the PPSA, a person who has granted security over an asset may nevertheless pass title to that asset to another person notwithstanding that the relevant dealing contravened the terms of the relevant security. Accordingly, if the Covered Bond Guarantor deal with the Assets of the Trust in breach of its undertaking described above, a third party could obtain title to those assets. However, if this occurred, the Security Trustee would remain entitled to enforce its rights against the Covered Bond Guarantor subject to the terms of the Program Documents in respect of that breach.

Bond Trustee

The Bond Trustee is a party to the Deed of Charge in its capacity as a trustee for the Covered Bondholders of the Trust from time to time under the Bond Trust Deed. The rights, remedies and discretions of the Covered Bondholders under the Deed of Charge, including all rights to vote or give instructions or consent to the Security Trustee and to enforce any undertakings or warranties under the Deed of Charge may only be exercised through the Bond Trustee in accordance with and subject to the Bond Trust Deed. The Security Trustee is entitled to rely on instructions or directions given to it by the Bond Trustee as being given on behalf of the Covered Bondholders without the need to inquire whether any such instructions are in accordance with the Bond Trust Deed or as to the reasonableness of the Bond Trustee.

The Deed of Charge is governed by the laws of the State of Victoria, Australia.

Intercompany Loan Agreement

Subject to the terms of the Intercompany Loan Agreement on each Issue Date, it is anticipated that the Intercompany Loan Provider will make a Term Advance to the Covered Bond Guarantor in an amount equal to either (i) if a Current Covered Bond Swap is entered into on the relevant Issue Date, the Principal Amount Outstanding on the Issue Date of each relevant Series or, as applicable, each relevant Tranche of Covered Bonds in the Specified Currency of the relevant Series or Tranche of Covered Bonds or (ii) if a Contingent Covered Bond Swap is entered into on the relevant Issue Date, the Australian Dollar Equivalent of the nominal value of each relevant Series or, as applicable, each relevant Tranche of Covered Bonds, and for a matching term. The Australian Dollar Equivalent of each Term Advance will be used by the Covered Bond Guarantor: (A) if a New Receivables Portfolio is being acquired in connection with the issue of the related Series or Tranche of Covered Bonds (i) to fund (in whole or in part) the Purchase Price of the New Receivables Portfolio from the Seller in accordance with the terms of the Mortgage Sale Agreement (or to fund the repayment of a short-term Demand Loan used for that purpose); and/or (ii) acting on the directions of the Trust Manager, to invest in Substitution Assets in an amount not exceeding the limit prescribed by the Supplemental Deed to the extent required to meet the Asset Coverage Test; and thereafter or otherwise the Covered Bond Guarantor (acting at the direction of the Trust Manager) may use such proceeds (subject to complying with the Asset Coverage Test as confirmed by the Trust Manager to the Covered Bond Guarantor in writing); (B) if an existing Series or Tranche or part of an existing Series or Tranche of Covered Bonds is being refinanced by the issue of a further Series or Tranche of Covered Bonds to which the Term Advance relates, to repay the Term Advance(s) corresponding to the Covered Bonds being so refinanced (after exchange into the currency of the Term Advance(s) being repaid, if necessary); and/or (C) to make a repayment of the Demand Loan, provided that the Calculation Manager has calculated the Asset Coverage Test as at the Intercompany Loan Drawdown Date having taken into account such repayment and the Calculation Manager has confirmed that the Asset Coverage Test will continue to be met after giving effect to such repayment; and/or (D) to make a deposit of all or part of the proceeds in the GIC Account (including, without limitation, to fund the Reserve Fund to an amount not exceeding the amount by which the Reserve Fund Required Amount exceeds the existing balance of the Reserve Ledger as calculated by the Trust Manager on the immediately preceding Determination Date). The Trust Manager will direct the Covered Bond Guarantor as to how such proceeds will be used.

The Issuer will not rely on repayment of any Term Advance in order to meet their respective repayment obligations under the Covered Bonds. The Covered Bond Guarantor will pay amounts due in respect of each Term Advance in accordance with the relevant Cashflow Allocation Methodology. Prior to the service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager), amounts due in respect of each Term Advance will be paid by the Covered Bond Guarantor to, or as directed by, the Intercompany Loan Provider on each Trust Payment Date, subject to paying all higher ranking amounts in the Applicable Cashflow Allocation Methodology. Any failure by the Covered Bond Guarantor to pay any amounts due on the Term Advances will not affect the liability of the Issuer to pay the relevant amount due on the Covered Bonds. To the extent that the Covered Bond Guarantor makes, or there is made on its behalf, a payment under the Covered Bond Guarantee, in relation to any Covered Bonds, and together with the Relevant Acquired Covered Bonds, the “Relevant Covered Bonds”), the Intercompany Loan Provider will on such payment being made become obliged to pay to the Covered Bond Guarantor either:

- (a) to the extent Term Advances and Demand Loan Advances are denominated in the same currency as the Relevant Covered Bonds, an amount equal to such payment; or
- (b) to the extent Term Advances and Demand Loan Advances are denominated in Australian Dollars and the Relevant Covered Bonds are not denominated in Australian Dollars, an amount equal to the Australian Dollar Equivalent of such payment.

Any amounts owing by the Intercompany Loan Provider (as Issuer) to the Covered Bond Guarantor in respect of amounts paid by the Covered Bond Guarantor under the Covered Bond Guarantee in relation to the relevant Covered Bonds or the amounts due in respect of Covered Bonds which may be purchased by the Covered Bond Guarantor, as applicable, shall be set-off automatically (notwithstanding the Cashflow Allocation Methodology and without any action being required by the Covered Bond Guarantor, the Trust Manager, the Calculation Manager, the Intercompany Loan Provider or the Security Trustee) against any amounts payable by the Covered Bond Guarantor under the Intercompany Loan Agreement as described below. The amount set-off shall be the amount of the payment made by the Covered Bond Guarantor under the Covered Bond Guarantee in relation to the relevant Covered Bonds (or the Australian Dollar Equivalent of such amount if the related Term Advance is denominated in Australian Dollars and the relevant Covered Bonds are not denominated in Australian Dollars) or the Principal Amount Outstanding of any relevant Covered Bonds purchased or otherwise acquired and cancelled by the Covered Bond Guarantor in accordance with Condition 5(i) (Purchases) or Condition 5(j) (Cancellation) (or the Australian Dollar Equivalent of such amount if the related Term Advance is denominated in Australian Dollars and the relevant Covered Bonds are not denominated in Australian Dollars), as applicable, which amount shall be applied to reduce amounts payable under the Intercompany Loan Agreement in relation to the Term Advance corresponding to the relevant Covered Bonds in the following order of priority:

- (a) first, to reduce and discharge interest (including accrued interest) due and unpaid on the outstanding principal balance of such Term Advance;
- (b) second, to reduce and discharge the outstanding principal balance of such Term Advance; and
- (c) third, to reduce and discharge any other amounts due and payable by the Covered Bond Guarantor to the Intercompany Loan Provider under the Intercompany Loan Agreement.

The Intercompany Loan Agreement is governed by the laws of the State of Victoria, Australia.

Demand Loan Agreement

Under the Demand Loan Agreement, the Demand Loan Provider agrees to make available to the Covered Bond Guarantor, an Australian Dollar revolving credit facility under which the Demand Loan Provider may make Demand Loan Advances to the Covered Bond Guarantor. The interest rate on the Demand Loan will be equal to the 30 day Bank Bill Rate on the first day of each interest period under the Demand Loan Agreement plus a spread to be determined by the Demand Loan Provider. The balance of the Demand Loan will fluctuate over time, as described below.

The proceeds of each Demand Loan Advance may only be used by, or on behalf of, the Covered Bond Guarantor (a) as consideration (in whole or part) for the acquisition of Receivables and Related Security from the Seller on a Transfer Date where the aggregate proceeds of the related Term Advance (if any) made on that date and/or (subject to paragraph (e) of the Pre-Acceleration Principal Allocations) the Available Principal Receipts (if any) (or both) are not sufficient to pay the Purchase Price for the relevant New Receivables Portfolio; (b) to repay a Term Advance on the date on which the Series of Covered Bonds corresponding to such Term Advance matures to the extent proceeds of sale of Receivables to the Seller, Available Principal Receipts (subject to paragraph (g)(ii) of the Pre-Acceleration Principal Allocations) and the proceeds of any Term Advances available to be used in accordance with clause 3.1(b) of the Intercompany Loan Agreement are not sufficient for that purpose; (c) to rectify a failure to meet the Asset Coverage Test (and using the proceeds to deposit into the GIC Account, invest in Substitution Assets (subject to limits), purchase New Receivables pursuant to the Mortgage Sale Agreement or any combination of them); (d) to rectify a breach of the Pre-Maturity Test; (e) to rectify an Interest Rate Shortfall; and (f) to pay to the Seller the Purchase Price of a Further Advance or to reimburse the Seller for funding a Redraw (if on any Trust Payment Date the Available Principal Receipts (if any) are not sufficient to pay to the Seller the Purchase Price of a Further Advance or to reimburse the Seller for funding a Redraw that the Covered Bond

Guarantor has agreed may remain in the Purchased Receivables in accordance with the Mortgage Sale Agreement).

The Covered Bond Guarantor shall repay the principal on the Demand Loan in accordance with the applicable Cashflow Allocation Methodology and the terms of the Demand Loan Agreement and the Supplemental Deed, using (i) funds in the Transaction Accounts; and/or (ii) proceeds from the sale of Substitute Assets and/or the payment in kind mechanic described below in respect of the Senior Portion Outstanding and using Authorised Investments; and/or (iii) proceeds of the sale, pursuant to the Supplemental Deed, of Receivables to the Seller or to another person subject to the Sellers right of pre-emption; and/or (iv) proceeds of a Term Advance pursuant to the terms of the Intercompany Loan Agreement (see “Cashflows” below).

At any time prior to an Issuer Event of Default and provided the conditions precedent set out in the Demand Loan Agreement have been satisfied, the Covered Bond Guarantor may re-borrow any amount of the Demand Loan repaid by the Covered Bond Guarantor in accordance with the Demand Loan Agreement and the relevant Cashflow Allocation Methodology. Unless otherwise agreed by the Demand Loan Provider, no further Demand Loan Advances will be made to the Covered Bond Guarantor under the Demand Loan Facility following an Issuer Event of Default or Covered Bond Guarantor Event of Default.

The Demand Loan Provider may from time to time request the Covered Bond Guarantor to make repayment of all or part of the Demand Loan (including when the Demand Loan Provider is requested to do so by APRA).

A request for repayment shall be deemed to have been given by the Demand Loan Provider to the Covered Bond Guarantor as described above:

- (a) for the maximum amount permitted as described below if the Demand Loan Provider’s (i) long-term credit rating from Moody’s is at any time A2 (or lower) or from Fitch is at any time BBB (or lower); or (ii) short-term credit rating from Moody’s is at any time P-2 (or lower) or from Fitch is at any time F1 (or lower);
- (b) for the Senior Portion Outstanding if an Issuer Event of Default occurs or a Covered Bond Guarantee Acceleration Notice is delivered to the Covered Bond Guarantor.

The Trust Manager has agreed to notify the Covered Bond Guarantor when any such request for repayment is deemed to have been given.

Subject to the second following paragraph, if a demand for repayment of all of part of the Demand Loan is given no less than 1 Local Business Days before a Determination Date or a demand for repayment is deemed to have been given as described above then, subject to the repayment in kind provisions described below and, to the extent it is not inconsistent with the Cashflow Allocation Methodology and the repayment in kind provisions, the Trust Manager has agreed to direct the Covered Bond Guarantor to repay the relevant amount of the Demand Loan on the next Trust Payment Date by an amount determined by the Trust Manager to be equal to the lesser of:

- (a) the amount requested to be repaid by the Demand Loan Provider; and
- (b) where neither an Issuer Event of Default has occurred nor a Covered Bond Guarantee Acceleration Notice has been given, the maximum amount (as calculated by the Calculation Manager) that will not result in a breach of the Asset Coverage Test after giving effect to such repayment.

To the extent on any Trust Payment Date prior to delivery of a Notice to Pay or Covered Bond Guarantee Acceleration Notice, the Asset Coverage Test will be breached after giving effect to a

repayment of the Demand Loan, the amount repayable on the Demand Loan on such date will be reduced (such reduced amount to be determined by the Trust Manager and notified by the Trust Manager to the Covered Bond Guarantor in writing).

After enforcement of the Charge, the Trust Manager has agreed to direct the Covered Bond Guarantor to make repayment:

- (a) where it relates to the Senior Portion Outstanding, on the date which is 5 Business Days after the date of the demand or deemed demand; and
- (b) otherwise, on the Trust Payment Date immediately following the Determination Date which falls immediately after the date of the demand or deemed demand.

Except to the extent that the Trust Manager determines that funds are to be available for the purpose of repaying all or part of the Senior Portion Outstanding of the Demand Loan pursuant to paragraph (b) of the Pre-Acceleration Principal Allocations, the Covered Bond Guarantor (acting on the directions of the Trust Manager) and the Demand Loan Provider have agreed that in all circumstances the obligation of the Covered Bond Guarantor to repay the Senior Portion Outstanding of the Demand Loan (or the relevant part of it demanded for repayment) is to be satisfied by:

- (a) the Covered Bond Guarantor either extinguishing its interest in or (if title to the relevant Receivables has been perfected) transferring Receivables to the Demand Loan Provider (the **Relevant Receivables**); or
- (b) transferring to the Demand Loan Provider Authorised Investments (of the type described in paragraphs (a), (b) or (c) of that term) or Substitution Assets other than cash.

(the assets described in sub-paragraphs (a) and (b) **Relevant Assets**) in the manner set out below on the relevant Trust Payment Date or other date on which the Senior Portion Outstanding of the Demand Loan or part of it is required to be repaid in accordance with the Demand Loan Agreement (the **Senior Demand Loan Repayment Date**). The Trust Manager must not give direction to the Trustee to apply monies in accordance with the Cashflow Allocation Methodology to the extent it would result in a breach of clause 9.3 (“Repayment in kind of Senior Portion Outstanding”) of the Demand Loan Agreement described under “*Summary of the Principal Documents—Demand Loan Agreement*”.

The Relevant Assets will be:

- (a) if a Senior Pool Register is maintained in accordance with clause 9.5 (“Maintenance of Senior Pool Register”) of the Demand Loan Agreement, those or, where applicable, a subset of those (selected by the Trust Manager), set out in the Senior Pool Register (if any); or
- (b) if no Senior Pool Register is maintained, those Relevant Assets selected by the Trust Manager from time to time and in any event when necessary to enable the Trustee to satisfy its obligations under clause 9.3 (“Repayment in kind of Senior Portion Outstanding”) of the Demand Loan Agreement and the Trust Manager (and failing which the Demand Loan Provider) is free to select as it sees fit the Relevant Assets to be reconveyed by the Covered Bond Guarantor in satisfaction of repayment of the Demand Loan under the above paragraph.

The Trust Manager (and failing which the Demand Loan Provider) has agreed to select Relevant Assets:

- (a) for Receivables, on a random basis and such that the weighted average loan to value ratio of the Purchased Receivables which will remain after removal of the Relevant Receivables will not be materially different to the weighted average loan to value ratio prior to such removal; and

- (b) such that the aggregate principal outstanding of the Relevant Assets is as close as possible (acting reasonably) to but not greater than the principal amount of the relevant Senior Portion Outstanding to be repaid under the Demand Loan Agreement.

Within 2 Business Days after demand or deemed demand for repayment of the Senior Portion Outstanding the Trust Manager has agreed to give a notice (the **Asset Selection Notice**) to the Demand Loan Provider, the Covered Bond Guarantor and the Security Trustee which specifies the Relevant Assets (the **Demand Loan Repayment Assets**) which are to be extinguished or transferred (as the case may be) by the Covered Bond Guarantor (acting at the direction of the Trust Manager) in satisfaction of repayment of the Demand Loan and the aggregate outstanding principal balance of those Relevant Assets as at the last day of the immediately preceding Collection Period (the **Relevant Cut-Off Date**). If the Trust Manager fails to do so within the time period described in this paragraph the Demand Loan Provider may prepare the Asset Selection Notice in accordance with the Demand Loan Agreement.

With effect from the relevant Demand Loan Repayment Date the Demand Loan Repayment Assets will be transferred to the Demand Loan Provider.

The Demand Loan Provider has agreed that with effect from the extinguishment or transfer (as applicable) of the Covered Bond Guarantor's interest in the relevant Demand Loan Repayment Assets to the Demand Loan Provider, the Covered Bond Guarantor's obligation to repay the relevant portion of the Demand Loan to be repaid is fully and finally discharged. The liability of the Covered Bond Guarantor to the Demand Loan Provider to repay the Senior Portion Outstanding of the Demand Loan is secured pursuant to the Deed of Charge and this payment in kind provision in priority to other liabilities of the Covered Bond Guarantor and nothing in the Cashflow Allocation Methodology shall be construed to the contrary.

The Demand Loan Agreement provides that, the rights given to the Demand Loan Provider under the Demand Loan Agreement (including, without limitation, the rights to demand, and receive, repayment of the Demand Loan including by payment in kind under this provision), and the Covered Bond Guarantor's liabilities under it, are not affected by an ADI statutory manager (as defined in section 13A of the Australian Banking Act) being in control of the Demand Loan Provider's business. The Demand Loan Agreement provides that, an ADI statutory manager in control of the Demand Loan Provider's business is entitled to exercise any of the rights of the Demand Loan Provider under the Demand Loan Agreement.

Any amounts owing by the Demand Loan Provider (as Issuer) to the Covered Bond Guarantor in respect of amounts paid by the Covered Bond Guarantor under the Covered Bond Guarantee in relation to the particular Series or Tranche of Covered Bonds or the purchase of the particular Series or Tranche of Covered Bonds by the Covered Bond Guarantor, as applicable, which are not set-off in accordance with the order of priority contained in the Intercompany Loan Agreement (set out above) shall, despite the Cashflow Allocation Methodology, be set-off automatically (and without any action being required by the Covered Bond Guarantor, the Trust Manager, the Calculation Manager, the Intercompany Loan Provider or the Security Trustee) against any amounts payable by the Covered Bond Guarantor (including in kind as described above) under the Demand Loan Agreement in the following order of priority:

- (a) *first*, to reduce and discharge interest (including accrued interest) due and unpaid on the Demand Loan;
- (b) *second*, to reduce and discharge the outstanding principal balance of the Demand Loan; and
- (c) *third*, to reduce and discharge any other amounts due and payable by the Covered Bond Guarantor to the Demand Loan Provider under the Demand Loan Agreement.

The Demand Loan Provider, in its capacity as Calculation Manager, may (but is not obliged to) maintain and keep up to date a register of Receivables, Substitution Assets and Authorised Investments (of the type described in paragraphs (a), (b) or (c) of that term) having an aggregate principal balance outstanding not greater than the Senior Portion Outstanding of the Demand Loan (**Senior Pool Register**). If the Calculation Manager maintains a Senior Pool Register, the Calculation Manager:

- (a) subject to certain conditions, is free to select as it sees fit the Receivables, Substitution Assets and Authorised Investments (of the type described in paragraphs (a), (b) or (c) of that term) registered on it;
- (b) when selecting Receivables must do so on a random basis and such that the weighted average loan to value ratio of the Purchased Receivables which are not registered on the Senior Pool Register is not materially different to the weighted average loan to value ratio of those Purchased Receivables which are registered on the Senior Pool Register; and
- (c) must do so such that the aggregate principal outstanding of the Assets registered on the Senior Pool Register is as close as possible (acting reasonably) to but not greater than the Senior Portion Outstanding at the date of determination.

An Asset will only cease to be on the Senior Pool Register if the Calculation Manager gives notice to the Covered Bond Guarantor and the Trust Manager specifying each such Asset and the date on which it ceases to be so registered.

The Demand Loan Agreement is governed by the laws of the State of Victoria, Australia.

Mortgage Sale Agreement

The Seller

Receivables have been sold to the Covered Bond Guarantor from time to time on a fully serviced basis pursuant to the terms of the Mortgage Sale Agreement entered into on the Program Date between, among others, ANZBGL as Seller, Calculation Manager, Issuer, Servicer and Seller Trust Beneficiary, the Trustee, the Covered Bond Guarantor and the Seller Trust Trustee, the Trust Manager and the Security Trustee.

Sale by the Seller of Receivables

The Purchased Receivables will consist of Receivables sold from time to time by the Seller to the Covered Bond Guarantor in accordance with the terms of the Mortgage Sale Agreement. The types of Receivables forming part of the Purchased Receivables will vary over time provided that, at the time the relevant Receivables are sold to the Covered Bond Guarantor, the Receivables are Qualifying Receivables (as described below) on the relevant Transfer Date. Accordingly, New Receivables sold by the Seller to the Covered Bond Guarantor on a Transfer Date may have characteristics that differ from Receivables already in the Purchased Receivables as at that date.

Prior to the occurrence of an Issuer Event of Default or a Covered Bond Guarantor Event of Default, the Covered Bond Guarantor will acquire Receivables from the Seller in the four circumstances described below:

- (a) *first*, in relation to the issue of Covered Bonds from time to time in accordance with the Program, the proceeds of a Demand Loan and/or a Term Advance (after being swapped into Australian Dollars at the applicable Swap Rate if the Term Advance is not denominated in Australian Dollars), together with (if applicable) any Available Principal Receipts available for that purpose, may be applied in whole or in part by the Covered Bond Guarantor to acquire Receivables from the Seller;

- (b) *second*, if at any time prior to the service of an Asset Coverage Test Breach Notice (which has not been revoked) both:
- (i) the amount of Available Principal Receipts available for distribution on the immediately following Trust Payment Date exceeds the amount required to be applied under paragraphs (a) to (d) inclusive of the Pre-Acceleration Principal Allocations; and
 - (ii) the Trust Manager considers (having regard to the composition of the Purchased Receivables, and the amount of Substitution Assets and Authorised Investments held by the Covered Bond Guarantor, at that time) that all or part of the Available Principal Receipts remaining after application under paragraphs (a) to (d) inclusive of the Pre-Acceleration Principal Allocation should be utilised to acquire New Receivables,
- then the Covered Bond Guarantor shall use the Available Principal Receipts to acquire New Receivables from the Seller on the relevant Transfer Date;
- (c) *third*, (as set out in the Supplemental Deed) the Covered Bond Guarantor and the Seller are required to ensure that the Purchased Receivables are maintained at all times in compliance with the Asset Coverage Test (as determined by the Trust Manager on each Determination Date). If on any Determination Date the Purchased Receivables are not in compliance with the Asset Coverage Test (because the Adjusted Aggregate Receivable Amount is less than the Australian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds), the Seller has agreed to use all reasonable endeavours to offer to sell sufficient New Receivables to the Covered Bond Guarantor so the Asset Coverage Test is met on or before the next Determination Date; and
- (d) *fourth*, (as set out in the Servicing Deed) if the Servicer notifies the Covered Bond Guarantor and the Seller that the Interest Rate Shortfall Test has not been met and the Trust Manager or the Security Trustee notify the Servicer and the Seller that further Receivables should be sold to the Covered Bond Guarantor to rectify the Interest Rate Shortfall, the Seller has agreed to use all reasonable endeavours to offer to sell in accordance with the Mortgage Sale Agreement sufficient New Receivables to the Covered Bond Guarantor on or before the next succeeding Determination Date to avoid the Interest Rate Shortfall on that Determination Date.

In exchange for the sale of the Receivables to the Covered Bond Guarantor, the Seller will receive a cash payment of the Purchase Price on the applicable Transfer Date.

The Seller and the Covered Bond Guarantor (at the Trust Manager's discretion) may agree that all or part of the Purchase Price for each New Receivable Portfolio shall be set-off against any amount payable on the Transfer Date by ANZBGL as Intercompany Loan Provider or Demand Loan Provider (or both) under the Intercompany Loan Agreement or the Demand Loan Agreement (or both).

The Seller will be required to repurchase Receivables sold to the Covered Bond Guarantor in the circumstances described below under "*Repurchase by the Seller following breach of Representations and Warranties*" and "*Product Switches, Further Advances and Redraws*".

Qualifying Receivable

The sale of New Receivables to the Covered Bond Guarantor will be subject to certain conditions being satisfied on the relevant Transfer Date, including that:

- (a) no Issuer Event of Default or Covered Bond Guarantor Event of Default has occurred and is continuing;
- (b) the Trust Manager (having consulted with the Seller) is not aware, and could not reasonably be expected to be aware, that the purchase would have an Adverse Rating Effect;
- (c) if a Receivable offered for sale constitutes a New Product Type, a Rating Agency Notification having been delivered in respect of the New Product Type; and
- (d) each New Receivable is a Qualifying Receivable.

A Qualifying Receivable is a Receivable that satisfies the following conditions:

- (a) it is due from a Debtor who is a natural person and resident of Australia;
- (b) it is repayable in Australian Dollars;
- (c) it is fully drawn (other than to the extent Redraws or Further Advances are available to the Debtor under such Receivable);
- (d) the term of the Receivable does not exceed 30 years;
- (e) it has a Current Principal Balance no greater than A\$2,000,000;
- (f) it is secured by a Mortgage over Property in Australia which is either a registered first ranking mortgage or a second ranking registered mortgage where there are two registered mortgages over the Property securing the Receivable and the Seller is the first mortgagee and the first ranking registered mortgage is also being acquired by the Covered Bond Guarantor;
- (g) the Property subject to a Mortgage has erected on it a residential dwelling which is not under construction (excluding renovations permitted by the terms of the Receivable);
- (h) it is not 31 days or more in arrears;
- (i) its sale does not contravene or conflict with any applicable law; and
- (j) the Debtor has made at least one interest payment under the Receivable.

On each Transfer Date, the Representations and Warranties (described below in “*Representations and Warranties*”) will be given by the Seller to the Covered Bond Guarantor, the Trust Manager and the Security Trustee in respect of the Receivables sold by the Seller to the Covered Bond Guarantor:

- (i) on the relevant Transfer Date on which such Receivable is acquired by the Covered Bond Guarantor; and
- (ii) if the Seller grants a Further Advance or Product Switch in relation to a Purchased Receivable, on the date on which the Further Advance or Product Switch is granted.

Transfer of Title to the Receivables to the Covered Bond Guarantor

Receivables will be sold by the Seller to the Covered Bond Guarantor by way of equitable assignment. Notice of the sale will not be initially provided to the Debtors. For discussion of issues relating to equitable assignment, refer to “*Risk Factors Relating to the Covered Bond Guarantor, Including the Ability of the Covered Bond Guarantor to Fulfil its Obligations in relation to the Covered Bond Guarantee – Issues affecting the Covered Bond Guarantor’s title to the Purchased Receivables*” above.

The completion and lodgement of transfers of Mortgages to the Covered Bond Guarantor and the notifications to the relevant Debtors notifying such Debtors of the sale of Purchased Receivables to the Covered Bond Guarantor and the transfer of custody of the Title Documents to the Covered Bond Guarantor, or the Trust Manager on its behalf, may be completed by the Covered Bond Guarantor, or the Trust Manager on its behalf, after the earliest to occur of the following events (**Title Perfection Events**):

- (a) the occurrence of an Issuer Event of Default and the service on the Issuer (with a copy to the Covered Bond Guarantor) of an Issuer Acceleration Notice and the service on the Covered Bond Guarantor of a Notice to Pay (with a copy to the Trust Manager) unless the Seller has notified the Covered Bond Guarantor that it will accept the offer set out in a Selected Receivables Offer Notice within the prescribed time in relation to the Receivables specified in the Selected Receivables Offer Notice, in which case, the completion and delivery of transfers to the Covered Bond Guarantor and the notifications to the relevant Debtors and the transfer of custody shall not occur in relation to the Receivables as specified and a Title perfection Event in relation to the relevant Receivables will not have occurred; or
- (b) in respect of Selected Receivables only, the acceptance of an offer to sell the Selected Receivables (in accordance with the Program Documents) by any person who is not the Seller; or
- (c) the Seller or the Covered Bond Guarantor (or both) being required to perfect legal title to the Receivables by law or by an order of a court of competent jurisdiction; or
- (d) the Charge under the Deed of Charge or any material part of the Charge being in the opinion of the Security Trustee (acting on the directions of the Voting Secured Creditors) in jeopardy and the Security Trustee determining or being directed by the Voting Secured Creditors, to take that action to reduce that jeopardy; or
- (e) the termination of ANZBGL's role as Servicer under the Servicing Deed unless (i) at the relevant date of termination any Substitute Servicer is a member of the ANZ Group or (ii) the Security Trustee otherwise consents (such consent to be given if a Rating Agency Notification has been delivered by the Trust Manager to the Covered Bond Guarantor and the Security Trustee in respect of the termination of ANZBGL's role as Servicer);
- (f) the Seller requesting the perfection of a sale of Receivables by giving notice in writing to the Covered Bond Guarantor and the Security Trustee;
- (g) the occurrence of an Insolvency Event in relation to the Seller; or
- (h) the Seller's unsecured, unsubordinated, long-term senior debt obligations have been downgraded below Baa3 by Moody's or BBB- by Fitch.

The Seller undertakes (to the extent that it receives or there is received to its order after a Transfer Date but prior to any repurchase or extinguishment of the relevant property, interest, right or benefit or the proceeds (or both) thereof) any of the following) to hold any property, interest, right or benefit or the proceeds (or both) thereof sold to the Covered Bond Guarantor, to the extent the relevant property comprises cash, on trust for the Covered Bond Guarantor until it remits, assigns or transfers (or both) the same to the Covered Bond Guarantor.

Prior to the acquisition by the Covered Bond Guarantor of any Receivables from the Seller the Seller delivered a properly executed registrable power of attorney appointing the Covered Bond Guarantor

as its attorney, with full powers of substitution, to: (I) execute, deliver, lodge and register with any Land Titles Office of any relevant Australian jurisdiction any transfer of mortgage relating to any Receivables in accordance with the Mortgage Sale Agreement; and (II) execute, deliver, lodge and register with any Land Titles Office in any relevant Australian jurisdiction any other documents, perform any act, matter or thing necessary to perfect the Covered Bond Guarantor's legal title to the mortgages relating to the Receivables. The power of attorney will not be exercisable by the Covered Bond Guarantor until the occurrence of a Title Perfection Event. Upon the occurrence of a Title Perfection Event, the Servicer must deliver to or at the written direction of the Covered Bond Guarantor all Title Documents, and the Covered Bond Guarantor, acting on the direction of the Trust Manager, must as soon as practicable take all necessary steps to protect the Covered Bond Guarantor's interest in, and title to, the Receivables, including: (1) signing (where necessary under the Seller's Power of Attorney) and lodging or submitting any transfer or caveat with the land titles office of the appropriate jurisdiction; (2) initiating legal proceedings to take possession of the Title Documents that have not been delivered by the Servicer; (3) the giving of notice of the transfers to the relevant Debtors, insurers and other interested persons; and (4) requiring each relevant Debtor to make all payments in respect of the relevant Receivables to the GIC Account.

The Seller has agreed to indemnify each of the Covered Bond Guarantor and the Security Trustee from and against any and all costs, fees and expenses (including, without limitation, legal fees and expenses and any applicable GST thereon) which may be properly incurred by the Covered Bond Guarantor or the Security Trustee (or both) by reason of doing any act, matter or thing in order to protect or perfect legal title to the Receivables (where entitled to do under the terms of the Mortgage Sale Agreement).

Representations and Warranties

Neither the Covered Bond Guarantor nor the Security Trustee has made or has caused to be made on its behalf any enquiries, searches or investigations in respect of the Receivables to be sold to the Covered Bond Guarantor. Instead, each will rely entirely on the Representations and Warranties made by the Seller and contained in the Mortgage Sale Agreement. The Seller's Representations and Warranties in relation to a Receivable sold or to be sold to the Covered Bond Guarantor include substantially the following:

- (a) At the time the Seller entered into the Receivable, the Receivable complied in all material respects with all applicable laws.
- (b) The Receivable was originated by the Seller in accordance with, in all material respects, its Servicing Procedures in force at the time of the origination of the Receivable.
- (c) The terms of the Receivable have not been impaired, waived, altered or modified in any respect, except changes to the terms of the Receivable to which a Prudent Mortgage Lender might have agreed Receivable.
- (d) The Receivable has been made on the terms of, or on terms not materially different from, documents forming part of the standard mortgage documentation of the Seller.
- (e) The Receivable, the related Mortgage and any other Related Security are enforceable in accordance with their terms against the relevant Debtor or security provider (as the case may be) (subject to laws relating to insolvency and creditors' rights generally).
- (f) The Receivable is a Qualifying Receivable.
- (g) The Receivable was originated in the ordinary course of the residential secured lending activities of the Seller.

- (h) At the time the Seller entered into the Receivable, it had not received any notice of the insolvency or bankruptcy of the Debtor or that the Debtor did not have the legal capacity to enter into the Receivable.
- (i) The Seller is the sole legal and beneficial owner of the Receivable, the related Mortgage and any other Related Security, and no Encumbrance exists in relation to its right, title and interests in the Receivable, the related Mortgage and any other Related Security, and the Seller has not received notice from any person that claims to have an Encumbrance ranking in priority to or equal with the related Mortgage or Related Security (other than an Encumbrance arising by operation of law).
- (j) To the best of the Seller's knowledge and belief it holds, or it is able to obtain, all documents (whether in paper or electronic form) necessary to enforce the provisions of, and the security created by, the Receivable.
- (k) Except if the Receivable is subject to a fixed rate of interest at any time and, except as may be provided by applicable laws or any binding code or arrangement applicable to banks or other lenders in the business of making retail home loans, the interest payable on the Receivable is not subject to any limitation and no consent, additional memoranda or other writing is required from the Debtor to give effect to a change in the interest rate payable on the relevant Receivable and any change will be effective on notice being given to the Debtor in accordance with the Receivable Conditions.
- (l) In relation to a Receivable, prior to originating the Receivable, and where required under the Servicing Procedures the relevant Property was valued in accordance with the Servicing Procedures.
- (m) The relevant Property subject to a Mortgage is a residential property situated in Australia.
- (n) In respect of each Property subject to a Mortgage, at the time the Receivable and Mortgage was entered into all necessary steps were taken to ensure that the Mortgage complied with all legal requirements applicable at that time to be a first ranking registered mortgage or, where the Seller already held the first ranking registered mortgage a second ranking registered mortgage (subject to any statutory charges, any prior charges of a body corporate, service company or equivalent, whether registered or otherwise) in either case secured over Property, subject to stamping and registration in due course.
- (o) Since the origination of the Receivable, full and proper accounts, books and records have been kept showing clearly all material transactions, payments, receipts, notices and proceedings relating to the Receivable and all such accounts, books and records are up to date, accurate in all material respects and have been kept to standards acceptable to a Prudent Mortgage Lender and are in the possession of the Seller.
- (p) The Seller is lawfully entitled to assign the Receivable upon the terms and conditions of the Mortgage Sale Agreement and no consent to the sale and assignment of the Receivable or notice of that sale and assignment is required to be given by or to any Debtor.
- (q) Upon the acceptance of the offer contained in a New Receivable Portfolio Sale Notice, beneficial ownership of the Receivable will vest in the Covered Bond Guarantor free and clear of all Encumbrances (other than Encumbrances arising by operation of law).
- (r) Neither the entry by the Seller into the Mortgage Sale Agreement nor the sale of the rights, title, interests and benefits in the Receivables contemplated by the Mortgage Sale Agreement will have a material adverse effect on any Receivable.

- (s) All formal approvals, consents and other steps necessary to permit the sale of the Receivable under the Mortgage Sale Agreement have been obtained or taken.

Seller Trust

The Mortgage in respect of a Purchased Receivable may constitute an “all money mortgage” in that such Mortgage purports to secure the repayment of indebtedness which a Debtor owes, or may owe, to the Seller, as applicable, from time to time that is not assigned to the Covered Bond Guarantor (such as business loans) (**Associated Debt**) as well as securing the repayment of the Receivable (each, an **All Moneys Mortgage**). Pursuant to a trust to be established on the date that an All Moneys Mortgage is assigned by the Seller to the Covered Bond Guarantor (each such trust, a **Seller Trust**), the Covered Bond Guarantor will hold the Covered Bond Guarantor’s whole right, title, benefit and interest in such All Moneys Mortgage and the proceeds of enforcement of such All Moneys Mortgage on trust for itself and the Seller absolutely, as applicable, (such property being the **Seller Trust Trust Property**). Each of the Covered Bond Guarantor and the Seller, as applicable, will have an interest in the Seller Trust Trust Property, and in the event that enforcement proceedings are instituted against a Debtor under the terms of the All Moneys Mortgage, any proceeds which are available to be distributed will be distributed under the terms of the Seller Trust, first, to meet all costs, charges and expenses of the Seller Trust Trustee (being the Covered Bond Guarantor), the Trust Manager or the relevant mortgagee or any receiver, receiver and manager or attorney incurred in the enforcement of the Receivable; second, to the Covered Bond Guarantor, the amount required to pay, in full, the Current Principal Balance of each related Purchased Receivable together with accrued interest and arrears of interest and expenses payable, the payment of which is secured by the All Moneys Mortgage; third, following the repayment in full of the amounts referred to above, to the Seller the amount required to pay, in full, all amounts due and payable under the related Associated Debt (including accrued interest and any other amounts due in respect thereof), the payment of which is secured by the All Moneys Mortgage; and fourth, as to any excess, to the Debtor in respect of the relevant All Moneys Mortgage. An All Moneys Mortgage may be enforceable on the occurrence of a default by the relevant Debtor under the terms of the Receivables or under the terms of the Associated Debt.

If the Covered Bond Guarantor or, following the service of a Covered Bond Guarantee Acceleration Notice, the Security Trustee receives notice from the Seller that a Purchased Receivable is secured by an All Moneys Mortgage, the Covered Bond Guarantor or the Security Trustee (as the case may be) will not dispose of, or create an interest in, the All Moneys Mortgage or the Purchased Receivable secured by the All Moneys Mortgage, unless the Covered Bond Guarantor (acting on the directions of the Trust Manager) or the Security Trustee (as the case may be) notifies the relevant third party receiving that interest in the All Moneys Mortgage, or the Receivable secured by the Mortgage, of the Seller Trust and the terms of any agreement with respect to the disposal of, or the creation of the interest in, the All Moneys Mortgage or the Receivable (except where the agreement is with the Seller) includes a requirement on the relevant acquirer to hold the All Moneys Mortgage upon trust for itself and the Seller (and any subsequent purchaser of the Associated Debt) on the same terms as the Seller Trust and undertakings on the same terms as those in the Seller Trust by the relevant acquirer in favour of, and enforceable by, the Seller and any third party purchaser of any Associated Debt unless expressly agreed otherwise by the Seller.

Neither the Covered Bond Guarantor nor the Security Trustee will grant, provide or agree to any release, discharge, surrender, waiver or variation of that All Moneys Mortgage without the prior written consent of the Seller. If the Seller reasonably believes that the Covered Bond Guarantor or the Security Trustee intends to dispose of, or create an interest in, any Related Security which also secures, or relates to, Associated Debt the Seller may lodge a caveat to protect its interest in the relevant Associated Debt.

Repurchase by the Seller following breach of Representations and Warranties

If the Seller receives a Receivable Repurchase Notice from the Covered Bond Guarantor identifying a Purchased Receivable which did not, as at the relevant Transfer Date, materially comply with the Representations and Warranties set out in the Mortgage Sale Agreement, then the Seller will be required to repurchase any such Receivable, unless the Related Security for the Purchased Receivable also secures another Purchased Receivable that is not the subject of the same Receivable Repurchase Notice, for the Repurchase Price payable at the Repurchase Date.

Product Switches, Further Advances and Redraws

A Purchased Receivable will be subject to a Product Switch when the Seller agrees to a variation in the Receivable Conditions applicable to a Debtor's Receivable which means the Receivable would no longer be a Qualifying Receivable and/or moving a Debtor to an alternative mortgage product, including a change in Product Type.

If the Seller agrees to make a Product Switch in relation to a Purchased Receivable, the Seller shall be required to offer to repurchase the Receivable by serving a Seller Receivable Repurchase Notice on the Covered Bond Guarantor, unless:

- (a) the Product Switch is a change to another Product Type which at that time has been approved for acceptance by the Covered Bond Guarantor (acting on the Trust Manager's direction); or
- (b) the Seller has obtained the written agreement of the Covered Bond Guarantor (at the direction of the Trust Manager) that the Receivable may remain in the Purchased Receivables.

The Trust Manager is under no obligation whatsoever to direct the Covered Bond Guarantor to agree that a Receivable to which an offer of a Product Switch relates may remain in the Purchased Receivables (and the Covered Bond Guarantor is similarly under no such obligation to so agree), and any such decision shall be made at the Trust Manager's absolute discretion, provided that in no circumstances shall the Trust Manager direct the Covered Bond Guarantor to agree that a Receivable to which an offer of a Product Switch relates may remain in the Purchased Receivables if the Receivable would not be a Qualifying Receivable immediately after the Product Switch occurs. Any Receivable subject to a Product Switch repurchased by the Seller shall be repurchased at the Repurchase Price payable as at the Repurchase Date.

A Purchased Receivable will be subject to a Further Advance if an existing Debtor requests further moneys to be advanced to him or her under the relevant Receivable in circumstances which do not amount to a Redraw and such request is granted. A Purchased Receivable will be subject to a Redraw when the Seller agrees to a re-advance by the Seller of some or all of the Overpayments that the Debtor has paid on the Receivable.

If the Seller agrees to make a Further Advance or a Redraw in relation to a Purchased Receivable, the Covered Bond Guarantor shall be entitled to (acting at the direction of the Trust Manager) extinguish the Covered Bond Guarantor's right, title and interest in the relevant Purchased Receivable in favour of the Seller or request the Seller to repurchase the Purchased Receivable related to the Further Advance or Redraw. The Trust Manager is under no obligation whatsoever to direct the Covered Bond Guarantor to pay to the Seller the Purchase Price of a Further Advance or reimburse the Seller for funding a Redraw (and the Covered Bond Guarantor is similarly under no such obligation to so pay), and any such decision shall be made at the Trust Manager's absolute discretion, provided that under no circumstances shall the Trust Manager direct the Covered Bond Guarantor to agree to pay to the Seller the Purchase Price of a Further Advance or reimburse the Seller for funding a Redraw if (in the Trust Manager's reasonable opinion): (i) the Receivable would not be a Qualifying Receivable immediately after the Further Advance or Redraw is made; or (ii) on the Determination Date following the date on which the Further Advance or Redraw is made it is determined by the Trust

Manager that either there will be insufficient Available Principal Receipts that are able to be applied for that purpose on the next Trust Payment Date in accordance with the Pre Acceleration Principal Allocations or a Reimbursement Demand Loan Advance will not be made by the Demand Loan Provider for that purpose, in respect of that request, for whatever reason. The Trust Manager shall notify the Seller on or before the relevant Trust Payment Date as to whether or not the Trust Manager intends to direct the Covered Bond Guarantor to pay to the Seller the Purchase Price of a Further Advance or to reimburse the Seller for funding the Redraw.

If the Trust Manager notifies the Seller that it has determined not to direct the Covered Bond Guarantor to pay the Seller the Purchase Price of a Further Advance or to reimburse the Seller for funding a Redraw, then the Covered Bond Guarantor (acting at the direction of the Trust Manager) must serve a Receivable Repurchase Notice on the Seller. The Covered Bond Guarantor shall be required to sell and the Seller shall be required to repurchase the relevant Receivable on the relevant Repurchase Date in accordance with the Mortgage Sale Agreement. Any Receivable subject to a Further Advance or Redraw repurchased by the Seller shall be repurchased at the Repurchase Price of the Receivable payable as at the Repurchase Date less the Further Advance or the Redraw (as the case may be).

Defaulted Receivables

If a Receivable becomes a Defaulted Receivable, then that Defaulted Receivable will be attributed a zero value in the calculation of the Asset Coverage Test and the Amortisation Test on the relevant Determination Date.

General ability to repurchase

The Seller may, at any time prior to the occurrence of an Issuer Event of Default, by serving a Seller Receivable Repurchase Notice in relation to one or more Purchased Receivables on the Covered Bond Guarantor (copied to the Trust Manager), offer to repurchase such Purchased Receivables and its Related Security (unless the Related Security also secures another Purchased Receivable that is not also subject to the offer contained in the Seller Receivable Repurchase Notice) and to pay to the Covered Bond Guarantor the Repurchase Price in respect of such Purchased Receivables on the Repurchase Date. The Covered Bond Guarantor shall be under no obligation whatsoever to accept such an offer. In no circumstances shall the Covered Bond Guarantor accept (nor shall the Trust Manager direct it to accept) any such offer unless the Calculation Manager has first confirmed that, after any extinguishment in respect of the Purchased Receivable, the Asset Coverage Test will be met.

Timing of repurchase and payment of repurchase price

A repurchase of the right, title and interest in a Purchased Receivable in the circumstances described under “Repurchase by the Seller following breach of Representations and Warranties”, “Product Switches, Further Advances and Redraws” and “General ability to repurchase” will take place on a date agreed by the Seller and the Covered Bond Guarantor (acting on the direction of the Trust Manager) or on the next Trust Payment Date to occur following expiry of a period of five days following the date of the service by the Seller of a Seller Receivable Repurchase Notice or the date of the service by the Covered Bond Guarantor of the Receivable Repurchase Notice.

Right of pre-emption

Under the terms of the Mortgage Sale Agreement, the Seller will have a right of pre-emption in respect of any sale, in whole or in part, of Selected Receivables. The Covered Bond Guarantor may be required to sell selected Receivables in the circumstances described in “*Supplemental Deed – Sale of Selected Receivables if the Pre-Maturity Test is breached*”, “*Supplemental Deed – Sale of Selected Receivables following the Demand Loan Provider making demand that the Demand Loan be repaid*”, “*Supplemental Deed – Sale of Selected Receivables following service of an Asset Coverage Test*”

Breach Notice” and “Supplemental Deed – Sale of Selected Receivables following service of a Notice to Pay” below.

In connection with the sale of Selected Receivables, the Covered Bond Guarantor will serve on the Seller a Selected Receivable Offer Notice offering to sell those Selected Receivables for the best price reasonably available, but in any event: (a) following the service of an Asset Coverage Test Breach Notice (but prior to the service of a Notice to Pay), for an amount not less than the Current Principal Balance of the Selected Receivables plus the arrears of interest and accrued interest thereon; and (b) following a breach of the Pre-Maturity Test or service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager), for an amount not less than the Adjusted Required Redemption Amount for the relevant Series of Covered Bonds. The Seller may accept the Covered Bond Guarantor’s offer to sell the relevant Selected Receivables in accordance with the foregoing by paying, within ten Local Business Days of service of the Selected Receivable Offer Notice on the Seller, the Purchase Price set out in the Selected Receivable Offer Notice, provided that if an Issuer Event of Default has occurred but no liquidator, statutory manager, receiver, receiver and manager or administrator has been appointed to the Seller, the Seller’s right to accept the offer (and therefore its right of pre-emption) will be conditional upon the delivery within such ten Local Business Day period of a solvency certificate in a form acceptable to the Trust Manager (acting reasonably). Upon receipt by the Covered Bond Guarantor of the Purchase Price set out in the Selected Receivable Offer Notice, the Covered Bond Guarantor’s right, title and interest in: (a) the relevant Selected Receivables referred to in the relevant Selected Receivable Offer Notice; and (b) unless the Related Security also secures another Purchased Receivable that is not also subject to the offer continued in the Selected Receivable Offer Notice, the Related Security is extinguished or transferred (as the case may be) to the Seller free from any Encumbrance).

If the Seller rejects the Covered Bond Guarantor’s offer or fails to accept it in accordance with the foregoing, the Covered Bond Guarantor will offer to sell the Selected Receivables to other Purchasers (subject to further right of pre-emption in favour of the Seller if required by law) (as described under “Supplemental Deed – Method of Sale of Selected Receivables”, below).

Further drawings under the Receivables

The Seller will be solely responsible for funding all further drawings, if any, in respect of Purchased Receivables (including, but not limited to, Further Advances and Redraws).

The Mortgage Sale Agreement is governed by the laws of the State of Victoria, Australia.

Servicing Deed

Pursuant to the terms of the Servicing Deed entered into on the Program Date between, among others, the Covered Bond Guarantor, ANZBGL (in its separate capacities as Servicer and as Seller), the Trust Manager and the Security Trustee, the Covered Bond Guarantor (as Covered Bond Guarantor and as Seller Trust Trustee) appoints ANZBGL as Servicer and it has agreed to administer and service on behalf of and for the benefit of the Covered Bond Guarantor the Purchased Receivables sold by the Seller to the Covered Bond Guarantor.

The Servicer will be required to administer and service the Purchased Receivables in accordance with:

- (a) at all times in the best interest of the Covered Bond Guarantor;
- (b) in accordance with all applicable laws (including Consumer Credit Law if it applies to those Receivables); and
- (c) subject to (b), in accordance with the Servicer’s Servicing Procedures in all material respects.

The Servicer will have the power to exercise the rights, powers and discretions and to perform the duties of the Covered Bond Guarantor and the Seller (according to their respective estates and interests) in relation to the Purchased Receivables that it is servicing pursuant to the terms of the Servicing Deed, and to do anything which it reasonably considers necessary, convenient or incidental to the administration of the Purchased Receivables provided that such rights of the Servicer are exercised in the best interests of the Covered Bond Guarantor.

Undertakings of the Servicer

Pursuant to the terms of the Servicing Deed, the Servicer covenants with and undertakes to the Covered Bond Guarantor (for itself and as Seller Trust Trustee), the Trust Manager and the Security Trustee that, without prejudice to any of its specific obligations under the Servicing Deed, it will:

- (a) administer and service the Purchased Receivables in accordance with all applicable laws (including Consumer Credit Law) and the Servicing Procedures;
- (b) provide the Services set out in the Servicing Deed in such manner and with the same level of skill, care and diligence as would a Prudent Mortgage Lender;
- (c) maintain all authorisations, licences, permits, approvals and other registrations as may be required under any applicable legislation to act as servicer of the Purchased Receivables;
- (d) prepare and collate all reasonably necessary performance statistics of the Purchased Receivables;
- (e) provide to the Covered Bond Guarantor and the Trust Manager promptly from time to time such information, documents, records, reports or other information relating to the Purchased Receivables or the operations of the Servicer as may be reasonably requested by either of them;
- (f) maintain a loan account in respect of each Purchased Receivable and give all notices, documents or statement required to be given under the Servicing Procedures to the relevant Debtor;
- (g) not, without the consent of the Security Trustee, consent to the creation or existence of an Encumbrance in any Purchased Receivable, except either as permitted by the Servicing Procedures or as expressly provided for or permitted by the Program Documents;
- (h) following any amendment, consolidation, novation or substitution of a Mortgage, promptly procure due stamping (if liable to stamp duty) and registration with the relevant Land Titles Office of any Mortgage that relates to a Purchased Receivable in accordance with the Servicing Procedures;
- (i) electronically identify each Purchased Receivable in its electronic database in order to identify the Receivable as being the property of the Covered Bond Guarantor and to identify the Receivable Scheduled Payments and other relevant cashflows in respect of each Purchased Receivable;
- (j) except as required by law or required or permitted by, the Servicing Procedures and the Receivable Conditions, not without the consent of the Covered Bond Guarantor release the Debtor from any amount owing in respect of a Purchased Receivable or otherwise vary or discharge any such Receivable;
- (k) not grant any extension of the maturity of a Purchased Receivable or allow any reduced payment that would result in such extension except:

- (i) as required or permitted by the Servicing Procedures and the Receivable Conditions;
 - (ii) as approved by the Covered Bond Guarantor (as directed by the Trust Manager) and the relevant Mortgage Insurer (if applicable); or
 - (iii) as required by applicable law and any regulatory undertakings binding on the Servicer;
- (l) forthwith upon becoming aware of any event which may reasonably give rise to an obligation of the Seller to repurchase any Receivable pursuant to the Mortgage Sale Agreement, notify the Covered Bond Guarantor in writing of such event;
 - (m) ensure that, to the extent required by the Consumer Credit Law, it remain a licensee for the purposes of the Consumer Credit Law;
 - (n) to the extent it is within its control, to remain a Licensee and to immediately notify the Covered Bond Guarantor and the Trust Manager if it ceases to be a Licensee; and
 - (o) comply with the requirement of the Consumer Credit Law, in exercising its rights and carrying out its obligations under the Servicing Deed and ensure that its actions or omissions do not cause the Covered Bond Guarantor to breach the Consumer Credit Law in respect of the Receivables.

Interest Rate Shortfall Test

The Servicer shall, if the Interest Rate Swap is not in effect in accordance with its terms, determine on each Determination Date, having regard to:

- (a) the fixed interest rate and the variable interest rate and any other discretionary rate or margin in respect of the Purchased Receivables which the Servicer proposes to set under the Servicing Deed for the next succeeding Trust Payment Period (the relevant **Trust Payment Period**); and
- (b) the other resources available to the Covered Bond Guarantor, including the Covered Bond Swap Agreements (if any) and the Reserve Fund (as advised by the Covered Bond Guarantor, acting at the direction of the Trust Manager),

whether the Covered Bond Guarantor would receive an amount of income during the relevant Trust Payment Period which, when aggregated with the funds otherwise available to the Covered Bond Guarantor, is less than the amount which is the aggregate of (i) the amount of interest which would be payable (or provisioned to be paid) by or on behalf of the Covered Bond Guarantor under the Intercompany Loan Agreement (or, if a Notice to Pay has been served on the Covered Bond Guarantor (with a copy to the Trust Manager), the Covered Bond Guarantee), and the Demand Loan Agreement on the Trust Payment Date falling at the end of the relevant Trust Payment Period, and the relevant amounts payable (or provisioned to be paid) to the Covered Bond Swap Providers under the Covered Bond Swap Agreements in respect of all Covered Bonds on the Trust Payment Date falling at the end of the relevant Trust Payment Period; and (ii) the other expenses payable (or provisioned to be paid) by the Covered Bond Guarantor on the Trust Payment Date falling at the end of the relevant Trust Payment Period ranking in priority thereto in accordance with the relevant Cashflow Allocation Methodology applicable prior to a Covered Bond Guarantor Event of Default (the **Interest Rate Shortfall Test**). Any interest rate shortfall under the Interest Rate Shortfall Test is referred to in this Offering Memorandum as an **Interest Rate Shortfall**.

If the Servicer determines that the Interest Rate Shortfall Test will not be met, it will give written notice to the Covered Bond Guarantor and the Seller (copied to the Trust Manager and the Security Trustee), within five Local Business Days of the relevant Determination Date, of the amount of the

Interest Rate Shortfall and the variable interest rate and the other discretionary rates or margins which would, in the Servicer's opinion, need to be set in order for no shortfall to arise, and the Interest Rate Shortfall Test to be met on the next succeeding Determination Date, having regard to the date(s) on which the changes to the variable interest rate and the other discretionary rates or margins would take effect, following which: (i) (subject to the Servicing Deed and the Mortgage Sale Agreement), the Servicer shall set the variable interest rate and/or other discretionary rates or margins applicable to the Purchased Receivables at such levels; and/or (ii) the Trust Manager or the Security Trustee may notify the Servicer and the Seller that, having regard to the obligations of the Covered Bond Guarantor and the amount of the Interest Rate Shortfall, further Receivables should be sold by the Seller to the Covered Bond Guarantor pursuant to the Mortgage Sale Agreement to rectify the Interest Rate Shortfall, in which case, the Seller will use all reasonable endeavours to offer to sell in accordance with the Mortgage Sale Agreement sufficient New Receivables to the Covered Bond Guarantor on or before the next succeeding Determination Date to rectify the Interest Rate Shortfall on that Determination Date.

Yield Shortfall Test

If, at any time following an Issuer Event of Default (and for so long as such Issuer Event of Default continues unremedied) or the service of an Asset Coverage Test Breach Notice which has not been revoked, and the Interest Rate Swap is not in effect in accordance with its terms, the Servicer shall determine on each Determination Date, having regard to the aggregate of:

- (a) the fixed interest rate and the variable interest rate (as the case may be) and any other discretionary rate or margin, in respect of the Purchased Receivables which the Servicer proposes to set under the Servicing Deed for the relevant Trust Payment Period; and
- (b) the resources available to the Covered Bond Guarantor under the Covered Bond Swap Agreements (if any),

whether the Covered Bond Guarantor would receive an aggregate amount of interest from the Purchased Receivables and amounts under the Covered Bond Swap Agreements during the relevant Trust Payment Period which would give an annual yield that is sufficient to enable the Covered Bond Guarantor to make the payments and provisions in items (a)-(g) (inclusive) of the Guarantor Allocations in full on the next 12 Trust Payment Dates to occur following the end of the Collection Period commencing immediately prior to the Determination Date (the **Yield Shortfall Test**). Any yield shortfall shall be referred to as the **Yield Shortfall**.

If the Servicer determines that the Yield Shortfall Test will not be met, it will give written notice to the Covered Bond Guarantor (copied to the Trust Manager) and the Security Trustee, within five Local Business Days of the relevant Determination Date, of the amount of the Yield Shortfall and the variable interest rate and the other discretionary rates or margins which would, in the Servicer's opinion, need to be set in order for no shortfall to arise, and the Yield Shortfall Test to be met, having regard to the date(s) on which the changes to the variable interest rate and the other discretionary rates or margins would take effect, and at all times acting in accordance with the standards of a Prudent Mortgage Lender. If the Covered Bond Guarantor (acting at the direction of the Trust Manager) or the Security Trustee notifies the Servicer that, having regard to the obligations of the Covered Bond Guarantor, the variable interest rate or the other discretionary rates or margins should be increased, the Servicer will take all steps which are necessary and are in accordance with the standards and practices of a Prudent Mortgage Lender to increase the variable interest rate or any other discretionary rates or margins, including giving any notice which is required in accordance with the Servicing Deed or the Receivable Conditions.

Remuneration

The Covered Bond Guarantor shall, in accordance with the Cashflow Allocation Methodology, pay to the Servicer for the provision of the Services an administration fee which shall be agreed in writing between the Covered Bond Guarantor, or the Trust Manager on its behalf, the Security Trustee and the Servicer. The Covered Bond Guarantor will on each Trust Payment Date, subject to the relevant Cashflow Allocation Methodology as further consideration for the Services supplied to it by the Servicer under the Servicing Deed, reimburse the Servicer for all out-of-pocket costs, expenses and charges properly incurred by the Servicer in the performance of the Services, including any such costs, expenses or charges not reimbursed to the Servicer on any previous Trust Payment Date.

Collections

The Servicer acts as independent contractor for the Covered Bond Guarantor to collect payments in respect of the Purchased Receivables (including, without limitation, a Receivable Scheduled Payment). If the Servicer receives, during a Collection Period, any money whatsoever arising from the Purchased Receivables which money belongs to the Covered Bond Guarantor and such money is to be credited to the GIC Account pursuant to the Servicing Deed, the Servicer shall hold such money on trust for the Covered Bond Guarantor and shall ensure that all such moneys are readily identified. All such amounts described above received by the Servicer during a Collection Period shall be credited to the GIC Account either on the Trust Payment Date immediately following the end of that Collection Period (for so long as ANZBGL has short-term credit ratings of no lower than P-1 from Moody's and F1 from Fitch and a long-term credit rating of A from Fitch) or, in any other case, within two Local Business Days of receipt.

ANZBGL shall, if it credits money received during a Collection Period to the GIC Account in accordance with the Servicing Deed, on the Trust Payment Date immediately following the end of that Collection Period, credit an additional amount to the GIC Account calculated as interest on the amount of that money for the period during which it was held by ANZBGL during that Collection Period. Any such interest is to be calculated on the Determination Date immediately following the end of the Calculation Period by ANZBGL in its absolute discretion on the daily balance of the amount of money for the period during which it was held by ANZBGL during the Collection Period and at a rate determined on the first day of that Collection Period as the rate equal to the applicable 30 days Bank Bill Rate determined by ANZBGL in its sole discretion.

Removal or resignation of the Servicer

The Covered Bond Guarantor (acting at the direction of the Trust Manager) or the Security Trustee (acting on the directions of the Voting Secured Creditors) shall, at any time after, upon written notice to the Servicer, terminate the Servicer's rights and obligations from a date (not earlier than the date of the notice) specified in the notice, but without prejudice to any then existing rights and liabilities of the parties to the Servicing Deed, if any of the following events (each a **Servicer Termination Event**) occurs:

- (a) the Servicer fails to remit, or pay, any amount due under the Program Documents within seven Local Business Days of receipt of a notice from either the Covered Bond Guarantor or the Trust Manager to do so;
- (b) the Servicer fails to prepare and submit to the Covered Bond Guarantor or the Trust Manager in a timely and accurate fashion any information so required under the Program Documents which the Security Trustee considers (acting on the directions of the Voting Secured Creditors) is materially prejudicial to the Covered Bondholders and, if capable of remedy, is not remedied within 20 Local Business Days after notice delivered to the Servicer by the Covered Bond Guarantor or the Trust Manager;
- (c) an Insolvency Event occurs in respect of the Servicer; or

- (d) the Servicer fails to observe or perform any term, covenant, condition or obligation provided for in the Program Documents (other than those referred to in paragraphs (a) and (b) above which the Security Trustee considers (acting on the directions of the Voting Secured Creditors) is materially prejudicial to the Covered Bondholders and continues unremedied for 20 Local Business Days after notice delivered to the Servicer by the Covered Bond Guarantor or the Trust Manager (or such longer period as may be agreed between the Servicer and the Covered Bond Guarantor);
- (e) the Servicer's unsecured, unsubordinated, long-term senior debt obligations have been downgraded below Baa3 by Moody's or BBB- by Fitch.

Any termination of the appointment of the Servicer (and the appointment of a Substitute Servicer as described below) is conditional upon the Trust Manager having delivered a Rating Agency Notification to the Covered Bond Guarantor, the Seller, the Servicer and the Substitute Servicer in respect of such termination of the appointment of the Servicer and the appointment of the Substitute Servicer.

If the appointment of the Servicer is terminated as described above, then with effect from the date of termination (each such date, a **Servicer Transfer Date**), unless and until a Substitute Servicer that satisfies the conditions set out below, has been appointed (without limiting the obligations of the Covered Bond Guarantor (at the direction of the Trust Manager) to use its reasonable endeavours to appoint a Substitute Servicer), the Covered Bond Guarantor shall be taken to be the Substitute Servicer and shall perform all obligations, and shall be entitled to exercise all rights, of the Servicer under the Transaction Documents.

Despite the entitlement of the Servicer to sub-contract or delegate the performance of all or any of its powers and obligations under and in accordance with the terms of the Servicing Deed, if the Covered Bond Guarantor is appointed as a Substitute Servicer as set out above, the Covered Bond Guarantor will not be liable for the acts or omissions of any officer, employee, attorney, agent, delegate, subcontractor, sub-delegate or sub-agent or for the fees and expenses of such officer, employee, agent, delegate, subcontractor, sub-delegate or sub-agent appointed or delegated to by the Covered Bond Guarantor in respect of the performance of all or any of its powers and obligations as Substitute Servicer.

In acting as Servicer as set out above, the Covered Bond Guarantor will not be responsible for, and will not be liable for, any inability to perform, or deficiency in performing, its duties and obligations as Servicer if:

- (a) the Covered Bond Guarantor is unable to perform those duties as a consequence of:
 - (i) the acts or omissions of the previous Servicer or any other party to a Transaction Document (other than the Covered Bond Guarantor or any Related Entity of the Covered Bond Guarantor), including any of their agents or delegates; or
 - (ii) the state of affairs of the previous Servicer, and its books and records; or
- (b) the Covered Bond Guarantor is unable, after using reasonable endeavours, to obtain information and documents or obtain access to software, personnel or resources from the previous Servicer the Covered Bond Guarantor requires and which are reasonably necessary for the Covered Bond Guarantor to perform those duties and obligations.

Further, in acting as Servicer as set out above:

- (a) the Covered Bond Guarantor does not make or repeat any representation of the Servicer under the Transaction Documents (but without limiting any representation under a Transaction

Document which is expressed to be a representation of the Covered Bond Guarantor in that capacity);

- (b) the Covered Bond Guarantor does not assume any indemnity obligations of the Servicer; and
- (c) the applicable limitation of liability clauses (including clause 30 of the Supplemental Deed) applies in respect of the Covered Bond Guarantor acting in the capacity of Servicer.

If the Covered Bond Guarantor is required to act as Servicer as set out above, the outgoing Servicer undertakes to do all things necessary, and to use reasonable endeavours to do all things reasonably requested by the Covered Bond Guarantor (including providing all material, relevant information which it has in its possession as Servicer), to effect the servicing transition from it as Servicer to the Covered Bond Guarantor or the Covered Bond Guarantor's delegate (including direct debit facilities).

For so long as the Covered Bond Guarantor is acting as servicer it is entitled to the fee payable to the Servicer or such other fee as may be agreed with the Trust Manager in respect of which it has given a Rating Agency Notification.

In addition, subject to the fulfilment of a number of conditions, including, without limitation, that a Substitute Servicer has been appointed, the Servicer may voluntarily resign by giving not less than 12 months' notice to the Covered Bond Guarantor, the Trust Manager and the Security Trustee and the Seller Trust Beneficiaries. Any such Substitute Servicer must have experience in administering and servicing housing loans secured on residential and (if applicable) commercial properties in Australia, shall have all authorisations, permissions and licences required by law for the purposes of administering and servicing mortgages of residential properties in Australia and must have entered into an agreement with the Covered Bond Guarantor, the Trust Manager and the Security Trustee substantially on the same terms as the Servicing Deed or on such terms as are satisfactory to the Trust Manager and the Servicer shall not be released from its obligations under the Servicing Deed until such new agreement has been entered into by all parties thereto and is in full force and effect.

On or after the effective date of the termination of the appointment of, or resignation of, the Servicer, the Servicer must, subject to all applicable privacy legislation forthwith deliver (and in the meantime, hold on trust for, and to the order of, the Security Trustee) the Title Documents, all books of account, papers, records, registers, correspondence and documents in its possession or under its control relating to the affairs of, or belonging to, the Covered Bond Guarantor and the Purchased Receivables (if practicable, on the date of receipt) any moneys and any other assets then held by the Servicer on behalf of the Covered Bond Guarantor and any other assets of the Trust to, or at the direction of, the Covered Bond Guarantor, and the Servicer shall take such further action as the Covered Bond Guarantor (or the Trust Manager on its behalf) and the Security Trustee (as applicable) shall require.

The Servicing Deed will terminate automatically at such time as the Covered Bond Guarantor has no further interest in any of the Purchased Receivables.

The Servicer may sub-contract or delegate the performance of its duties under the Servicing Deed, provided that it meets conditions as set out in the Servicing Deed.

Neither the Bond Trustee nor the Security Trustee is obliged to act as Servicer in any circumstances.

The Servicing Deed is governed by the laws of the State of Victoria, Australia.

Trust Terms Deed

The Trust Terms Deed, entered into between the Trust Manager and the Trustee on October 31, 2011, is the principal agreement that sets out the terms of the Trust and sets out the provisions governing the relationship between the Trust Manager and the Trustee. The Covered Bond Trust Deed contains provisions relating to (but not limited to):

- (a) the establishment of a Trust by the Trust Manager, including the conditions of these Trusts such as duration and termination provisions;
- (b) the interests of the Unitholders, including the liability of the Unitholders and Secured Creditors;
- (c) the Trust Manager's discretion as to the investments of the Trusts, including provisions as to the Assets of the Trusts;
- (d) the terms of the appointment, powers, obligations, delegation and costs of the Trustee and the Trust Manager;
- (e) the covenants of the Trustee and the Trust Manager;
- (f) the representations and warranties of the Trustee and the Trust Manager; and
- (g) the rights and liabilities of the Trustee and Trust Manager.

Covenants of the Trust Manager

The Trust Manager covenants with the Trustee in respect of each Trust that it will:

- (a) use its best endeavours and carry on and conduct its business to which its obligations and functions under the Trust Terms Deed relate, in a proper and efficient manner;
- (b) subject to the appointment of any Servicer in respect of the Assets of the Trust, manage the Trust;
- (c) act honestly and in good faith in the performance of its duties and in the exercise of its discretions under the Trust Terms Deed;
- (d) make available for inspection by the Trustee and the Auditor during normal business hours and after the receipt of reasonable notice, the books and records of the Trust Manager relating to the Trust;
- (e) give to the Trustee and the Auditor written or oral information in the possession of the Trust Manager which either may reasonably require with respect to all matters relating to the Assets or the Trust;
- (f) pay to the Trustee within three Business Days of receipt all money that is payable by the Trust Manager to the Trustee under the Program Documents (except as otherwise provided under the Program Documents);
- (g) make any filings required in connection with the Trust or the Assets with any Governmental Agency and within all applicable deadlines;
- (h) prepare and submit to the Trustee for signing and filing on a timely basis all income or other tax returns or elections required to be filed with respect to the Trust and ensure that the Trustee is directed to pay any taxes (including taxes assessed on the income of the Trust, it being acknowledged however that the Trustee and the Trust Manager will cooperate to ensure that no such tax falls due) required to be paid by the Trust;
- (i) it will keep accounting records which correctly record and explain all amounts paid and received by the Trustee and the Trust Manager and arranging for audited accounts to be prepared as and when required by the Program Documents; and

- (j) notify the Trustee and each Designated Rating Agency as soon as practicable after becoming aware that a Title Perfection Event, an Issuer Event of Default, Potential Issuer Event of Default, a Trust Manager Default, a Servicer Termination Event, a Swap Provider Default, a Swap Provider Downgrade Event or a Calculation Manager Termination Event has occurred.

Covenants of the Trustee

The Trustee covenants with the Trust Manager that the following covenants are for the benefit of the Trust Manager, the Secured Creditors and the Unitholders of the Trust jointly and severally:

- (a) it will act continuously as trustee of the Trust until the Trust is terminated in accordance with the Trust Terms Deed or until it has retired or been removed in accordance with the Trust Terms Deed;
- (b) it will take all such corporate actions which are necessary (including, without limitation, obtaining all such corporate authorisations and approvals) to ensure that it is able to exercise all its powers and remedies and perform all its obligations under the Program Documents;
- (c) except where required by statute or law, it will not sell, mortgage, charge or part with the possession of any of the Assets of the Trust (or permit any of its officers to do so) except as permitted by the Program Documents;
- (d) it will forward promptly to the Trust Manager all notices, reports, circulars and other documents received by it as holder of the Assets;
- (e) it will act honestly and in good faith in the performance of its duties and the exercise of its discretions under the Trust Terms Deed in relation to the Trust, having regard to the interests of the Unitholders and the Secured Creditors of the Trust;
- (f) it will exercise such diligence and prudence as a prudent person of business would exercise in performing its express functions and in exercising its discretions under the Trust Terms Deed in relation to the Trust, having regard to the interests of the Unitholders and the Secured Creditors of the Trust;
- (g) it will use its best endeavours to carry on and conduct its business insofar as it relates to the Trust Terms Deed in a proper and efficient manner;
- (h) it will not create any Encumbrance over the Assets of the Trust for the benefit of any person except as permitted under the Program Documents;
- (i) it will give any reasonable assistance to the Trust Manager in relation to the Trust as is reasonably requested by the Trust Manager (at the cost of the Trust Manager); and
- (j) it will promptly notify the Trust Manager and each Designated Rating Agency of the occurrence of any Trustee Default.

Trust Manager Default

If a Trust Manager Default occurs, the Trustee may either at its discretion, waive this Trust Manager Default, or the Trustee can, by giving notice to the Trust Manager and by giving a Rating Agency Notification, immediately remove the Trust Manager. The Trustee may then appoint another corporation to be the manager of the Trust. Until the appointment of any replacement trust manager is complete (whether upon removal or retirement of the Trust Manager), the Trustee must act as Trust Manager in accordance with the Covered Bond Trust Deed.

Trustee Default

The Trust Manager may, by written notice, require the Trustee to retire as trustee for all Trusts if it reasonably believes a Trustee Default has occurred. If the Trustee refuses to retire within 30 days of being required to do so, the Trust Manager is entitled to remove the Trustee from office immediately by notice in writing. The Trust Manager may then appoint a replacement trustee by deed. This appointment is not complete until the new trustee executes a deed by which it covenants to be bound by the Covered Bond Trust Deed and until a Rating Agency Notification is given by the Trust Manager. Until an appointment is made, the Trust Manager (subject to the law) is to act as trustee.

Representations and Warranties

Trust Manager

The Trust Manager represents and warrants to the Trustee that:

- (a) it has been duly incorporated as a company limited by shares in accordance with the laws of Victoria, is validly existing under those respective laws and has power and authority to carry on its business as it is now being conducted;
- (b) it has power to enter into and observe its obligations under Trust Terms Deed and the Program Documents to which it is a party;
- (c) it has in full force and effect the authorisations necessary to authorise its execution, delivery and performance of the Trust Terms Deed and the Program Documents to which it is a party, observe obligations under them and allow them to be enforced, and has filed all necessary returns with the Australian Securities and Investments Commission;
- (d) its obligations under the Trust Terms Deed and the Program Documents to which it is a party are valid, binding and enforceable against it in accordance with their terms subject to laws and defences generally affecting creditor's rights;
- (e) no Trust Manager Default continues unremedied;
- (f) it does not enter into the Trust Terms Deed or any Program Document in the capacity of a trustee of any trust or settlement; and
- (g) no Insolvency Event has occurred and is subsisting in respect of it.

Limitation of liability of Trustee and Trust Manager

Notwithstanding any other provision of the Trust Terms Deed, neither the Trustee nor the Trust Manager is liable:

- (b) in connection with anything done by it in good faith and (in the case of the Trust Manager) without negligence in reliance upon any document, form or list except where it is actually aware that the document, form or list is not genuine; or
- (c) if it fails to do anything because it is prevented or hindered from doing it by law or order; or
- (d) to anyone for payments made by it in good faith to a fiscal authority in connection with taxes (including taxes assessed on the income of the Trust) or other charges in respect of a Trust even if the payment need not have been made; or
- (e) other than as required under the Trust Terms Deed, if a person fails to carry out an agreement with the Trustee or the Trust Manager in connection with any Trust; or

- (f) to anyone because of any error of law or any matter done or omitted to be done by it in good faith in the event of the liquidation or dissolution of a company (other than a company under its control),

except to the extent that any of the foregoing is caused by the Trustee's or the Trust Manager's (as the case may be) own gross negligence, fraud or wilful default.

Indemnification of Covered Bond Guarantor

Subject to the applicable Cashflow Allocation Methodology, the Covered Bond Guarantor will be indemnified out of the assets of the Trust against all costs, expenses, loss and liabilities properly incurred by the Covered Bond Guarantor in performing any of its duties or exercising any of its powers under the Trust Terms Deed in relation to the Trust to the extent that the cost, expense, loss or liability has been incurred by the Covered Bond Guarantor in connection with the performance of its duties or the exercise of its powers in respect of the trust and except to the extent that any such cost, expense, loss or liability is caused by the Covered Bond Guarantor's breach of trust, fraud, gross negligence or wilful default.

Limitation of liability of Covered Bond Guarantor

The Trust Terms Deed contains a number of provisions which seek to exclude or limit the liability, duties or responsibilities of the Covered Bond Guarantor and which are incorporated into other Program Documents to which the Covered Bond Guarantor is a party. This exclusion only applies to the extent that any such loss, cost, charge, liability or expense is not caused by the fraud, gross negligence or wilful default of the Covered Bond Guarantor (for instance, losses arising out of the exercise or non-exercise of a discretion). The exclusion includes liability of the Covered Bond Guarantor for any loss, costs, charges or expenses caused in connection with actions of the Trust Manager and Servicer, but the Covered Bond Guarantor is not required to supervise or keep itself informed about or take any action to investigate the circumstances of a Servicer or the Trust Manager, or the performance of their respective obligations under any Program Document.

The Covered Bond Trust Deed is governed by the laws of the State of Victoria, Australia.

Asset Monitor Agreement

Under the terms of the Asset Monitor Agreement entered into on the Program Date between the Asset Monitor, the Covered Bond Guarantor, the Trust Manager, ANZBGL (in its capacities as Issuer, Seller and Calculation Manager), the Bond Trustee and the Security Trustee, the Asset Monitor has agreed, subject to due receipt of the information to be provided by the Calculation Manager to the Asset Monitor, to carry out various testing and notification duties and to report on the arithmetic accuracy of the calculations performed by the Calculation Manager on the Determination Date immediately prior to each anniversary of the Program Date, with a view to confirmation of compliance by the Covered Bond Guarantor with the Asset Coverage Test or the Amortisation Test, as applicable, on that Determination Date.

If the long-term ratings of the Calculation Manager (or if the Calculation Manager is not so rated, if the long-term unsecured, unguaranteed and unsubordinated debt obligation ratings of the Calculation Manager's holding company) fall below Baa3 by Moody's or BBB- by Fitch (and for as long as they remain below such ratings), the Asset Monitor will, subject to receipt of the relevant information from the Calculation Manager, be required to report on such arithmetic accuracy following each Determination Date.

If any test conducted by the Asset Monitor reveals arithmetic errors in the relevant calculations performed by the Calculation Manager such that the Asset Coverage Test or the Amortisation Test has been failed on the applicable Determination Date (where the Calculation Manager had recorded it as

being satisfied) or the Adjusted Aggregate Receivable Amount or the Amortisation Test Aggregate Receivable Amount is mis-stated by the Calculation Manager by an amount exceeding 1 percent of the actual Adjusted Aggregate Receivable Amount or the Amortisation Test Aggregate Receivable Amount, as applicable, (as at the date of the relevant Asset Coverage Test or the relevant Amortisation Test), the Asset Monitor will be required to conduct such tests following each Determination Date for a period of six months thereafter.

The Asset Monitor will be entitled, in the absence of manifest error, to assume that all information provided to it by the Calculation Manager for the purpose of reporting on the arithmetic accuracy is true and correct and not misleading, and is not required to report as such or otherwise take steps to verify the accuracy of any such information. The Asset Monitor Report will be delivered to the Calculation Manager, the Covered Bond Guarantor, ANZBGL, the Bond Trustee and the Security Trustee.

The Covered Bond Guarantor will pay to the Asset Monitor a fee as agreed between the Trust Manager and the Asset Monitor from time to time.

The Asset Monitor has also been appointed the cover pool monitor in respect of the Trust and the Program for purposes of the Australian Banking Act. In respect of each date falling six months after the first Issue Date (each, an **Audit Date**) and subject to receipt of the certain information to be provided to the Asset Monitor by the Trust Manager and the Calculation Manager, including the Receivables Register and the Fixed Income Register, the Investments Ledger (as described under the definition of Ledger in the “*Glossary*”) and account statements, the Asset Monitor will (subject to the terms of the Asset Monitor Agreement):

- (a) assess the keeping by the Calculation Manager of an accurate register of the assets in the cover pool of the Covered Bond Guarantor; and
- (b) assess compliance by the Issuer with sections 31 and 31A of the Australian Banking Act.

The Asset Monitor may perform the obligations in paragraphs (a) and (b) above by sampling in accordance with auditing standards made under the Corporations Act.

The Covered Bond Guarantor will pay to the Asset Monitor a fee as agreed between the Trust Manager and the Asset Monitor from time to time.

The Covered Bond Guarantor (at the direction of the Trust Manager) may, at any time, but only with the prior written consent of the Security Trustee acting on the instructions of the Bond Trustee (if there are Covered Bonds outstanding) or (if there are no Covered Bonds outstanding) the Majority Secured Creditors, terminate the appointment of the Asset Monitor by giving at least 40 Local Business Days prior written notice to the Asset Monitor, and the Asset Monitor may, at any time, resign by giving at least 40 Local Business Days prior written notice to the Issuer, the Covered Bond Guarantor, the Trust Manager and the Security Trustee, save that such 40 Local Business Days notice period shall not be required if (i) the Security Trustee (acting on the instructions of the Bond Trustee if there are Covered Bonds outstanding or on the instructions of the Majority Secured Creditors if there are no Covered Bonds outstanding) agrees that the resignation of the Asset Monitor may take effect at an earlier time or (ii) the Asset Monitor is required to resign pursuant to the applicable professional standards to which it is subject at the time of such resignation.

Upon giving notice of termination or receiving notice of resignation, the Covered Bond Guarantor (at the direction of the Trust Manager) shall use its best endeavours to promptly appoint a substitute Asset Monitor pursuant to an agreement, on substantially the same terms as the terms of the Asset Monitor Agreement, to provide the services set out in the Asset Monitor Agreement. If a substitute Asset Monitor is not appointed by the date which is 20 Local Business Days prior to a Determination Date in respect of which the Calculation Manager’s calculations are to be tested in accordance with

the terms of the Asset Monitor Agreement, then the Covered Bond Guarantor (at the direction of the Trust Manager) shall use all reasonable endeavours to appoint an Asset Monitor that is eligible to be an Asset Monitor under the Australian Banking Act approved by the Security Trustee to carry out the relevant tests on a one-off basis. The Trust Manager shall promptly notify the Rating Agencies of the appointment of any substitute Asset Monitor to carry out the relevant tests.

None of the Covered Bond Guarantor, the Bond Trustee nor the Security Trustee shall be obliged to act as Asset Monitor in any circumstances.

The Asset Monitor Agreement is governed by the laws of the State of Victoria, Australia.

Supplemental Deed

The Supplemental Deed, made between, the Covered Bond Guarantor and Trustee, the Trust Manager, ANZBGL (in its capacity as Seller, Servicer, Calculation Manager, Residual Income Unitholder and Residual Capital Unitholder), the Bond Trustee and the Security Trustee sets out (in addition to the Trust Terms Deed) the terms of the Trust.

Beneficiaries

The beneficial interest in the Trust is represented by the issue of one Residual Capital Unit and one Residual Income Unit to the Residual Capital Unitholder and the Residual Income Unitholder. The Residual Income Unitholder is entitled to an annual distribution equal to the net income, if any, of the Trust for each fiscal year and, on the Termination Date, repayment of the issue price of A\$5 paid for the Residual Income Unit. The Residual Capital Unitholder is not entitled to receive any distributions in respect of the Trust other than on the Termination Date, repayment of the issue price of A\$5 paid for the Residual Capital Unit.

Asset Coverage Test

The terms of the Supplemental Deed, for so long as Covered Bonds remain outstanding and prior to the service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager), the Purchased Receivables are subject to, and the Trust Manager must determine on each Determination Date whether the Purchased Receivables are in compliance with, the Asset Coverage Test.

If on any Determination Date the Purchased Receivables are not (or are deemed not to be) in compliance with the Asset Coverage Test, the Trust Manager must notify the Trustee, the Bond Trustee and the Security Trustee and the Trust Manager must direct the Trustee to cure the non-compliance by (i) acquiring New Receivables from the Seller in accordance with the Mortgage Sale Agreement (see “Summary of the Principal Documents – Mortgage Sale Agreement – Sale by the Seller of Receivables”); and/or (ii) acquiring Substitution Assets; and/or (iii) make a drawing under the Demand Loan Agreement or any combination of the above, in each case in order to ensure that the Asset Coverage Test is met on the immediately succeeding Determination Date. If, on two successive Determination Dates, the Purchased Receivables are not (or are deemed not to be) in compliance with the Asset Coverage Test, the Asset Coverage Test will be breached and the Bond Trustee must (subject to the Bond Trustee having actual knowledge or express notice of the breach) serve an Asset Coverage Test Breach Notice on the Trustee and notify each Designated Rating Agency. The Asset Coverage Test Breach Notice will be deemed to be revoked if, on the next Determination Date to occur following the service of an Asset Coverage Test Breach Notice, the Asset Coverage Test is subsequently satisfied and neither a Notice to Pay nor a Covered Bond Guarantee Acceleration Notice has been served. If the Asset Coverage Test Breach Notice is deemed to be revoked, the Trust Manager shall immediately notify in writing the Trustee, the Bond Trustee and each Designated Rating Agency thereof.

Following service of an Asset Coverage Test Breach Notice (which has not been revoked):

- (a) the Trustee may be required to sell Selected Receivables (as further described under “*Sale of Selected Receivables following service of an Asset Coverage Test Breach Notice*”); and
- (b) the Issuer will not be permitted to issue any further Covered Bonds.

If an Asset Coverage Test Breach Notice has been served and not been deemed to be revoked and if on the following Determination Date the Purchased Receivables are not (or are deemed not to be) in compliance with the Asset Coverage Test, an Issuer Event of Default shall occur.

On any Determination Date, the Purchased Receivables will satisfy the Asset Coverage Test if the Adjusted Aggregate Receivable Amount is an amount at least equal to the Australian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds.

For the purposes of the Asset Coverage Test (unless otherwise expressly provided) a reference to Purchased Receivables:

- (a) includes Receivables to be acquired by the Covered Bond Guarantor on or before the Trust Payment Date immediately following the relevant Determination Date (the **Relevant Trust Payment Date**); and
- (b) excludes Purchased Receivables which will no longer be beneficially owned by the Covered Bond Guarantor on the Relevant Trust Payment Date.

To the extent that, on the Relevant Trust Payment Date, for whatever reason:

- (c) Receivables described in paragraph (a) above are not acquired by the Covered Bond Guarantor on or before the Relevant Trust Payment Date;
- (d) Receivables described in paragraph (b) above remain beneficially owned by the Covered Bond Guarantor on the Relevant Trust Payment Date;
- (e) (or both) (c) and (d) apply,

and the Asset Coverage Test would not have been satisfied if it had been calculated on that basis, then as at the immediately preceding Determination Date the Purchased Receivables will be deemed not to have satisfied the Asset Coverage Test at that time.

If the Asset Coverage Test is calculated on any date which is not a Determination Date (the **Intra period Determination Date**) then, for the purposes of determining the Adjusted Aggregate Receivable Amount on such Intra-period Determination Date, references in the relevant operative provisions to “Determination Date” shall be deemed to be to such Intra-period Determination Date, and references to “Collection Period” shall be deemed to be the last Collection Period preceding the Intra-period Determination Date.

Adjusted Aggregate Receivable Amount means the amount calculated on each Determination Date as follows:

$$(A + B + C + D + E) - Z$$

where:

“**A**” means the lower of:

- (a) the sum of the LVR Adjusted Receivable Amount of each Purchased Receivable; and
- (b) the sum of the Asset Percentage Adjusted Receivable Balance Amount of each Purchased Receivable;

as at the Determination Date.

“B” equals the aggregate amount of any proceeds of any Term Advances and/or any Demand Loan Advances which have not been applied that is determined at the Determination Date as applicable to the Trust Payment Date that immediately follows that Determination Date;

“C” equals the aggregate principal balance of any Substitution Assets and Authorised Investments that is determined at the Determination Date as applicable to the Trust Payment Date that immediately follows that Determination Date;

“D” equals the aggregate amount of Receivable Principal Receipts collected by the Servicer during the immediately preceding Collection Period and credited, or to be credited on the immediately succeeding Trust Payment Date, to the GIC Account (without double counting any amounts already covered in B above) but excluding any amounts due to be applied on or before the immediately succeeding Trust Payment Date in accordance with the Cashflow Allocation Methodology;

“E” equals the aggregate amount that is determined at the Determination Date of as applicable to the Trust Payment Date that immediately follows that Determination Date:

- (i) the balance standing to the credit of the Pre-Maturity Ledger); and
- (ii) Remaining Available Principal Receipts credited to the GIC Account under paragraph (j) of the Pre-Acceleration Principal Allocation,

in each case without double counting any amounts already covered in D above but excluding any amounts due to be applied on or before the immediately succeeding Trust Payment Date in accordance with the Cashflow Allocation Methodology; and

“Z” equals the product of:

- (i) the weighted average remaining maturity of all Covered Bonds (expressed in years) then outstanding calculated by the Calculation Manager that is determined at the Determination Date as applicable to the Trust Payment Date that immediately follows that Determination Date (provided that if the weighted average remaining maturity of all Covered Bonds (expressed in years) then outstanding is less than one, such weighted average remaining maturity shall be deemed for the purposes of this calculation, to be one);
- (ii) the Australian Dollar Equivalent of the then aggregate Principal Amount Outstanding of the Covered Bonds;
- (iii) either:
 - (A) for so long as the Interest Rate Swap is in effect in accordance with the terms hereof, zero; or
 - (B) otherwise, $(B + C + D + E) / (A + B + C + D + E)$; and

the then Negative Carry Factor, where the “Negative Carry Factor” is the percentage rate per annum equal to the sum of (i) 0.50 percent; and (ii) the weighted average of the Relevant Spread of each Series of Covered Bonds then outstanding determined by reference to the Australian Dollar Equivalent of the aggregate Principal Amount Outstanding of the applicable Series of Covered Bonds, where the “Relevant Spread” is (A) in the case of a Series of floating rate Covered Bonds the specified currency of which is A\$, the Margin for the Series specified in the applicable Final Terms; and (B) in any other case the Floating Rate Payer Spread in the applicable Covered Bond Swap.

LVR Adjusted Receivable Amount means the amount calculated for a Purchased Receivable, on the relevant Determination Date, as:

- (a) for each Purchased Receivable that is not then a Defaulted Receivable, the lesser of:
 - (i) the outstanding Current Principal Balance of the Purchased Receivable as at the last day of the immediately preceding Collection Period; and
 - (ii) 80% of the Indexed Valuation for the Property charged by a Mortgage which secures the Purchased Receivable as at the last day of the immediately preceding Collection Period (but without double counting across Purchased Receivables);
- (b) for each Purchased Receivable that is then a Defaulted Receivable, zero;

less:

- (c) where a Purchased Receivable was, in the immediately preceding Collection Period, known by the Trustee or the Trust Manager to be in breach of the Representations and Warranties contained in the Mortgage Sale Agreement as at the date of its sale to the Trustee, and the Seller has not repurchased the Purchased Receivable to the extent required by the terms of the Mortgage Sale Agreement: an amount equal to the LVR Adjusted Receivable Amount determined on the basis that only paragraph (a) of that definition applies (calculated as at the last day of the immediately preceding Collection Period) for each Purchased Receivable to which this paragraph (c) applies; and
- (d) where the Seller, in any preceding Collection Period, was in material breach of any other warranty under the Mortgage Sale Agreement and/or the Servicer was, in any preceding Collection Period, in material breach of a term of the Servicing Deed: an amount equal to the resulting financial loss incurred by the Trustee in the immediately preceding Collection Period (such financial loss to be calculated by the Trust Manager without double counting and to be reduced by any amount paid (in cash or in kind) to the Trustee by the Seller or by the Servicer (as applicable) to indemnify the Trustee for such financial loss).

Asset Percentage Adjusted Receivable Balance Amount means the amount calculated for a Purchased Receivable, on the relevant Determination Date, as the Asset Percentage multiplied by:

- (a) for each Purchased Receivable that is not then a Defaulted Receivable, the lesser of:
 - (i) the outstanding Current Principal Balance of the Purchased Receivable as at the last day of the immediately preceding Collection Period; and
 - (ii) 100% of the Latest Valuation for the Property charged by a Mortgage which secures the Purchased Receivable at the last day of the immediately preceding Collection Period (but without double counting across Purchased Receivables); and
- (b) for each Purchased Receivable that is then a Defaulted Receivable, zero;

less:

- (c) where a Purchased Receivable was, as at the last day of the immediately preceding Collection Period, known by the Trustee or the Trust Manager to be in breach of the Representations and Warranties contained in the Mortgage Sale Agreement as at the date of its sale to the Trustee, and the Seller has not repurchased the Purchased Receivable to the extent required by the terms of the Mortgage Sale Agreement: an amount equal to the Asset Percentage Adjusted Receivable Balance Amount determined on the basis that only paragraph (a) of that

definition applies (calculated as at the last day of the immediately preceding Collection Period) for each Purchased Receivable to which this paragraph (c) applies; and

- (d) where the Seller, in any preceding Collection Period, was in material breach of any other warranty under the Mortgage Sale Agreement and/or the Servicer was, in any preceding Collection Period, in material breach of a term of the Servicing Deed: an amount equal to the resulting financial loss incurred by the Trustee in the immediately preceding Collection Period (such financial loss to be calculated by the Trust Manager without double counting and to be reduced by any amount paid (in cash or in kind) to the Trustee by the Seller or by the Servicer (as applicable) to indemnify the Trustee for such financial loss).

Asset Percentage means the lowest of:

- (a) 95 percent; and
- (b) the percentage figure as selected by the Covered Bond Guarantor (or the Trust Manager acting on its behalf) which, if an increase to the then current Asset Percentage, ensures that all outstanding Covered Bonds maintain the then current ratings assigned to them by Fitch and Moody's.

There is no obligation on the Covered Bond Guarantor to ensure that a AAA rating is maintained by Fitch or a Aaa rating is maintained by Moody's and the Covered Bond Guarantor is under no obligation to change the percentage figure selected by it and notified to Fitch and Moody's in line with the level of credit enhancement required to ensure a AAA rating by Fitch or a Aaa rating by Moody's using Moody's expected loss methodology.

Indexed Valuation means at any date in relation to any Purchased Receivable secured over any Property:

- (a) where the Latest Valuation of that Property is equal to or greater than the Property Price Indexed Valuation as at that date, the Property Price Indexed Valuation; or
- (b) where the Latest Valuation of that Property is less than the Property Indexed Valuation as at that date, the Latest Valuation plus 85 percent of the difference between the Latest Valuation and the Property Price Indexed Valuation.

Property Index means the index of increases in house prices issued by RP Data Ltd known as "RP Data-Rismark Hedonic Indices" or such other valuation index:

- (a) selected by the Calculation Manager from time to time and notified to the Trust Manager and the Covered Bond Guarantor which is widely used in the Australian residential mortgage lending market by major financial institutions; or
- (b) that is provided or sponsored by a Designated Rating Agency or its affiliate that the Trust Manager and the Issuer may agree from time to time.

Property Price Indexed Valuation, in relation to any property at any date, means the Latest Valuation of the property increased or decreased as appropriate by the increase or decrease in the Property Index since the date of that Latest Valuation, as calculated by the Trust Manager as at the Determination Date in March, June, September and December based on the most recent publication of the Property Index.

Amortisation Test

For so long as Covered Bonds are outstanding at any time following service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager) (but prior to service of an Covered Bond

Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer (copied to the Trust Manager and the Security Trustee) or the enforcement of the Charge), the Purchased Receivables are subject to and the Trust Manager must determine on each Determination Date whether the Purchased Receivables are in compliance with the Amortisation Test.

If on any Determination Date following service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager) (but prior to the service of a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer (copied to the Trust Manager and the Security Trustee) or the enforcement of the Charge), the Purchased Receivables are not in compliance with the Amortisation Test a Covered Bond Guarantor Event of Default will occur. The Trust Manager must immediately notify the Covered Bond Guarantor, the Security Trustee and the Bond Trustee of any breach of the Amortisation Test.

On any Determination Date, the Purchased Receivables will satisfy the Amortisation Test if the Amortisation Test Aggregate Receivable Amount is an amount at least equal to the Australian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds.

Amortisation Test Aggregate Receivable Amount means the amount calculated on each relevant Determination Date as follows:

$$A + B + C - Z$$

where:

“**A**” equals the aggregate of the Amortisation Test Current Principal Balance of each Purchased Receivable;

Amortisation Test Current Principal Balance means the amount calculated as the product of:

- (a) the lesser of:
 - (i) the outstanding Current Principal Balance of the Purchased Receivable as calculated on the last day of the immediately preceding Collection Period; and
 - (ii) 80% of the Latest Valuation for the Property charged by a Mortgage which secures the Purchased Receivable as at the last day of the immediately preceding Collection Period (but without double counting across Purchased Receivables); and
- (b) M, where:
 - (i) for each Purchased Receivable that is not then a Defaulted Receivable M = 1.0; and
 - (ii) for each Purchased Receivable that is then a Defaulted Receivable, M = zero;

“**B**” equals the sum of the amount of any cash standing to the credit of the GIC Account and the principal amount of any Authorised Investments (excluding any Receivable Revenue Receipts received in the immediately preceding Collection Period and any principal amounts due to be applied on or before the next Trust Payment Date in accordance with the Cashflow Allocation Methodology);

“**C**” equals the aggregate principal balance of any Substitution Assets not taken into account elsewhere in this calculation;

“**Z**” equals the product of:

- (a) the weighted average remaining maturity of all Covered Bonds (expressed in years) then outstanding; and

- (b) the A\$ Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds; and
- (c) either:
 - (i) for so long as the Interest Rate Swap is in effect in accordance with the terms thereof, zero; or
 - (ii) otherwise, $(B + C) / (A + B + C)$; and
- (d) the Negative Carry Factor.

Sale of Selected Receivables if the Pre-Maturity Test is breached

The Supplemental Deed provides for the sale of Selected Receivables in circumstances where the Pre-Maturity Test has been breached in relation to a Series of Hard Bullet Covered Bonds. The Pre-Maturity Test will be breached in relation to a Series of Hard Bullet Covered Bonds if:

- (a) ANZBGL's short-term credit rating from Moody's falls to P-2 (or lower) or from Fitch falls to F1 (or lower); or
- (b) ANZBGL's long-term credit rating from Fitch is A (or lower); and
- (c) the Final Maturity Date of the Series of Hard Bullet Covered Bonds will fall within 12 months from the relevant Pre-Maturity Test Date.

The Covered Bond Guarantor will be obliged to sell Selected Receivables to Purchasers, subject to the rights of pre-emption enjoyed by the Seller to buy the Selected Receivables pursuant to the terms of the Mortgage Sale Agreement and subject to any Pre-Maturity Demand Loan Advance having been made by the Demand Loan Provider from time to time. The proceeds from any such sale will be credited to the GIC Account. If the Issuer fully repays a Series of Hard Bullet Covered Bonds on their Final Maturity Date, any amount standing to the credit of the Pre-Maturity Ledger on the GIC Account following such repayment in full shall be applied by the Covered Bond Guarantor, acting on the directions of the Trust Manager, in accordance with the applicable Cashflow Allocation Methodology unless the Issuer is in breach of the Pre-Maturity Test in respect of any other Series of Hard Bullet Covered Bonds, in which case sufficient cash shall be retained on the Pre-Maturity Ledger in order to provide funding for the repayment of that other Series of Hard Bullet Covered Bonds. Otherwise, the proceeds will be applied as set out in "Credit Structure" below.

For a description of the Pre-Maturity Test, see "Credit Structure – Pre-Maturity Test" below.

Sale of Selected Receivables following the Demand Loan Provider making demand that the Demand Loan be repaid

If, prior to the service of an Asset Coverage Test Breach Notice or a Notice to Pay, the Demand Loan Provider requests payment of all or part of the Demand Loan, the Covered Bond Guarantor will, subject to first utilising any Available Principal Receipts that are available for that purpose in accordance with the applicable Cashflow Allocation Methodology, be obliged to sell Selected Receivables in accordance with the Supplemental Deed (as described below), subject to the rights of pre-emption enjoyed by the Seller to buy the Selected Receivables pursuant to the Mortgage Sale Agreement. The proceeds from any such sale will be credited to the GIC Account and applied as set out in the applicable Cashflow Allocation Methodology. Any such sale will be subject to the condition that the Asset Coverage Test is satisfied after receipt of the proceeds of such sale and repayment, after giving effect to such repayment.

Sale of Selected Receivables following service of an Asset Coverage Test Breach Notice

After service of an Asset Coverage Test Breach Notice (which has not been revoked) but prior to service of a Notice to Pay, the Covered Bond Guarantor will, subject to first utilising the proceeds of any advance made by the Demand Loan Provider under the Demand Loan Agreement, be obliged to sell Selected Receivables in accordance with the Supplemental Deed (as described below), subject to the rights of pre-emption enjoyed by the Seller to buy the Selected Receivables pursuant to the Mortgage Sale Agreement. The proceeds from any such sale will be credited to the GIC Account and applied as set out in the Cashflow Allocation Methodology.

Sale of Selected Receivables following service of a Notice to Pay

After a Notice to Pay has been served on the Covered Bond Guarantor (with a copy to the Trust Manager) following the occurrence of an Issuer Event of Default, the Covered Bond Guarantor will be obliged to sell Selected Receivables in accordance with the Supplemental Deed (as described below), subject to the rights of pre-emption enjoyed by the Seller to buy the Selected Receivables pursuant to the Mortgage Sale Agreement. The proceeds from any such sale will be credited to the GIC Account and applied as set out in the Guarantee Allocations.

Method of Sale of Selected Receivables

If the Covered Bond Guarantor is required to sell Selected Receivables to Purchasers following the Demand Loan Provider requesting repayment of all or part of the Demand Loan, service of an Asset Coverage Test Breach Notice, a breach of the Pre-Maturity Test or the service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager), the Covered Bond Guarantor will be required to ensure that before offering Selected Receivables for sale:

- (a) the Selected Receivables are selected on a basis that is representative of the Purchased Receivables as a whole and that if a Purchased Receivable is selected, its Related Security is also selected unless the Related Security also secures a Purchased Receivables Portfolio that is not also a Selected Receivable; and
- (b) the Selected Receivables have an aggregate Current Principal Balance in an amount (the **Required Current Principal Balance Amount**) which is as close as possible to the amount calculated as follows:
 - (i) following the Demand Loan Provider requesting repayment of the Demand Loan (or a part of it), such amount that would ensure that, if the Selected Receivables were sold at their Current Principal Balance plus the arrears of interest and fees and accrued interest thereon, the amount of the Demand Loan that the Demand Loan Provider has requested repayment of as calculated on the date of the request could be repaid, subject to satisfaction of the Asset Coverage Test following such repayment; or
 - (ii) following the service of an Asset Coverage Test Breach Notice (but prior to service of a Notice to Pay), such amount that would ensure that, if the Selected Receivables were sold at their Current Principal Balance plus the arrears of interest and fees and accrued interest thereon, the Asset Coverage Test would be satisfied on the next Determination Date taking into account the payment obligations of the Trustee on the Trust Payment Date following that Determination Date; or
 - (iii) following a breach of the Pre-Maturity Test or service of a Notice to Pay:

$$N \times \frac{\text{Aggregate Current Principal Balance for all Purchased Receivables}}{\text{ }}$$

The Australian Dollar Equivalent of the Required Redemption Amount in respect of each series of Covered Bonds then outstanding

where “N” is an amount equal to the Australian Dollar Equivalent of:

- (a) in respect of Selected Receivables being sold following a breach of the Pre-Maturity Test in respect of a Series of Hard Bullet Covered Bonds, the Required Redemption Amount of each Series of Hard Bullet Covered Bonds in respect of which the Pre-Maturity Test has been breached less amounts standing to the credit of the Pre-Maturity Ledger; or
- (b) in respect of Selected Receivables being sold following the service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager), the Required Redemption Amount of the Earliest Maturing Covered Bonds less amounts standing to the credit of the GIC Account and the principal amount of any Authorised Investments and the principal amount of any Substitution Assets that have not been sold in accordance with the Supplemental Deed (excluding all amounts to be applied on the next following Trust Payment Date to repay higher ranking amounts in the Guarantee Allocations (including the Senior Portion Outstanding of the Demand Loan) and those amounts that are required to repay any Series of Covered Bonds which mature prior to or on the same date as the relevant Series of Covered Bonds) (see “Limit on Investing in Substitution Assets and Authorised Investments” below).

For the avoidance of doubt, Selected Receivables may comprise the entire Assets.

The Covered Bond Guarantor (at the direction of the Trust Manager) must offer the Selected Receivables for sale to Purchasers for the best price reasonably available but in any event:

- (a) following the service of an Asset Coverage Test Breach Notice (but prior to the service of a Notice to Pay), for an amount not less than the Current Principal Balance of the Selected Receivables plus the arrears of interest and fees and accrued interest thereon; and
- (b) following a breach of the Pre-Maturity Test or service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager), for an amount not less than the Adjusted Required Redemption Amount for the relevant Series of Covered Bonds.

Following breach of the Pre-Maturity Test or service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager) if the Selected Receivables have not been sold (in whole or in part) in an amount equal to the Adjusted Required Redemption Amount by the date which is six months prior to either:

- (a) the Final Maturity Date in respect of the Earliest Maturing Covered Bonds (after taking into account all payments, provisions and credits to be made in priority thereto) (where the Covered Bonds are not subject to an Extended Due for Payment Date in respect of the Covered Bond Guarantee);
- (b) the Extended Due for Payment Date in respect of the Earliest Maturing Covered Bonds (after taking into account all payments, provisions and credits to be made in priority thereto) (where the Covered Bonds are subject to an Extended Due for Payment Date in respect of the Covered Bond Guarantee); or
- (c) in respect of a sale in connection with the Pre-Maturity Test, the Final Maturity Date of the relevant Series of Hard Bullet Covered Bonds,

then the Covered Bond Guarantor (acting on the direction of the Trust Manager) must (subject to, only if required by law, a right of pre-emption in favour of the Seller using procedures set out in

clause 19 of the Mortgage Sale Agreement) offer the Selected Receivables for sale for the best price reasonably available notwithstanding that such amount may be less than the Adjusted Required Redemption Amount.

Following the service of a Notice to Pay but prior to the occurrence of a Covered Bond Guarantor Event of Default, in addition to offering Selected Receivables for sale to Purchasers in respect of the Earliest Maturing Covered Bonds, the Covered Bond Guarantor, or the Trust Manager on its behalf (subject to a right of pre-emption in favour of the Seller using the procedures set out in clause 19 of the Mortgage Sale Agreement) is permitted to offer for sale a portfolio of Selected Receivables, in accordance with the provisions summarised above, in respect of other Series of Covered Bonds.

The Covered Bond Guarantor (at the direction of the Trust Manager) is also permitted to offer for sale to Purchasers part of any portfolio of Selected Receivables (a **Partial Portfolio**). Except in circumstances where the portfolio of Selected Receivables is being sold within six months of, as applicable, the Final Maturity Date or, if the Covered Bonds are subject to an Extended Due for Payment Date in respect of the Covered Bond Guarantee, the Extended Due for Payment Date in respect of the Series of Covered Bonds to be repaid from such proceeds, the sale price of the Partial Portfolio shall (as a proportion of the Adjusted Required Redemption Amount) be at least equal to the proportion that the aggregate Current Principal Balance of the Receivables in the Partial Portfolio bears to the aggregate Current Principal Balance of the Receivables in the relevant portfolio of Selected Receivables.

The Covered Bond Guarantor (at the direction of the Trust Manager) will through a tender process appoint a portfolio manager to advise it in relation to the sale of the Selected Receivables (except where the Seller is buying the Selected Receivables in accordance with its right of pre-emption in the Mortgage Sale Agreement). The terms of the agreement giving effect to the appointment in accordance with such tender shall be approved by the Security Trustee. Such approval will not be required if the portfolio manager is an investment bank or accountant of recognised standing.

In respect of any sale of Selected Receivables following service of an Asset Coverage Test Breach Notice (if not revoked) or a Notice to Pay, the Covered Bond Guarantor, or the Trust Manager on its behalf, will instruct the portfolio manager to use all reasonable endeavours to procure that Selected Receivables are sold as quickly as reasonably practicable (in accordance with the recommendations of the portfolio manager), taking into account the market conditions at that time and the scheduled repayment dates of the Covered Bonds and the terms of the Supplemental Deed.

The terms of any sale and purchase agreement with respect to the sale of Selected Receivables (which shall give effect to the recommendations of the portfolio manager) will be subject to the prior written approval of the Security Trustee (unless the Selected Receivables are being sold to the Seller following the exercise of its rights of pre-emption using the procedures set out in clause 19 of the Mortgage Sale Agreement). The Security Trustee will not be required to release the Selected Receivables from the Charge unless the conditions relating to the release of the Charge (as described under “Deed of Charge – Release of Security” below) are satisfied.

Following the service of a Notice to Pay, if Purchasers accept the offer or offers from the Covered Bond Guarantor so that some or all of the Selected Receivables and the Related Security shall be sold prior to the next following Final Maturity Date or, if the Covered Bonds are subject to an Extended Due for Payment Date in respect of the Covered Bond Guarantee, the next following Extended Due for Payment Date in respect of the Earliest Maturing Covered Bonds, then the Covered Bond Guarantor, or the Trust Manager on its behalf, will, subject to the paragraph above, enter into a sale and purchase agreement with the relevant Purchasers, which will require, among other things, a cash payment from the relevant Purchasers. Any such sale will not include any representations or warranties from the Covered Bond Guarantor or the Seller in respect of the Selected Receivables unless expressly agreed by the Security Trustee or otherwise agreed with the Seller.

Limit on Investing in Substitution Assets and Authorised Investments

Provided no Asset Coverage Test Breach Notice is outstanding, there has been no breach of the Pre-Maturity Test and prior to the service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager), the Trust Manager may direct the Covered Bond Guarantor to invest Available Principal Receipts and the proceeds of Term Advances standing to the credit of the GIC Account in Substitution Assets, provided that the aggregate amount so invested in certain Substitution Assets (when aggregated with any Authorised Investments then held by the Trustee) does not exceed 15 percent of the Australian Dollar Equivalent of the aggregate Face Value of Outstanding Covered Bonds at any one time and provided that such investments are made in accordance with the terms of the Supplemental Deed. Depositing any amounts in any Trust Account will not constitute an investment in Substitution Assets for these purposes.

Following an Issuer Event of Default and the service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager) or a breach of the Pre-Maturity Test, all Substitution Assets shall be sold by the Covered Bond Guarantor, acting on the directions of the Trust Manager, as quickly as reasonably practicable, and the proceeds credited to the GIC Account after which the Covered Bond Guarantor shall be permitted to invest all available moneys in Authorised Investments, provided that such sales or investments are made in accordance with the terms of the Supplemental Deed.

Other than after :an Issuer Event of Default, Covered Bond Guarantor Event of Default, Title Perfection Event or the Pre-Maturity Test is breached, the Trust Manager undertakes not give a direction to the Covered Bond Guarantor to acquire or dispose of Assets if to do so would result in the aggregate principal amount of Qualifying Receivables held by the Covered Bond Guarantor being less than 81% of the total Assets of the Trust (to be calculated in accordance with generally accepted accounting principles applied in the customary manner for trusts of the nature of the Covered Bond Guarantor).

Covenants of the Covered Bond Guarantor

In addition to the covenants in the Trust Terms Deed (as described under “Trust Terms Deed” above), the Covered Bond Guarantor covenants for the benefit of the Trust Manager, the Secured Creditors and the Unitholders that it will act on all written directions given to it by the Trust Manager which it is satisfied are given in accordance with the terms of the Program Documents.

Other Provisions

The allocation and distribution of Available Revenue Receipts, Available Principal Receipts and all other amounts received by the Covered Bond Guarantor is described under “Cashflows” below.

The Supplemental Deed is governed by the laws of the State of Victoria, Australia.

Principal Agency Agreement

The Principal Agency Agreement, entered into between the Issuer, the Covered Bond Guarantor, the Covered Bond Paying Agent, the UK Transfer Agent, the US Paying Agent, the US Transfer Agent, the US Registrar, the Trust Manager, the Exchange Agent, the Luxembourg Registrar and the Bond Trustee is the principal agreement that sets out the appointments for the agency positions under the Program. The Principal Agency Agreement contains provisions relating to (but not limited to):

- (a) the appointment of Agents;
- (b) the Registered Global Covered Bonds and the issue of Definitive Covered Bonds, including the terms;

- (c) the Exchange of Global Covered Bonds and Determination of Distribution Compliance Period, the Exchange and Transfer of Covered Bonds and the regulations for Transfers and Exchanges of Registered Covered Bonds;
- (d) the duties and responsibilities of the Agents, including any changes in the Agents; and
- (e) cancellation and issue of replacement provisions for the Covered Bonds.

Under the Principal Agency Agreement, the Covered Bond Paying Agent is appointed as Agent for the Issuer and the Covered Bond Guarantor and along with the other Paying Agents, they are appointed for the purposes of paying sums due on any Covered Bonds and performing other obligations and duties imposed upon it by Conditions and as out in the Principal Agency Agreement.

The Principal Agency Agreement also appoints each Transfer Agent for the Issuer and the Covered Bond Guarantor for the purposes of effecting the transfers of Registered Definitive Covered Bonds and performing all other obligations imposed upon it by Conditions and as set out in the Principal Agency Agreement.

The Principal Agency Agreement appoints the Exchange Agent for the Issuer and the Covered Bond Guarantor for the purposes of effecting the conversion of non-U.S. dollar payments into U.S. dollars and performing all other obligations imposed upon it by Conditions and as set out in the Principal Agency Agreement.

The Principal Agency Agreement appoints each Registrar for the Issuer and the Covered Bond Guarantor for the purposes of completing, authenticating and delivering Regulation S Global Covered Bonds and Rule 144A Global Covered Bonds and authenticating and delivering Registered Definitive Covered Bonds; paying sums due on Registered Global Covered Bonds and Registered Definitive Covered Bonds; and performing all other obligations and duties imposed upon it by the Conditions and as set out in the Principal Agency Agreement. Each Registrar may from time to time, subject to the prior written consent of the Issuer, delegate certain of its functions and duties set out in this Agreement to the Covered Bond Paying Agent.

The obligations of the Agents under the Principal Agency Agreement are several and not joint.

The Principal Agency Agreement and any non-contractual obligations arising out of or in connection with it are governed by the laws of England.

Swap Agreements

In order to hedge certain interest rate, currency or other risks in respect of amounts received by the Covered Bond Guarantor under the Receivables and other Assets of the Trust and amounts payable by the Covered Bond Guarantor under the Intercompany Loan Agreement to the Intercompany Loan Provider and/or amounts payable by the Covered Bond Guarantor under the Covered Bond Guarantee to Covered Bondholders in respect of the Covered Bonds on issue, the Covered Bond Guarantor will enter into certain swap transactions with swap providers as described below.

Each such swap transaction (including, without limitation, the Interest Rate Swap and each Covered Bond Swap) (the **Swaps**) will be between a swap provider (the **Swap Provider**) and the Covered Bond Guarantor (and the Trust Manager) and will be governed by, and subject to, an agreement in the form of the 2002 ISDA Master Agreement as published by the International Swaps & Derivatives Association, Inc. (**ISDA**) together with its Schedule and Credit Support Annexes (to be in the form of the 1995 Credit Support Annex (Bilateral Form—Transfer) published by ISDA) and the Confirmation evidencing the relevant swap transaction (together, the **Swap Agreement**).

Interest Rate Swap Agreement

Some of the Purchased Receivables from time to time pay a variable amount of interest. Other Receivables pay a fixed rate of interest for a period of time. Interest income from other Assets of the Trust is also calculated on differing bases. However, the Australian Dollar payments to be made by the Covered Bond Guarantor under the Covered Bond Swaps, the Intercompany Loan and the Demand Loan will be based on the Bank Bill Rate for varying periods. To provide a hedge against the variance between:

- (a) the rates of interest payable on the Purchased Receivables and income from other Assets of the Trust; and
- (b) the Bank Bill Rate for the applicable interest of calculation period,

the Covered Bond Guarantor, the Trust Manager and the Interest Rate Swap Provider will enter into an Interest Rate Swap under the Interest Rate Swap Agreement.

The Interest Rate Swap Agreement is governed by the laws of the State of Victoria, Australia.

Covered Bond Swap Agreements

Where Covered Bonds are issued in a currency and/or on an interest rate basis different to the Interest Rate Swap, the Covered Bond Guarantor will enter into one or more Covered Bond Swaps with one or more Covered Bond Swap Providers. Each Covered Bond Swap may be either a **Forward Starting Covered Bond Swap** or a **Non-Forward Starting Covered Bond Swap** and each will constitute the sole Transaction (as described in the relevant Covered Bond Swap) under a single Covered Bond Swap Agreement (such Covered Bond Swap Agreements, together, the **Covered Bond Swap Agreements**). Where the Covered Bond Guarantor enters into a Forward Starting Covered Bond Swap, the Term Advances made under the Intercompany Loan will be made in Australian Dollars, regardless of the currency of the relevant Series or Tranche, as applicable, of Covered Bonds.

Each Forward Starting Covered Bond Swap will provide a hedge (after service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager)) against certain interest rate, currency and/or other risks in respect of amounts received by the Covered Bond Guarantor under the Receivables and the Interest Rate Swap and amounts payable by the Covered Bond Guarantor under the Covered Bond Guarantee in respect of the Covered Bonds (after service of a Notice to Pay).

Each Non-Forward Starting Covered Bond Swap will provide a hedge against certain interest rate, currency and/or other risks in respect of amounts received by the Covered Bond Guarantor under the Receivables and the Interest Rate Swap and amounts payable by the Covered Bond Guarantor under the Intercompany Loan Agreement (prior to service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager)) and under the Covered Bond Guarantee in respect of the Covered Bonds (after service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager)).

Where required to hedge such risks, there will be one (or more) Covered Bond Swap Agreement(s) and Covered Bond Swap(s) in relation to each Series or Tranche, as applicable, of Covered Bonds.

Under the Forward Starting Covered Bond Swaps, the Covered Bond Swap Provider will pay to the Covered Bond Guarantor on each Interest Payment Date after service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager) (or, in the case of the first payment by the Covered Bond Swap Provider, if an Issuer Event of Default has occurred as the result of a failure by the Issuer to make a payment, on the second Business Day following service of that Notice to Pay), an amount equal to the amounts that are then payable by the Covered Bond Guarantor under the Covered Bond Guarantee in respect of interest (or in the case of the first payment by the Covered

Bond Guarantor Swap Provider any principal falling within the Guaranteed Amounts then Due for Payment) payable under the relevant Series or Tranche of Covered Bonds. In return, the Covered Bond Guarantor will pay to the Covered Bond Swap Provider on each Trust Payment Date after service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager) an amount in Australian Dollars calculated by reference to the 30 day Bank Bill Rate (or the rate for such other period as may be specified in the relevant Confirmation) plus a spread. Unless the Covered Bond Swap terminates earlier, on the first to occur of (i) the date on which the Early Redemption Amount is payable; and (ii) the Final Maturity Date, in each case in relation to the relevant Series or Tranche of Covered Bonds, the Covered Bond Swap Provider will pay to the Covered Bond Guarantor an amount equal to the Early Redemption Amount or the Final Redemption Amount (as the case may be) of the relevant Series or Tranche of Covered Bonds in exchange for payment by the Covered Bond Guarantor of the Australian Dollar Equivalent of that amount.

Under the Non-Forward Starting Covered Bond Swaps:

- (a) if the related Term Advance is made in Australian Dollars, the Covered Bond Guarantor will pay to the Covered Bond Swap Provider on each Trust Payment Date an amount in Australian Dollars calculated by reference to the 30 day Bank Bill Rate (or the rate for such other period as may be specified in the relevant Confirmation) plus a spread. In return the Covered Bond Swap Provider will pay to the Covered Bond Guarantor on each Interest Payment Date an amount in Australian Dollars calculated by reference to the 30 day Bank Bill Rate (or the rate for such other period as may be specified in the relevant Confirmation) plus a spread; and
- (b) if the related Term Advance is made in a currency other than Australian Dollars, on the relevant Issue Date, the Covered Bond Guarantor will pay to the Covered Bond Swap Provider an amount equal to the amount received by the Covered Bond Guarantor under the related Term Advance (being the aggregate nominal amount of such Series or Tranche, as applicable, of Covered Bonds) and in return the Covered Bond Swap Provider will pay to the Covered Bond Guarantor the Australian Dollar Equivalent of the first mentioned amount. Thereafter, the Covered Bond Guarantor will pay to the Covered Bond Swap Provider on each Trust Payment Date an amount in Australian Dollars calculated by reference to the 30 day Bank Bill Rate (or the rate for such other period as may be specified in the relevant Confirmation) plus a spread. In return, the Covered Bond Swap Provider will pay to the Covered Bond Guarantor on each Interest Payment Date an amount in the relevant currency equal to the relevant amount of interest then payable under the related Term Advance in accordance with the Intercompany Loan Agreement. Unless the Covered Bond Swap terminates earlier, on the first to occur of (i) the date on which the Early Redemption Amount is payable; and (ii) the Final Maturity Date, in each case in relation to the relevant Series or Tranche of Covered Bonds, the Covered Bond Swap Provider will pay to the Covered Bond Guarantor an amount in the relevant currency equal to the principal then outstanding on the related Term Advance in exchange for payment by the Covered Bond Guarantor of the Australian Dollar Equivalent of that amount.

Each Covered Bond Swap will terminate on the earlier of (i) the Trust Payment Date that falls on or immediately following the Final Maturity Date for the relevant Series or Tranche of Covered Bonds; (ii) the date on which all of the relevant Series or Tranches of Covered Bonds have been repaid or redeemed in full; and (iii) the date on which the Trust terminates.

Rating Downgrade Event

Under the terms of each Swap Agreement, in the event that the rating(s) of the Swap Provider is downgraded by a Designated Rating Agency below the rating(s) specified in the relevant Swap Agreement (in accordance with the Rating Agencies' criteria) for that Swap Provider, that Swap

Provider agrees, in accordance with the relevant Swap Agreement, to take certain remedial measures which may include:

- (a) providing collateral for its obligations under the Swap Agreement;
- (b) arranging for its obligations under the relevant Swap Agreement to be transferred to a replacement entity provided that such entity is an entity with the ratings specified by the relevant Designated Rating Agency;
- (c) procuring another entity to become co-obligor or guarantor in respect of its obligations under the Swap Agreement provided that such entity is an entity with the ratings specified by the relevant Designated Rating Agency; or
- (d) taking such other action in relation to the swap transactions governed by the relevant Swap Agreement, provided that, the Trust Manager has confirmed to the Covered Bond Guarantor that it has notified each Designated Rating Agency of those actions and that the Trust Manager is satisfied that such actions will not result in the withdrawal or downgrade of the credit ratings assigned to the outstanding Covered Bonds.

A failure to take such steps within the time periods specified in the Swap Agreement will allow the Covered Bond Guarantor to terminate the Swap Agreement.

Other Termination Events

A Swap Agreement may also be terminated early in certain other circumstances, including:

- (a) at the option of any party to the Swap Agreement, if there is a failure by the other party to pay any amounts due under such Swap Agreement within the specified grace period;
- (b) upon the occurrence of an insolvency event in relation to the Swap Provider or the merger of the Swap Provider without its assumption of the obligations under such Swap Agreement;
- (c) there is a change in law which results in the illegality of the obligations to be performed by either party under the Swap Agreement or a force majeure event which renders performance impossible or impracticable;
- (d) in relation to a Covered Bond Swap only, if the corresponding Series of Covered Bonds are redeemed or cancelled;
- (e) the making of an amendment (without the consent of the Swap Provider) to the Cashflow Allocation Methodology which has a material adverse effect on the amounts paid to the Swap Provider under the Cashflow Allocation Methodology;
- (f) the making of an amendment (without the consent of the Swap Provider) to the Program Documents, such that the Swap Provider would, immediately after such amendment, be required to pay more or receive less under the Swap Agreement than would otherwise have been the case immediately prior to such amendment or such that the Swap Provider would suffer an adverse consequence as a result of such amendment; and
- (g) if a Covered Bond Guarantor Event of Default occurs and the Bond Trustee serves a Covered Bond Guarantor Acceleration Notice on the Issuer and the Covered Bond Guarantor (copied to the Trust Manager and the Security Trustee).

Upon the termination of a Swap Agreement, the Covered Bond Guarantor or the Swap Provider may be liable to make a termination payment to the other party in accordance with the provisions of the relevant Swap Agreement.

Swap Agreement Credit Support Document

The Covered Bond Guarantor and each Swap Provider will also enter into one or more credit support documents with respect to the requirements of each Designated Rating Agency in the form of the ISDA 1995 Credit Support Annex (Transfer – English Law) to the ISDA Master Agreement (the **Swap Agreement Credit Support Document**). Each Swap Agreement Credit Support Document will provide that, from time to time, if required to do so following its downgrade by the relevant Designated Rating Agency and subject to the conditions specified in the relevant Swap Agreement Credit Support Document, the relevant Swap Provider will make transfers of collateral to the Covered Bond Guarantor in support of its obligations under the Swap Agreement (the **Swap Collateral**) and the Covered Bond Guarantor will be obliged to return equivalent collateral in accordance with the terms of the relevant Swap Agreement Credit Support Document. Each Swap Agreement Credit Support Document will be governed by the laws of the State of Victoria, Australia.

Swap Collateral required to be posted by the relevant Swap Provider pursuant to the terms of the Swap Agreement Credit Support Document may be delivered in the form of cash or securities. Cash amounts will be paid into an account designated as a **Swap Collateral Cash Account** opened and held with an Eligible Bank. References to a Swap Collateral Cash Account and to payments from such accounts are deemed to be a reference to payments from such accounts as and when opened by the Covered Bond Guarantor.

If a Swap Collateral Cash Account is opened, cash (and all income in respect thereof) transferred as collateral will only be available to be applied in returning collateral (and income thereon) or in satisfaction of amounts owing by the Swap Provider in accordance with the terms of the Swap Agreement Credit Support Document or in payment of any rates or equivalent in respect of the account.

Any Swap Collateral Excluded Amounts will be paid to the relevant Swap Provider directly and not via the Cashflow Allocation Methodology.

Limited Recourse

All obligations of the Covered Bond Guarantor to the relevant Swap Provider under the Swap Agreements are limited in recourse to the Secured Property.

Governing Law

The Swap Agreements any non-contractual obligations arising out of or in connection with it will be governed by the laws of the State of Victoria, Australia.

Account Bank Agreement

Pursuant to the terms of the Account Bank Agreement entered into on the Program Date between, among others, the Covered Bond Guarantor, ANZBGL as Account Bank, Calculation Manager and Seller Trust Beneficiary, the Trust Manager and the Security Trustee, the Covered Bond Guarantor will maintain with the Account Bank the GIC Account described below, the Transaction Accounts and the Swap Collateral Cash Account, which will be operated in accordance with the Supplemental Deed, the Deed of Charge, the Security Trust Deed and the relevant Swap Agreements.

Pursuant to the terms of the Account Bank Agreement, the Covered Bond Guarantor will maintain in its name, but in its capacity as Seller Trust Trustee, with the Account Bank a further bank account (the **Seller Trust Trust Account**). The Seller Trust Trustee (at the direction of the Trust Manager) will deposit, on its receipt, the proceeds of enforcement of any All Moneys Mortgage which constitutes Seller Trust Trust Property in the Seller Trust Trust Account in accordance with the Mortgage Sale Agreement.

The Covered Bond Guarantor (acting on the direction of the Trust Manager) or the Security Trustee may, by serving a written notice on the Account Bank, terminate the appointment of the Account Bank if the following matters occur:

- (a) if a deduction or withholding for or on account of any tax is imposed, or it appears likely that such a deduction or withholding will be imposed, in respect of the interest payable on any Trust Account, as applicable and such imposition has or is likely to have a Material Adverse Effect; or
- (b) if the Account Bank fails to make payment on the due date of any payment due and payable by it under the Account Bank Agreement and such default is not waived by, in the case of a termination by the Covered Bond Guarantor acting at the direction of the Trust Manager, the Covered Bond Guarantor (acting on the directions of the Trust Manager) or, in the case of a termination by the Security Trustee, the Security Trustee, as applicable, and such default continues unremedied for a period of five Local Business Days; or
- (c) if the Account Bank fails to perform any of its other material obligations under the Account Bank Agreement, the Security Trust Deed, the Deed of Charge or any other Program Document to which it is a party which failure is, in the opinion of the Security Trustee, materially prejudicial to the Covered Bondholders (and such failure is not waived by the Covered Bond Guarantor with the prior written consent of the Security Trustee) and such failure remains unremedied for a period of ten Local Business Days after the Trust Manager or the Security Trustee has given notice of such failure to the Account Bank.

The Covered Bond Guarantor and the Security Trustee shall, by serving a written notice on the Account Bank, terminate the appointment of the Account Bank if the following matters occur:

- (a) if the Account Bank ceases to be an Eligible Bank and the Account Bank does not, within 30 Local Business Days of the occurrence of such event, obtain a guarantee of its obligations under the Account Bank Agreement from an Eligible Bank; or
- (b) if an Insolvency Event occurs in respect of the Account Bank.

The Account Bank Agreement is governed by the laws of the State of Victoria, Australia.

CREDIT STRUCTURE

The Covered Bonds will be direct, unsecured and unconditional obligations of the Issuer and will rank *pari passu* without any preference among themselves and, save for certain debts of the Issuer required to be preferred by law, including but not limited to, those referred to in Division 2 and 2AA of Part II of the Australian Banking Act and section 86 of the Australian Reserve Bank Act at least equally with all other present and future unsecured and unsubordinated obligations of the Issuer from time to time outstanding. The Covered Bond Guarantor has no obligation to pay the Guaranteed Amounts under the Covered Bond Guarantee until the occurrence of (a) (i) an Issuer Event of Default, and (ii) service by the Bond Trustee on the Issuer (with a copy to the Covered Bond Guarantor) of an Issuer Acceleration Notice and the service on the Covered Bond Guarantor (with a copy to the Trust Manager) of a Notice to Pay, or (b) if earlier, following the occurrence of a Covered Bond Guarantor Event of Default, service by the Bond Trustee on the Covered Bond Guarantor and the Issuer (copied to the Trust Manager and the Security Trustee) of a Covered Bond Guarantee Acceleration Notice. The Issuer will not rely on any payments by the Covered Bond Guarantor in order to pay interest or repay principal under the Covered Bonds.

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

- (a) the Covered Bond Guarantee provides credit support to the Issuer;
- (b) the Pre-Maturity Test is intended to provide liquidity to the Covered Bond Guarantor in relation to amounts of principal due on the Final Maturity Date of the Hard Bullet Covered Bonds in certain circumstances;
- (c) the Asset Coverage Test is intended to test, prior to the service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager), the asset coverage of the Covered Bond Guarantor's assets in respect of the Covered Bonds on a monthly basis;
- (d) the Amortisation Test is intended to test the asset coverage of the Covered Bond Guarantor's assets in respect of the Covered Bonds following the occurrence of an Issuer Event of Default, service on the Issuer (with a copy to the Covered Bond Guarantor) of an Issuer Acceleration Notice and service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager);
- (e) a Reserve Fund will be established in the GIC Account to trap Available Revenue Receipts or to credit the proceeds of a Term Advance if ANZBGL's short term, unsecured, unsubordinated and unguaranteed obligations fall below F1+ by Fitch or below P-1 by Moody's; and
- (f) under the terms of the Account Bank Agreement, the Account Bank has agreed to pay a rate of interest per annum equal to the 30 day Bank Bill Rate on that day (or, if that day is not a Local Business Day, the immediately preceding Local Business Day) (calculated on the basis of the actual number of days elapsed and a 365 day year) (as determined by the Account Bank) on the balance from time to time of the GIC Account from (and including) the first day of each Collection Period (or, in the case of the first Collection Period, the first Transfer Date) to (and including) the last day of the Collection Period.

Certain of these factors are considered more fully in the remainder of this section.

Covered Bond Guarantee

Pursuant to the terms of the Bond Trust Deed, the Covered Bond Guarantor has guaranteed payments of interest and principal under the Covered Bonds issued by the Issuer. The Covered Bond Guarantor

has agreed to pay amounts equal to the Guaranteed Amounts when the same become Due for Payment but which would otherwise be unpaid by the Issuer. The obligations of the Covered Bond Guarantor under the Covered Bond Guarantee constitute direct, unconditional (following service of a Notice to Pay or a Covered Bond Guarantee Acceleration Notice) and unsubordinated obligations of the Covered Bond Guarantor, secured as provided in the Deed of Charge, the Security Trust Deed and the Supplemental Deed. The Bond Trustee will be required to serve a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager) following the occurrence of an Issuer Event of Default and service on the Issuer (with a copy to the Covered Bond Guarantor) of an Issuer Acceleration Notice (whereupon the Covered Bonds will become immediately due and payable as against the Issuer but not at such time as against the Covered Bond Guarantor).

A Covered Bond Guarantee Acceleration Notice (subject to certain limitations) may be served by the Bond Trustee on the Covered Bond Guarantor (copied to the Trust Manager and the Security Trustee) following the occurrence of a Covered Bond Guarantor Event of Default. If a Covered Bond Guarantee Acceleration Notice is served, the Covered Bonds will become immediately due and payable (if they have not already become due and payable) and the obligations of the Covered Bond Guarantor under the Covered Bond Guarantee will be accelerated and the Security Trustee will be entitled to enforce the Charge.

Payments made by the Covered Bond Guarantor under the Covered Bond Guarantee will be made subject to, and in accordance with, the Guarantee Allocations or the Post-Enforcement Allocation, as applicable.

See further “*Summary of the Principal Documents – Bond Trust Deed*” as regards the terms of the Covered Bond Guarantee.

See further “*Cashflows – Guarantee Allocations*” as regards the payment of amounts payable by the Covered Bond Guarantor to Covered Bondholders and other Secured Creditors following service of a Notice to Pay.

Pre-Maturity Test

For so long as Hard Bullet Covered Bonds remain outstanding, prior to the occurrence of an Issuer Event of Default or a Covered Bond Guarantor Event of Default, each Series of Hard Bullet Covered Bonds is subject to a Pre-Maturity Test on each Local Business Day during the Pre-Maturity Test Period (being the 12 months prior to the Final Maturity Date of the relevant Series of Hard Bullet Covered Bonds). The Pre-Maturity Test will be breached in relation to a Series of Hard Bullet Covered Bonds if ANZBGL’s short-term credit rating from Moody’s falls to P-2 (or lower) or from Fitch falls to F1 (or lower) or ANZBGL’s long-term credit rating from Fitch is A (or lower) and the Final Maturity Date of the Series of Hard Bullet Covered Bonds falls within 12 months from the relevant Pre-Maturity Test Date. If the Pre-Maturity Test is breached within such specified period and certain actions are not taken, an Issuer Event of Default will occur.

Asset Coverage Test

The Asset Coverage Test is intended to test the asset coverage of the Covered Bond Guarantor’s assets in respect of the Covered Bonds on a monthly basis. This is to ensure that the assets of the Covered Bond Guarantor do not fall below a certain threshold and are sufficient for the Covered Bond Guarantor to meet its obligations under the Covered Bond Guarantee and senior expenses which rank in priority or *pari passu* with amounts due on the Covered Bonds.

The Supplemental Deed provides that, prior to the service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager), the Purchased Receivables are subject to the Asset Coverage Test. Accordingly, for so long as Covered Bonds remain outstanding, the Covered Bond Guarantor must ensure that on each Determination Date, the Adjusted Aggregate Receivable Amount

will be in an amount equal to or in excess of the Australian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds. The Asset Coverage Test will be tested by the Calculation Manager on each Determination Date.

Pursuant to the terms of the Mortgage Sale Agreement, the Seller has agreed to use all reasonable efforts to transfer Receivables to the Covered Bond Guarantor in order to ensure that the Purchased Receivables are in compliance with the Asset Coverage Test. The consideration payable to the Seller for the sale of such Receivables to the Covered Bond Guarantor may be funded by (i) cash available to the Covered Bond Guarantor to pay for such Receivables in accordance with the Pre-Acceleration Principal Allocation; or (ii) a drawing under the Demand Loan Agreement (or both).

Alternatively, the Covered Bond Guarantor may purchase Substitution Assets or request drawings under the Demand Loan Agreement (as directed by the Trust Manager) in order to ensure that the Covered Bond Guarantor is in compliance with the Asset Coverage Test.

If the Adjusted Aggregate Receivable Amount is less than the Australian Dollar Equivalent of the aggregate Principal Amount Outstanding of all Covered Bonds on a Determination Date and also on the next following Determination Date, the Asset Coverage Test will be breached and the Bond Trustee will serve an Asset Coverage Test Breach Notice on the Covered Bond Guarantor (subject to the Bond Trustee having actual knowledge or express notice of the breach) and notify each Designated Rating Agency. The Bond Trustee shall be deemed to revoke an Asset Coverage Test Breach Notice if, on the next Determination Date to occur following the service of an Asset Coverage Test Breach Notice, the Asset Coverage Test is subsequently satisfied and neither a Notice to Pay nor a Covered Bond Guarantee Acceleration Notice has been served. If the Asset Coverage Test Breach Notice is not revoked on the next Determination Date after service of such Asset Coverage Test Breach Notice on the following Determination Date an Issuer Event of Default will occur.

See further “*Summary of the Principal Documents – Supplemental Deed – Asset Coverage Test*”, above.

Amortisation Test

The Amortisation Test is intended to ensure that, following service of a Notice to Pay, the assets of the Covered Bond Guarantor do not fall below a certain threshold to ensure that the assets of the Covered Bond Guarantor are sufficient to meet its obligations under the Covered Bond Guarantee and senior expenses which rank in priority to or *pari passu* with amounts due on the Covered Bonds.

Pursuant to the Supplemental Deed, the Covered Bond Guarantor must ensure that on each Determination Date following service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager) but prior to the service of a Covered Bond Guarantee Acceleration Notice or the enforcement of the Charge, the Amortisation Test Aggregate Receivable Amount is in an amount at least equal to the Australian Dollar Equivalent of the aggregate Principal Amount Outstanding under the Covered Bonds.

See further “*Summary of the Principal Documents – Supplemental Deed – Amortisation Test*”, above.

Reserve Fund

If ANZBGL’s short-term, unsecured, unsubordinated and unguaranteed debt obligations are not rated at least P-1 by Moody’s and F1+ by Fitch, the Covered Bond Guarantor is required to establish a reserve fund within the GIC Account and to credit to the Reserve Fund the proceeds of Available Revenue Receipts or the remaining proceeds of a Term Advance up to an amount equal to the higher of the Australian Dollar Equivalent of the aggregate of the interest due and payable on each Series of Covered Bonds on the next three Trust Payment Dates and three month’s interest that will accrue on each Series of Covered Bonds then outstanding together with an amount equal to one-quarter of the

anticipated aggregate annual amount payable in respect of the items specified in paragraphs (a) to (d) of the Pre-Acceleration Revenue Allocation (see “*Cashflows - Pre-Acceleration Revenue Allocation*” below).

CASHFLOWS

As described above under Credit Structure, until a Notice to Pay or Covered Bond Guarantee Acceleration Notice is served, the Covered Bonds will be obligations of the Issuer only. The Issuer is liable to make payments when due on the Covered Bonds, whether or not ANZBGL has received any corresponding payment from the Trustee.

This section summarises the Cashflow Allocation Methodology of the Covered Bond Guarantor as to the allocation and distribution of amounts standing to the credit of the Transaction Accounts and their order of priority:

- (a) prior to the service of a Notice to Pay or a Covered Bond Guarantee Acceleration Notice or the enforcement of the Charge (**Pre-acceleration Allocations**);
- (b) following service of a Notice to Pay (but prior to the service of a Covered Bond Guarantee Acceleration Notice or the enforcement of the Charge) (**Guarantee Allocations**); and
- (c) following the service of a Covered Bond Guarantee Acceleration Notice or the enforcement of the Charge (**Post-enforcement Allocations**),

all in accordance with the Supplemental Deed and Security Trust Deed, as applicable.

Prior to any application of funds under the Pre-acceleration Principal Allocation, the Guarantee Allocations and the Post Enforcement Allocations (but subject to paragraph (b) of the Pre-acceleration Principal Allocation) the Trust Manager agrees to direct the Trustee to (and, if the Post Enforcement Allocations apply, the Security Trustee acknowledges that the Trustee must) repay the Senior Portion Outstanding of the Demand Loan (or the relevant part of it demanded or deemed to be demanded for repayment) in accordance with the payment in kind provisions of the Demand Loan Agreement as described in “*Summary of the Principal Documents - Demand Loan Agreement*”. The Trust Manager must not give direction to the Trustee to apply monies in accordance with the Cashflow Allocation Methodology to the extent it would result in a breach of the payment in kind provisions of the Demand Loan Agreement.

Pre-acceleration Allocations

Prior to the service of a Notice to Pay or a Covered Bond Guarantee Acceleration Notice or the enforcement of the Charge, Available Revenue Receipts standing to the credit of the Transaction Accounts shall be allocated and distributed as described below.

On the Determination Date immediately preceding each Trust Payment Date, the Trust Manager shall calculate:

- (a) the amount of Available Revenue Receipts available for distribution on the following Trust Payment Date;
- (b) the Reserve Fund Required Amount if applicable; and
- (c) if the Pre-Maturity Test has been breached in respect of a Series of Hard Bullet Covered Bonds, on each Determination Date falling within the Pre-Maturity Test Period and ending on the Final Maturity Date of the relevant Series of Hard Bullet Covered Bonds, whether or not the amount standing to the credit of the Pre-Maturity Ledger at such date is less than the Australian Dollar Equivalent of the Required Redemption Amount for the relevant Series of Hard Bullet Covered Bonds in respect of which the Pre-Maturity Test has been breached at such date.

Pre-Acceleration Revenue Allocation

At any time prior to the service on the Trustee (with a copy to the Trust Manager) of a Notice to Pay, the service of a Covered Bond Guarantee Acceleration Notice on the Trustee and the Issuer (copied to the Trust Manager and the Security Trustee) or the enforcement of the Charge, subject to “Allocation and distribution of the Available Revenue Receipts following service of an Asset Coverage Test Breach Notice” and after application of “Pre-acceleration payments (other than principal) under Swaps”, the Trustee (at the direction of the Trust Manager) must apply the Available Revenue Receipts in the following order of priority:

- (a) *first*, \$1,000 to the Residual Income Unitholder to the extent not otherwise paid in the then current Financial Year;
- (b) *second*, in or towards satisfaction pro rata and *pari passu* of any amounts due and payable to the Trustee as trustee of the Trust, the Bond Trustee and the Security Trustee, any remuneration due and payable to each Agent under the provisions of the Principal Agency Agreement and any amounts due and payable to other third parties and incurred without breach by the Trustee of the Program Documents to which it is a party (and for which payment has not been provided for elsewhere in the Cashflow Allocation Methodology) and to provide for any such amounts expected to become due and payable by the Trustee in the Trust Payment Period in which such Trust Payment Date occurs and to discharge any liability of the Trustee for taxes;
- (c) *third*, in or towards satisfaction pro rata and *pari passu* according to the respective amounts thereof of:
 - (i) any remuneration then due and payable to the Servicer and any costs, charges, liabilities and expenses then due or to become due and payable to the Servicer under the provisions of the Servicing Deed in the Trust Payment Period in which such Trust Payment Date occurs, together with applicable GST (or other similar taxes) thereon;
 - (ii) any remuneration then due and payable to the Calculation Manager and any costs, charges, liabilities and expenses then due or to become due and payable to the Calculation Manager under the provisions of the Supplemental Deed in the Trust Payment Period in which such Trust Payment Date occurs, together with applicable GST (or other similar taxes) thereon;
 - (iii) amounts (if any) due and payable to the Account Bank (including costs) pursuant to the terms of the Account Bank Agreement, together with applicable GST (or other similar taxes) thereon;
 - (iv) amounts due and payable to the Asset Monitor pursuant to the terms of the Asset Monitor Agreement (other than the amounts referred to in paragraph (j) below), together with any applicable GST (or other similar taxes) thereon; and
 - (v) any remuneration then due and payable to the Trust Manager and any costs, charges, liabilities and expenses then due or to become due and payable to the Trust Manager pursuant to the Supplemental Deed and the Trust Terms Deed in the Trust Payment Period in which such Trust Payment Date occurs, together with any applicable GST (or other similar taxes) thereon;
- (d) *fourth*, in or towards payment on the Trust Payment Date or to provide for payment on such date in the future of such proportion of the relevant payment falling due in the future as the Trust Manager may reasonably determine of any amount due or to become due and payable to the Interest Rate Swap Provider in respect of the Interest Rate Swap (including any

termination payment due and payable by the Trustee under the Interest Rate Swap but excluding any Excluded Swap Termination Amount) (except to the extent that such amounts have been paid out of any premium received from any replacement Interest Rate Swap Provider) pursuant to the terms of the Interest Rate Swap Agreement;

- (e) *fifth*, in or towards payment on the Trust Payment Date or to provide for payment on such date in the future of such proportion of the relevant payments falling due in the future as the Trust Manager may reasonably determine, pro rata and *pari passu* according to the respective amounts thereof of:
 - (i) any amounts due or to become prior to the next Trust Payment Date due and payable to the Covered Bond Swap Provider (other than in respect of principal) pro rata and *pari passu* in respect of each relevant Covered Bond Swap (including any termination payment due and payable (other than in respect of principal) by the Trustee under the relevant Covered Bond Swap Agreement, but excluding any Excluded Swap Termination Amount) (except to the extent that such amounts have been paid out of any premiums received from any relevant replacement Covered Bond Swap Provider) in accordance with the terms of the relevant Covered Bond Swap Agreement; and
 - (ii) any amounts due or to become due and payable (excluding principal amounts) to the Intercompany Loan Provider pro rata and *pari passu* in respect of each Term Advance pursuant to the terms of the Intercompany Loan Agreement,

but, in the case of any such payment or provision, after taking into account any amounts receivable from the Interest Rate Swap Provider under the Interest Rate Swap Agreement and, if applicable, any amounts (other than principal) receivable from the Covered Bond Swap Provider under the relevant Covered Bond Swap Agreement on the Trust Payment Date or such date in the future as the Trust Manager may reasonably determine;

- (f) *sixth*, if the Trustee, or the Trust Manager on its behalf, is required to credit to the Pre-Maturity Ledger as provided in clause 10.5 of the Supplemental Deed and after first taking into account any amounts to be applied in accordance with paragraph (a) of Pre-Acceleration Principal Allocations, on the Trust Payment Date in or towards a credit to the Pre-Maturity Ledger and deposit into the GIC Account of an amount equal to:
 - (i) 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 calculated as at the immediately preceding Determination Date, less
 - (ii) any amounts standing to the credit of the Pre-Maturity Ledger as at the immediately preceding Determination Date;
- (g) *seventh*, in or towards a credit to the Reserve Ledger and deposit into the GIC Account of an amount up to but not exceeding the amount by which the Reserve Fund Required Amount exceeds the existing balance of the Reserve Ledger as calculated on the immediately preceding Determination Date;
- (h) *eighth*, if a Servicer Termination Event has occurred, all remaining Available Revenue Receipts to be deposited into the GIC Account (with a corresponding credit to the Revenue Ledger) until the relevant Servicer Termination Event is either remedied by the Servicer or waived by the Security Trustee (acting on the directions of the Voting Secured Creditors) or a replacement servicer is appointed to service the Purchased Receivables (or the relevant part thereof);

- (i) *ninth*, in or towards payment pro rata and *pari passu* in accordance with the respective amounts thereof of any Excluded Swap Termination Amounts due and payable by the Trustee under the Swap Agreements, except to the extent such amounts have been paid out of any premiums received from any relevant replacement Swap Provider;
- (j) *tenth*, in or towards payment of any indemnity amount due to the Asset Monitor pursuant to the terms of the Asset Monitor Agreement;
- (k) *eleventh*, any interest amount due, or to become due and payable in respect of the Demand Loan, to the Demand Loan Provider pursuant to the terms of the Demand Loan Agreement for each Demand Loan Interest Period ending on a date up to and including the relevant Trust Payment Date; and
- (l) the balance, to the Residual Income Unitholder by way of distribution of the remaining income of the Trust.

Allocation and distribution of Available Revenue Receipts following service of an Asset Coverage Test Breach Notice

At any time after service on the Trustee of an Asset Coverage Test Breach Notice (which has not been revoked), but prior to the occurrence of an Issuer Event of Default and service of an Issuer Acceleration Notice on the Issuer (with a copy to the Covered Bond Guarantor) or, if earlier, 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 (copied to the Trust Manager and the Security Trustee) and the enforcement of the Charge, all Available Revenue Receipts will continue to be applied (at the direction of the Trust Manager) in accordance with the Pre-Acceleration Revenue Allocation save that, whilst any Covered Bonds remain outstanding, no moneys will be applied under paragraphs (e)(ii), (k) and (l) of the Pre-Acceleration Revenue Allocation, and the remainder (if any) will be deposited into the GIC Account (with a corresponding credit to the Revenue Ledger) and applied as Available Revenue Receipts on the next succeeding Trust Payment Date.

Pre-acceleration application of payments (other than principal) under Swaps

At any time prior to the service on the Trustee (with a copy to the Trust Manager) of a Notice to Pay or the service of a Covered Bond Guarantee Acceleration Notice on the Trustee and the Issuer (copied to the Trust Manager and the Security Trustee) or the enforcement of the Charge:

- (a) any amounts (other than Swap Collateral Excluded Amounts) received by or on behalf of the Trustee under the related Interest Rate Swap Agreement on or after a Trust Payment Date but prior to the immediately succeeding Trust Payment Date will be applied by the Trustee (acting on the directions of the Trust Manager), together with any provision for such payments made on any preceding Trust Payment Date, to make payments (other than in respect of principal) due and payable pro rata and *pari passu* in respect of the Current Covered Bond Swap under the relevant Covered Bond Swap Agreement or, as the case may be, in respect of each relevant Term Advance under the Intercompany Loan Agreement, or otherwise to make provision for such payments on such date in the future of such proportion of the relevant payment falling due in the future as the Trust Manager may reasonably determine;
- (b) any amounts (other than in respect of principal and any Swap Collateral Excluded Amounts) received by or on behalf of the Trustee under a Current Covered Bond Swap on or after a Trust Payment Date but prior to the immediately succeeding Trust Payment Date will be applied by the Trustee (acting on the directions of the Trust Manager), together with any provision for such payments made on any preceding Trust Payment Date, to make payments

(other than principal) due and payable pro rata and *pari passu* in respect of each relevant Term Advance under the Intercompany Loan Agreement or otherwise to make provision for such payments on such date in the future of such proportion of the relevant payment falling due in the future as the Trust Manager may reasonably determine; and

- (c) any amounts (other than any Swap Collateral Excluded Amounts) received by or on behalf of the Trustee under the Interest Rate Swap Agreement and any amounts (other than in respect of principal and any Swap Collateral Excluded Amounts) received under a Covered Bond Swap Agreement on or after the Trust Payment Date but prior to the immediately succeeding Trust Payment Date that are not put towards a payment or provision in accordance with paragraph (e) of the Pre-Acceleration Revenue Allocation or paragraphs (a) and (b) above will be credited to the Revenue Ledger and deposited into the GIC Account and applied as Available Revenue Receipts on the Trust Payment Date (if received on that date) or on the next succeeding Trust Payment Date (if received after a Trust Payment Date).

Allocation and Distribution of Available Principal Receipts prior to service of a Notice to Pay, or a Covered Bond Guarantee Acceleration Notice and/or the commencement of winding up proceedings against the Trust and/or the realisation of the Charge

Prior to the service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager) or a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer (copied to the Trust Manager and the Security Trustee) or the enforcement of the Charge, Available Principal Receipts standing to the credit of the Transaction Accounts shall be allocated and distributed as described below.

On each Determination Date, the Trustee, or the Trust Manager on its behalf, shall calculate the amount of Available Principal Receipts available for distribution on the immediately following Trust Payment Date.

If the Trustee has been so directed by the Trust Manager, on each Trust Payment Date, the Trustee will transfer funds from the GIC Account to the Transaction Accounts in an amount equal to the lower of (a) the amount required to make the payments or credits described below and (b) the amount of all Available Principal Receipts standing to the credit of the GIC Account.

Pre-Acceleration Principal Allocation

At any time prior to the service on the Trustee (with a copy to the Trust Manager) of a Notice to Pay or the service of a Covered Bond Guarantee Acceleration Notice on the Trustee and the Issuer (copied to the Trust Manager and the Security Trustee) or the enforcement of the Charge, subject to Allocation and distribution of Available Principal Receipts following service of an Asset Coverage Test Breach Notice, the Trustee (at the direction of the Trust Manager) must apply the Available Principal Receipts in the following order of priority:

- (a) *first*, if the Trustee, or the Trust Manager on its behalf, is required to make a deposit to the Pre-Maturity Ledger, on the Trust Payment Date in or towards a credit to the Pre-Maturity Ledger and deposit into the GIC Account of an amount equal to:
 - (i) 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 calculated as at the immediately preceding Determination Date, less
 - (ii) any amounts standing to the credit of the Pre-Maturity Ledger as at the immediately preceding Determination Date;
- (b) *second*, to the extent:

- (i) a demand for repayment of it has been made under and as permitted by the Demand Loan Agreement and that demand for repayment, at the direction of the Trust Manager, is not to be met by reconveying to, or extinguishing in favour of, the Seller Relevant Receivables under clause 9.3 (“Repayment in kind of Senior Portion Outstanding”) of the Demand Loan Agreement; and
- (ii) there is a credit balance in the Principal Ledger of the GIC Account,
to repay the Senior Portion Outstanding of the Demand Loan to the Demand Loan Provider;
- (c) *third*, provided that at that time the balance of the Pre-Maturity Ledger is equal to the amount required by clause 10.3 of the Supplemental Deed, towards Available Revenue Receipts to the extent amounts have been paid under clause 16.1(f) of the Supplemental Deed and not otherwise reimbursed;
- (d) *fourth*, to the extent agreed with the Seller to reimburse the Seller for funding any Redraws or Further Advances that the Trustee has agreed may remain in the Purchased Receivables in accordance with clause 7 of the Mortgage Sale Agreement;
- (e) *fifth*, to acquire New Receivables offered to the Trustee by the Seller in accordance with the terms of the Mortgage Sale Agreement or (subject to clause 9.4 of the Supplemental Deed) to acquire Substitution Assets (or both) in an amount sufficient to ensure that, taking into account the other resources available to the Trustee, the Trustee is in compliance with the Asset Coverage Test;
- (f) *sixth*, to deposit the remaining Available Principal Receipts into the GIC Account (with a corresponding credit to the Principal Ledger) in an amount sufficient to ensure that, taking into account the other resources available to the Trustee, the Trustee is in compliance with the Asset Coverage Test;
- (g) *seventh*, in or towards repayment on the Trust Payment Date (or to provide for repayment on such date in the future of such proportion of the relevant payment falling due in the future as the Trust Manager may reasonably determine) of each relevant Term Advance by making the following payments:
 - (i) the amounts (in respect of principal) due or to become due and payable to any Covered Bond Swap Provider pro rata and *pari passu* in respect of any Current Covered Bond Swap (including any termination payment (relating solely to principal) due and payable by the Trustee under the Current Covered Bond Swap Agreement, but excluding any Excluded Swap Termination Amount) (except to the extent that such amounts have been paid out of any premiums received from any replacement Swap Provider) in accordance with the terms of the Covered Bond Swap Agreement; and
 - (ii) after taking into account, if applicable, any amounts in respect of principal receivable from a Covered Bond Swap Provider under a Current Covered Bond Swap (if any) on the Trust Payment Date or such date in the future as the Trust Manager may reasonably determine, the amounts (in respect of principal) due and payable or to become due and payable to the Intercompany Loan Provider pro rata and *pari passu* in respect of each relevant Term Advance;
- (h) *eighth*, to pay the Purchase Price for New Receivables sold to the Trustee in accordance with the Mortgage Sale Agreement following receipt by the Seller of a notice from the Trustee in accordance with clause 4.3 of the Mortgage Sale Agreement;

- (i) *ninth*, to the extent not paid under paragraph (b) above, to repay such amount of the principal outstanding on the Demand Loan that is due to the Demand Loan Provider pursuant to the terms of the Demand Loan Agreement, to the extent that such payment would not cause the Asset Coverage Test to be breached; and
- (j) last, the remainder:
 - (i) if Covered Bonds are outstanding or to the extent the Available Principal Receipts comprise proceeds of a Borrowing made in connection with a proposed issue of Covered Bonds, to the GIC Account; and
 - (ii) if (i) does not apply, to the Residual Income Unitholder.

Nothing in the Pre-Acceleration Principal Allocation limits the application of clause 9.3 (“Repayment in kind of Senior Portion Outstanding”) of the Demand Loan Agreement.

Allocation and distribution of Available Principal Receipts following service of an Asset Coverage Test Breach Notice

At any time after the service on the Trustee of an Asset Coverage Test Breach Notice (which has not been revoked), but prior to the occurrence of an Issuer Event of Default and service of an Issuer Acceleration Notice on the Issuer (with a copy to the Covered Bond Guarantor) or, if earlier, the occurrence of a Covered Bond Guarantor Event of Default and service of a Covered Bond Guarantee Acceleration Notice on the Trustee and the Issuer (copied to the Trust Manager and the Security Trustee) or enforcement of the Charge, all Available Principal Receipts will continue to be applied in accordance with the Pre-Acceleration Principal Allocation save that, whilst any Covered Bonds remain outstanding, no moneys will be applied under paragraph (e) of the Pre-Acceleration Principal Allocation, and the remainder (if any) will be deposited into the GIC Account (with a corresponding credit to the Principal Ledger) and applied as Available Principal Receipts on the next succeeding Trust Payment Date.

Pre-acceleration application of payments in respect of principal under Swaps

At any time prior to the service on the Trustee (with a copy to the Trust Manager) of a Notice to Pay or the service of a Covered Bond Guarantee Acceleration Notice on the Trustee and the Issuer (copied to the Trust Manager and the Security Trustee) or the enforcement of the Charge:

- (a) any amounts (other than Swap Collateral Excluded Amounts) in respect of principal received by or on behalf of the Trustee under a Current Covered Bond Swap (if any) on or after the Trust Payment Date but prior to the immediately succeeding Trust Payment Date will be applied, by the Trustee (at the direction of the Trust Manager), together with any provision for such payments made on any preceding Trust Payment Date, (provided that all principal amounts outstanding under the related Series of Covered Bonds which have fallen due for repayment on such date have been repaid in full by the Issuer), to make payments in respect of principal due and payable to the Intercompany Loan Provider in respect of the corresponding Term Advance under the Intercompany Loan Agreement or otherwise to make provision for such payments on such date in the future of such proportion of the relevant payment falling due in the future as the Trust Manager may reasonably determine;
- (b) any amounts (other than Swap Collateral Excluded Amounts) of principal received under a Current Covered Bond Swap (if any) on the Trust Payment Date or any date prior to the immediately succeeding Trust Payment Date which are not put towards a payment or provision in accordance with paragraph (g) of the Pre-acceleration Principal Allocations or paragraph (a) above will be credited to the Principal Ledger and deposited into the GIC Account and applied as Available Principal Receipts on the Trust Payment Date (if received

on that date) or on the immediately succeeding Trust Payment Date (if received after a Trust Payment Date); and

- (c) any amounts (other than Swap Collateral Excluded Amounts) of principal received:
 - (i) from the Seller in respect of a repurchase or extinguishment of Receivables; and
 - (ii) from the Demand Loan Provider in respect of any Final Maturity Demand Loan Advance,

to enable the Trustee, acting on the directions of the Trust Manager, to apply such amounts to repay a Term Advance on the date on which the Covered Bonds corresponding to such Term Advance mature will not be applied in accordance with the Pre-acceleration Principal Allocations and will (after being swapped if necessary under the relevant Current Covered Bond Swap (if any)) be applied by the Trustee (acting on the directions of the Trust Manager) or be deemed to have been so applied (in accordance with the Program Documents) in repayment of the relevant Term Advance on the date on which the Covered Bonds corresponding to such Term Advance mature, subject to the Asset Coverage Test being met on the date of such repayment after giving effect to such repayment.

Allocation and distribution of Available Revenue Receipts and Available Principal Receipts following service of a Notice to Pay

At any time after the service of a Notice to Pay on the Trustee (with a copy to the Trust Manager), but prior to service of a Covered Bond Guarantee Acceleration Notice or the enforcement of the Charge, all Available Revenue Receipts and Available Principal Receipts will be applied as described below.

If a Notice to Pay has been served on the Trustee (with a copy to the Trust Manager), on the Final Maturity Date of a Series of Hard Bullet Covered Bonds, the Trustee, acting on the direction of the Trust Manager, shall apply all moneys (if any) standing to the credit of the Pre-Maturity Ledger (and transferred from the GIC Account to the Transaction Accounts) to repay the relevant Series.

Guarantee Allocations

At any time after the service of a Notice to Pay on the Trustee (and copied to the Trust Manager), but prior to service of a Covered Bond Guarantee Acceleration Notice on the Trustee and the Issuer (copied to the Trust Manager and the Security Trustee) or the enforcement of the Charge, the Trustee (at the direction of the Trust Manager) must apply the Available Revenue Receipts and Available Principal Receipts in the following order of priority:

- (a) *first*, \$1,000 to the Residual Income Unitholder to the extent not otherwise paid in the then current Financial Year;
- (b) *second*, in or towards satisfaction pro rata and *pari passu* according to the respective amounts thereof of:
 - (i) all amounts due and payable or to become due and payable to the Bond Trustee (excluding all amounts otherwise payable to the Covered Bondholders under the Guarantee Allocations) in the Trust Payment Period in which such Trust Payment Date occurs under the provisions of the Bond Trust Deed together with interest and any applicable GST (or other similar taxes) thereon;
 - (ii) all amounts due and payable or to become due and payable to the Security Trustee (excluding all amounts otherwise payable to the Covered Bondholders under the Guarantee Allocations) in the Trust Payment Period in which such Trust Payment Date occurs under the provisions of the Security Trust Deed together with interest and any applicable GST (or other similar taxes) thereon;

- (iii) all amounts due and payable or to become due and payable to itself as trustee of the Trust in the Trust Payment Period in which such Trust Payment Date occurs under the Supplemental Deed and the Trust Terms Deed together with interest and any applicable GST (or other similar taxes) thereon;
- (c) *third*, in or towards satisfaction pro rata and pari passu according to the respective amounts thereof of:
 - (i) any remuneration then due and payable to the Agents under the provisions of the relevant Agency Agreement together with applicable GST (or other similar taxes) thereon; and
 - (ii) any amounts then due and payable by the Trustee to third parties and incurred without breach by the Trustee of the Program Documents to which it is a party (and for which payment has not been provided for elsewhere in this Guarantee Allocations) and to provide for any such amounts expected to become due and payable by the Covered Bond Guarantor in the Trust Payment Period in which such Trust Payment Date occurs and to pay or discharge any liability of the Trustee for taxes;
- (d) *fourth*, in or towards satisfaction pro rata and pari passu according to the respective amounts thereof of:
 - (i) any remuneration then due and payable to the Servicer and any costs, charges, liabilities and expenses then due or to become due and payable to the Servicer in each case in the Trust Payment Period in which such Trust Payment Date occurs under the provisions of the Servicing Deed together with any applicable GST (or other similar taxes) thereon;
 - (ii) any remuneration then due and payable to the Calculation Manager and any costs, charges, liabilities and expenses then due or to become due and payable to the Calculation Manager in each case in the Trust Payment Period in which such Trust Payment Date occurs under the provisions of the Supplemental Deed, together with any applicable GST (or other similar taxes) thereon;
 - (iii) amounts (if any) due and payable to the Account Bank (including costs) pursuant to the terms of the Account Bank Agreement, together with any applicable GST (or other similar taxes) thereon;
 - (iv) amounts due and payable to the Trust Manager under the Supplemental Deed and the Trust Terms Deed together with any applicable GST (or other similar taxes) thereon;
 - (v) amounts due and payable to the Asset Monitor (other than the amounts referred to in paragraph (l) below) pursuant to the terms of the Asset Monitor Agreement, together with applicable GST (or other similar taxes) thereon;
- (e) *fifth*, in or towards payment on the Trust Payment Date, or to provide for payment on such date in the future of such proportion of the relevant payment falling due in the future as the Trust Manager may reasonably determine, of any amount due or to become due and payable to the Interest Rate Swap Provider in respect of the Interest Rate Swap (including any termination payment due and payable by the Trustee under the Interest Rate Swap but excluding any Excluded Swap Termination Amount) (except to the extent that such amounts have been paid out of any premiums received from any replacement Interest Rate Swap Provider) in accordance with the terms of the Interest Rate Swap Agreement;

- (f) *sixth*, the accrued but unpaid interest in respect of the Senior Portion Outstanding of the Demand Loan, to the Demand Loan Provider pursuant to the terms of the Demand Loan Agreement for each Demand Loan Interest Period ending on a date up to and including the date of application of funds under this paragraph (f); and
- (g) *seventh*, in or towards payment on the Trust Payment Date or to provide for payment on such date in the future of such proportion of the relevant payments falling due in the future as the Trust Manager may reasonably determine, pro rata and *pari passu* according to the respective amounts thereof of:
 - (i) any amounts due or to become due and payable to the Covered Bond Swap Provider (other than in respect of principal) pro rata and *pari passu* in respect of each relevant Covered Bond Swap (including any termination payment due and payable (other than in respect of principal) by the Trustee under the relevant Covered Bond Swap Agreement, but excluding any Excluded Swap Termination Amount) (except to the extent that such amounts have been paid out of any premiums received from any relevant replacement Covered Bond Swap Provider) in accordance with the terms of the Covered Bond Swap Agreement; and
 - (ii) Scheduled Interest that is Due for Payment (or that will become Due for Payment in the Trust Payment Period in which such Trust Payment Date occurs) under the Covered Bond Guarantee in respect of each Series of Covered Bonds to the Bond Trustee or (if so directed by the Bond Trustee) the Principal Paying Agent on behalf of the Covered Bondholders pro rata and *pari passu* in respect of each Series of Covered Bonds,

but, in the case of any such payment or provision, after taking into account any amounts receivable from the Interest Rate Swap Provider under the Interest Swap Agreement and, if applicable, any amounts (other than principal) receivable from the Covered Bond Swap Provider under the relevant Covered Bond Swap Agreement on the Trust Payment Date or such date in the future as the Trust Manager may reasonably determine, provided that if the amount available for distribution under this paragraph (g) (excluding any amounts received or to be received from the Covered Bond Swap Provider) would be insufficient to pay the Australian Dollar Equivalent of the Scheduled Interest that is or will be Due for Payment in respect of each Series of Covered Bonds under sub-paragraph (ii) above, the shortfall will be divided among all such Series of Covered Bonds on a pro rata and *pari passu* basis and the amount payable by the Trustee to the Covered Bond Swap Provider under the relevant Covered Bond Swap Agreement in respect of each relevant Series of Covered Bonds or provision to be made in respect thereof under sub paragraph (i) above will be correspondingly reduced to take into account the shortfall applicable to the Covered Bonds in respect of which such payment is to be made;

- (h) *eighth*, in or towards payment on the Trust Payment Date or to provide for payment in the immediately succeeding Trust Payment Period, pro rata and *pari passu* according to the respective amounts thereof of:
 - (i) any amounts (in respect of principal) due or to become due and payable to any Covered Bond Swap Provider pro rata and *pari passu* in respect of each relevant Covered Bond Swap (including any termination payment due and payable (in respect of principal) by the Trustee under the relevant Covered Bond Swap Agreement, but excluding any Excluded Swap Termination Amount) (except to the extent that such amounts have been paid out of any premiums received from any relevant replacement Covered Bond Swap Provider) in accordance with the terms of the Covered Bond Swap Agreement; and

- (ii) where appropriate, after taking into account any amounts in respect of principal receivable from the Covered Bond Swap Provider and available to make payments in respect thereof) Scheduled Principal that is Due for Payment (or that will become Due for Payment in the immediately succeeding Trust Payment Period) under the Covered Bond Guarantee in respect of each Series of Covered Bonds to the Bond Trustee or (if so directed by the Bond Trustee) the Principal Paying Agent on behalf of the Covered Bondholders pro rata and *pari passu* in respect of each Series of Covered Bonds,

provided that if the amount available for distribution under this paragraph (h) (excluding any amounts received or to be received from the Covered Bond Swap Provider) would be insufficient to pay the Australian Dollar Equivalent of the Scheduled Principal that is or will be Due for Payment in respect of each Series of Covered Bonds under sub paragraph (ii) above, the shortfall will be divided among all such Series of Covered Bonds on a pro rata and *pari passu* basis and the amount payable by the Trustee to the Covered Bond Swap Provider under the relevant Covered Bond Swap Agreement in respect of each relevant Series of Covered Bonds or provision to be made in respect thereof under sub-paragraph (i) above will be correspondingly reduced to take into account the shortfall applicable to the Covered Bonds in respect of which such payment is to be made;

- (i) *ninth*, in or towards payment on the Trust Payment Date (if such date is an Interest Payment Date) or to provide for payment on any Interest Payment Date prior to the immediately succeeding Trust Payment Date of the Final Redemption Amount (or portion thereof remaining unpaid) of any Series of Covered Bonds to which an Extended Due Date for Payment Date applies and whose Final Redemption Amount was not paid in full by the Extension Determination Date, by making the following payments, pro rata and *pari passu* according to the respective amounts thereof of:

- (i) any amounts due or to become due and payable to the Covered Bond Swap Provider (whether or not in respect of principal) pro rata and *pari passu* in respect of each relevant Covered Bond Swap (including any termination payment due and payable by the Covered Bond Guarantor under the relevant Covered Bond Swap Agreement, but excluding any Excluded Swap Termination Amount) (except to the extent that such amounts have been paid out of any premiums received from any relevant replacement Covered Bond Swap Provider) in accordance with the terms of the relevant Covered Bond Swap Agreement; and
- (ii) such Final Redemption Amount pro rata and *pari passu* under the Covered Bond Guarantee in respect of each relevant Series of Covered Bonds to the Bond Trustee or (if so directed by the Bond Trustee) the Principal Paying Agent on behalf of the Covered Bondholders,

but, in the case of any such payment or provision, after taking into account any amounts receivable from the Interest Rate Swap Provider in respect of the Interest Rate Swap Agreement and, if applicable, any amounts (whether or not in respect of principal) receivable from the Covered Bond Swap Provider under the relevant Covered Bond Swap Agreement, provided that if the amount available for distribution under this paragraph (i) (excluding any amounts received or to be received from the Covered Bond Swap Provider) would be insufficient to pay the Australian Dollar Equivalent of such Final Redemption Amount in respect of the relevant Series of Covered Bonds under sub-paragraph (ii) above, the shortfall will be divided among all such Series of Covered Bonds on a pro rata and *pari passu* basis and any amount payable by the Trustee to the Covered Bond Swap Provider under the relevant Covered Bond Swap Agreement in respect of each Series of Covered Bonds under sub-

paragraph (i) above will be correspondingly reduced to take into account the shortfall applicable to the Covered Bonds in respect of which such payment is to be made;

- (j) *tenth*, to deposit the remaining moneys in the GIC Account for application on the immediately succeeding Trust Payment Date in accordance with the priority of payments described in paragraphs (b) - (i) (inclusive) above, until the Covered Bonds have been fully repaid or provided for (such that the Required Redemption Amount has been accumulated in respect of each outstanding Series of Covered Bonds);
- (k) *eleventh*, in or towards payment pro rata and *pari passu* according to the respective amounts thereof of any Excluded Swap Termination Amount due and payable by the Trustee under the Swap Agreements, except to the extent that such amounts have been received from any relevant replacement Swap Provider;
- (l) *twelfth*, in and towards payment of all amounts due and payable (whether in respect of principal or interest) under the Intercompany Loan Agreement;
- (m) *thirteenth*, in or towards payment of certain costs, expenses and indemnity amounts due by the Trustee to the Asset Monitor pursuant to the Asset Monitor Agreement;
- (n) *fourteenth*, to the extent not paid under paragraph (f) above, in and towards payment of all amounts due and payable in respect of the Demand Loan pursuant to the terms of the Demand Loan Agreement; and
- (o) *fifteenth*, to the Residual Income Unitholder by way of distribution of the remaining income of the Trust.

Nothing in this “Guarantee Allocations” limits the application of clause 9.3 (“Repayment in kind of Senior Portion Outstanding”) of the Demand Loan Agreement.

Guarantee application of payments under Swaps

At any time after the service of a Notice to Pay on the Trustee (and copied to the Trust Manager), but prior to service of a Covered Bond Guarantee Acceleration Notice on the Trustee and the Issuer (copied to the Trust Manager and the Security Trustee), or the enforcement of the Charge:

- (a) any amounts received (other than Swap Collateral Excluded Amounts) by or on behalf of the Trustee under the Interest Rate Swap Agreement on or after the Trust Payment Date but prior to the immediately succeeding Trust Payment Date will be applied by the Trustee (acting on the directions of the Trust Manager) together with any provision for such payment made on any preceding Trust Payment Date, to make payments (other than in respect of principal) due and payable pro rata and *pari passu* in respect of each Covered Bond Swap under the relevant Covered Bond Swap Agreement or, as the case may be, in respect of Scheduled Interest that is Due for Payment under the Covered Bond Guarantee pro rata and *pari passu* in respect of each relevant Series of Covered Bonds;
- (b) any amounts received (other than Swap Collateral Excluded Amounts) by or on behalf of the Trustee under a Covered Bond Swap (whether or not in respect of principal) on or after the Trust Payment Date but prior to the immediately succeeding Trust Payment Date will be applied by the Trustee (acting on the directions of the Trust Manager) together with any provision for such payment made on any preceding Trust Payment Date, to make payments of Scheduled Interest or Scheduled Principal that is Due for Payment, as the case may be, in respect of the Covered Bond Guarantee pro rata and *pari passu* in respect of each relevant Series of Covered Bonds; and

- (c) any amounts (other than Swap Collateral Excluded Amounts) received under the Interest Rate Swap Agreement or a Covered Bond Swap on or after the Trust Payment Date but prior to the immediately succeeding Trust Payment Date that are not put towards a payment or provision in accordance with paragraphs (g), (h) and (i) of the Guarantee Allocations or paragraphs (a) or (b) above will be credited to the Revenue Ledger or the Principal Ledger and deposited into the GIC Account (as appropriate) and applied as Available Revenue Receipts or Available Principal Receipts, as the case may be, on the Trust Payment Date (if received on that date) or on the immediately succeeding Trust Payment Date (if received after a Trust Payment Date).

Application of moneys received by the Security Trustee following the service of a Covered Bond Guarantee Acceleration Notice and/or realisation of the Charge and/or the commencement of winding-up proceedings against the Trust

From and including the time when the Bond Trustee serves a Covered Bond Guarantee Acceleration Notice on the Trustee and/or winding-up proceedings are commenced against the Trust and/or the Charge is realised, no amount may be withdrawn from the Trust Accounts without the prior written consent of the Security Trustee.

Post-Enforcement Allocations

Following the service on the Trustee and the Issuer (copied to the Trust Manager and the Security Trustee) of a Covered Bond Guarantee Acceleration Notice, or the enforcement of the Charge, the Security Trustee must apply available funds received or recovered by it or a Receiver and then held for or on behalf of the Trustee (excluding, for the avoidance of doubt, any amounts due or to become due in respect of any Third Party Amounts and excluding Swap Collateral Excluded Amounts due to the Swap Providers by the Trustee under the relevant Swap Agreement which shall be paid directly to the relevant Swap Provider) in the following order of priority:

- (a) *first*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:
- (i) all amounts due and payable or to become due and payable to the Bond Trustee under the provisions of the Bond Trust Deed (but not including amounts otherwise payable to Covered Bondholders under the Post-Enforcement Cashflow Allocation Methodology) together with interest and any applicable GST (or similar taxes) thereon;
 - (ii) all amounts due and payable or to become due and payable to the Security Trustee and any Receiver appointed by the Security Trustee under the provisions of the Security Trust Deed (but not including amounts otherwise payable to Covered Bondholders under the Post-Enforcement Cashflow Allocation Methodology) together with interest and any applicable GST (or similar taxes) thereon; and
 - (iii) all amounts due and payable or to become due and payable to the Trustee under the provisions of the Supplemental Deed and the Trust Terms Deed together with interest and any applicable GST (or similar taxes) thereon;
- (b) *second*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of any remuneration then due and payable to the Agents under or pursuant to the Agency Agreements together with any applicable GST (or similar taxes) thereon as provided therein;
- (c) *third*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof:

- (i) any remuneration then due and payable to the Servicer and any costs, charges, liabilities and expenses then due or to become due and payable to the Servicer under the provisions of the Servicing Deed, together with any applicable GST (or other similar taxes) thereon;
 - (ii) any remuneration then due and payable to the Asset Monitor and any costs, charges, liabilities and expenses then due or to become due and payable to the Asset Monitor under the provisions of the Asset Monitor Agreement, together with any applicable GST (or other similar taxes) thereon;
 - (iii) any remuneration then due and payable to the Calculation Manager and any costs, charges, liabilities and expenses then due or to become due and payable to the Calculation Manager under the provisions of the Supplemental Deed, together with any applicable GST (or other similar taxes) thereon;
 - (iv) amounts due to the Account Bank (including any costs, charges, liabilities and expenses) pursuant to the terms of the Account Bank Agreement, together with any applicable GST (or other similar taxes) thereon; and
 - (v) any remuneration then due and payable to the Trust Manager and any costs, charges, liabilities and expenses then due or to become due and payable to the Trust Manager under the provisions of the Supplemental and the Trust Terms Deed, together with any applicable GST (or other similar taxes) thereon;
- (d) *fourth*, in or towards satisfaction of any amounts due and payable to the Interest Rate Swap Provider (including any termination payment due, but excluding any Excluded Swap Termination Amount) pursuant to the terms of the Interest Rate Swap Agreement;
- (e) *fifth*, the accrued but unpaid interest in respect of the Senior Portion Outstanding of the Demand Loan, to the Demand Loan Provider pursuant to the terms of the Demand Loan Agreement for each Demand Loan Interest Period ending on a date up to and including the date of application of funds under this paragraph (e);
- (f) *sixth*, in or towards satisfaction of pro rata and *pari passu* according to the respective amounts thereof of:
- (i) any amounts due and payable to the Covered Bond Swap Provider pro rata and *pari passu* in respect of each relevant Covered Bond Swap (including any termination payment due and payable by the Trustee under the relevant Covered Bond Swap Agreement, but excluding any Excluded Swap Termination Amount) in accordance with the terms of the relevant Covered Bond Swap Agreement; and
 - (ii) the amounts due and payable under the Covered Bond Guarantee, to the Bond Trustee or (if so directed by the Bond Trustee) the relevant Paying Agent on behalf of the Covered Bondholders pro rata and *pari passu* in respect of interest and principal due and payable on each Series of Covered Bonds,

provided that if the amount available for distribution under this paragraph (f) (excluding any amounts received from the Covered Bond Swap Provider) would be insufficient to pay the Australian Dollar Equivalent of the amounts due and payable under the Covered Bond Guarantee in respect of each Series of Covered Bonds under sub paragraph (ii) above, the shortfall will be divided among all such Series of Covered Bonds on a pro rata and *pari passu* basis and any amount payable by the Trustee to the Covered Bond Swap Provider under the relevant Covered Bond Swap in respect of each relevant Series of Covered Bonds or provision to be made in respect thereof under sub paragraph (i) above will be correspondingly

reduced to take account of the shortfall applicable to the Covered Bonds in respect of which such payment is to be made;

- (g) *seventh*, in or towards satisfaction pro rata and *pari passu* according to the respective amounts thereof, of any Excluded Swap Termination Amounts due and payable by the Trustee under the Swap Agreements;
- (h) *eighth*, in or towards payment of all amounts outstanding under the Intercompany Loan Agreement;
- (i) *ninth*, to the extent not paid under paragraph (e) above, in or towards payment of any amounts outstanding under the Demand Loan Agreement; and
- (j) *tenth*, the remainder as a distribution to the Residual Income Unitholder.

Nothing in this Post-Enforcement Allocations limits the application of clause 9.3 (“Repayment in kind of Senior Portion Outstanding”) of the Demand Loan Agreement.

THE RECEIVABLES PORTFOLIO

Legal Aspects of the Purchased Receivables

The following discussion is a summary of the material legal aspects of Australian Housing Loans and Mortgages. It is not an exhaustive analysis of the relevant law. Some of the legal aspects are governed by the laws of the applicable State or Territory. Laws may differ between States and Territories. The summary does not reflect the laws of any particular jurisdiction or cover all relevant laws of all jurisdictions in which a mortgaged property may be situated, although it reflects the material aspects of the laws of New South Wales (except where it expressly provides otherwise), without referring to any specific legislation of that state.

General

There are two parties to a mortgage. The first party is the mortgagor, who is either the borrower and homeowner or, where the relevant loan is guaranteed and the guarantee is secured by a mortgage, the guarantor. The mortgagor grants the mortgage over their property. The second party is the mortgagee, who is the lender. Generally, each housing loan will be secured by a mortgage which has a first ranking priority over all other mortgages granted by the relevant borrower and over all unsecured creditors of the borrower, except in respect of certain statutory rights such as some rates and taxes, which are granted statutory priority. All Housing Loans forming part of the Purchased Receivables will be secured by a first ranking registered Mortgage over Land. In practical terms a mortgagor cannot create another registered mortgage over the relevant mortgaged property without the consent of the prior lender.

Types of Security in Australia

All Australian residential housing loans may be secured by a mortgage over one of the following types of interest in land.

Torrens Title

Torrens title is the most common form by which title to land is held in Australia. Torrens title is freehold or leasehold (in the Australian Capital Territory) title, interests in which are created by registration in one or more central land registries of the relevant State or Territory. Each parcel or parcels of freehold land are represented by specific title. Pro forma instruments are used to register most dealings with the relevant land registry.

Strata title

Strata title is a system of a title (under Torrens title) under which land is commonly divided into a number of units and is governed by the laws of the State or Territory in which the property is situated. The proprietor has title to a unit of that land and may freely deal with that unit. Certain parts of the property, such as the land on which the building is erected, the stairwells and entrance lobbies, are referred to as “common property” and are held by a “body corporate”/ “owners corporation” (**owners corporation**) for the benefit of the individual proprietors. All proprietors are members of the owners’ corporation, which is vested with the control, management and administration of the common property and the strata scheme generally, including the regulations governing the apartment block, for the benefit of the proprietors. The owners’ corporation generally has rights to sue an owner and assignees from the owner for unpaid levies.

Usually only Torrens title land can be the subject of strata title in this way, and so the provisions referred to in this section in relation to Torrens title apply to the title in an apartment unit held by a

strata proprietor. In some jurisdictions, strata titling can be used to subdivide land other than an apartment building, and in some jurisdictions a system of leasehold strata title exists.

Residential Crown Leasehold

All land in the Australian Capital Territory is owned by, or on behalf of, the Commonwealth of Australia. Interests in land are granted initially on behalf of the Commonwealth and are subject to a leasehold system of land title known as Crown leasehold. Mortgaged residential property in that jurisdiction comprises a Crown lease, and use of the land is subject to the terms of that lease. A Crown lease is a lease of the land granted by the Commonwealth, a State or a Territory or an authority of the Commonwealth, a State or a Territory. The lease is granted under a statutory law of the Commonwealth, State or Territory for a certain purpose.

In the Australian Capital Territory a lease of this type:

- (1) cannot have a term exceeding 99 years, although the term can be extended under a generally straightforward administrative process, whereby the existing lease is surrendered and a new lease is granted for a term not exceeding 99 years, unless the Commonwealth or the Australian Capital Territory Government considers that the land is required for a public purpose; and
- (2) where it involves residential property, is usually subject to a nominal rent only.

Crown leasehold land is held under Torrens title. The borrower's leasehold interest in the land is entered in a central register and the borrower may deal with its leasehold interest, including granting a mortgage over the property, generally without consent from the government.

In all cases where mortgaged property consists of a leasehold interest, the unexpired term of the lease must exceed the term of the mortgage loan secured by that mortgaged property, although in the Australian Capital Territory usually a crown lease for residential property can be renewed and, if so, the mortgage continues.

Other States and Territories also have systems of Crown leasehold which are similar to the Australian Capital Territory system in some respects. However, these are generally not referred to as "Torrens title" systems and different rules apply to the taking and enforcement of security over that type of tenure. In those jurisdictions, this type of title is used primarily for rural, coastal and island landholdings.

Native Title

The common law of Australia recognises a form of native title which reflects the entitlement of indigenous inhabitants, in accordance with their traditional laws or customs, to their traditional lands (**native title**). Crown property, including Crown leasehold, may be or become subject to native title claims. Native title exists where it has not been extinguished by prior acts on the land and where native title claimants have retained their connection with the relevant land. To give statutory recognition and protection to indigenous Australians' rights and interests in land (and waters), and to resolve a number of land management issues, the Commonwealth enacted the Native Title Act in 1993 (**Native Title Act**), and amended it in 1998.

Generally speaking, extinguishment of native title may occur by:

- voluntary surrender of the native title by an indigenous group to the Crown;

- abandonment of the land or abandonment of adherence to the traditional laws and customs by the indigenous group;
- extinction of the indigenous group; or
- legislative or executive act of the Crown with a clear and plain intention to extinguish native title.

Native title rights and interests in freehold land will have been extinguished where:

- the title to the land was granted on or before December 23, 1996;
- public works (that is, a building, road, bridge or earthworks) were constructed on the land by the Crown on or before December 23, 1996; or
- the title was granted after December 23, 1996, the grant amounts to an 'exclusive possession act' under the Native Title Act and the relevant processes in the Native Title Act were followed. Depending on the procedure which is followed, this may result in all or some of the native title in the property being extinguished.

Taking Security over Land

The law relating to the granting of securities over land in Australia is complicated by the fact that each State and Territory has separate governing legislation. The following is a summary of the material issues involved in taking security over land in Australia.

Under Torrens title, registration of a mortgage using the prescribed form executed by the mortgagor is required in order for the mortgagee to obtain both the remedies of a mortgagee granted by statute and the mortgage and the relevant priorities against other secured creditors. To this extent, the mortgagee is said to have a legal or registered title. However, registration does not transfer title in the property, and the mortgagor remains as legal owner; in short, the Torrens mortgage operates as a statutory charge. The mortgagee does not obtain an estate in the property but does have an interest in the land which is marked on the register and the certificate of title for the property. A search of the register by any subsequent creditor or proposed creditor will reveal the existence of the prior mortgage.

In most States and Territories, a mortgagee will retain a duplicate certificate of title which mirrors the original certificate of title held at the relevant land registry office. Although the certificate is not a document of title as such, the procedure for replacement is sufficiently onerous to act as a deterrent against most mortgagor fraud. Failure to retain the certificate may in certain circumstances constitute negligent conduct resulting in a postponement of the mortgagee's priority to a later secured creditor.

In Queensland and the Northern Territory, duplicate certificates of title are no longer issued to mortgagees as a matter of practice, although a certificate can be requested. A record of the title is stored on computer at the land registry office and the mortgage is registered on that computerized title (which is conclusive evidence of the title).

Once the mortgagor has repaid his or her debt, a discharge executed by the mortgagee is lodged with the relevant registrar by the mortgagor or the mortgagee, and the mortgage is noted as having been released.

A lender may also take a second ranking mortgage over land in Australia. This discussion assumes that each of the first and second ranking mortgages are registered with the relevant land titles office.

The consent of the holder of the first ranking mortgage is generally required for the granting of a second ranking mortgage and a priority agreement may be entered into between the mortgagees. The priority agreement will generally regulate the enforcement and sale process in respect of the mortgaged property and the application of the sale proceeds between the first and second ranking mortgages.

If no such priority agreement is entered into, then the holder of a second ranking mortgage may commence the enforcement and sale process in respect of the mortgaged property, without the consent or control of the holder of the first ranking mortgage, but upon the sale of the related property will be required to obtain the release of the first ranking mortgage from the related property, by payment of all amounts secured to the first mortgage. Equally, the holder of the first ranking mortgage may take these actions and is required only to account to the holder of a second ranking mortgage for any sale proceeds that exceed the amount due to the holder of the first ranking mortgage.

In each case, the sale proceeds are generally applied first towards repayment of all amounts due to the holder of the first ranking mortgage. The holder of the second ranking mortgage is entitled to the sale proceeds only to the extent that all amounts due to the holder of the first ranking mortgage have been paid in full. An exception to this general position is the rule against tacking, which prevents a first ranking mortgagee obtaining priority for further advances made by the first mortgagee after receipt of notice of the second mortgage, unless there is a pre-existing obligation on the first mortgagee to make the further advance or the further advance is made in accordance with the terms of a priority agreement with the second mortgagee.

Enforcement of Registered Mortgages

Enforcement Generally

The law relating to the enforcement of registered mortgages over land in Australia is complicated by the fact that each State or Territory has separate governing legislation. The following is a summary of the material issues involved in enforcing registered mortgages in Australia.

Subject to the discussion in this section, if a borrower defaults under a housing loan, the loan documents provide that all moneys under the mortgage loan become due and payable either, in limited circumstances, immediately, or otherwise after a default notice has been given and the default has not been remedied within a prescribed period of time (generally at least 30 days). The lender then has a number of remedies, including the right to sue to recover all outstanding principal, interest and fees under the borrower's personal covenant to repay the amounts set out in the loan documents.

In addition, the lender may enforce a registered mortgage in a number of ways. They include:

- *selling the property.* The power of sale is usually expressly contained in the mortgage documents, and is also implied in registered mortgages under the legislation. The legislation prescribes certain forms and periods of notice (usually not less than 30 days) to be given to the mortgagor prior to enforcement which apply notwithstanding any contrary provision in the mortgage. The mortgagee is under a duty to take reasonable care to ensure the mortgaged property is sold at its market value. Subject to this duty, the sale may be by public auction or private treaty. Once registered, the purchaser of the property sold pursuant to a mortgagee's power of sale becomes the owner of the property subject to any interests registered prior to the mortgage;
- *leasing the property.* The lender may lease the property to third parties subject to the duty to sell at market value;

- *entering into possession of the property.* If the mortgagor enters into possession, it does so in its own right and not as agent of the mortgagee, and so may be personally liable for mismanagement of the property and to third parties as occupier of the property. The mortgagee may apply rent or profits received from the possession of the property in satisfaction of the amount owing in respect of the mortgage loan and the related mortgage or it may sell the property. Upon taking possession, the mortgagee has a number of duties including the duty to account, to realize assets conscientiously, to get in rents and other income, to improve the property and make repairs if necessary to satisfy the duty of sale, and to take reasonable steps to maintain the security for the benefit of the guarantor (if any) (see below also for information relating to environmental liability);
- *foreclosing on the property.* This enforcement option is cumbersome and rarely, if ever, used in the case of Australian residential mortgage loans;
- *appointing a receiver or receiver and manager (**receiver**) to deal with the property or with income from the property or exercise other rights delegated to the receiver by the mortgagee.* A receiver will generally manage and administer the property in the interests of the mortgagee in order to preserve the mortgagee's security and collect the income from the property. A receiver is the agent of the mortgagor and so, unlike when the mortgagee enters possession of property, in theory the mortgagee is not liable for the receiver's acts or as occupier of the property. In practice, however, the receiver will require indemnities from the mortgagee that appoints it. The receiver will also owe duties to the mortgagor, guarantor (if any) and other interested parties to act in good faith and with due care and diligence. In the case of a company mortgagor the receiver will also be subject to a duty to take all reasonable care to sell the property for not less than market value and the other duties imposed on officers and controllers under the Corporations Act. This enforcement option is rarely, if ever, used in the case of Australian residential mortgage loans; or
- *obtaining an order for judicial sale under an application to the relevant Court.* This remedy is rarely used.

A mortgagee's ability to demand repayment of all amounts under a residential mortgage loan or enforce a residential mortgage is subject to the Australian National Credit Code (which will apply, in summary, where credit has been provided to an individual or strata corporation for personal, domestic or household purposes, and from July 1, 2010, includes residential investment loans) which requires various demand and notice procedures to be followed notwithstanding any provisions to the contrary in the residential loan and mortgage documents. For example, as a general rule enforcement cannot occur unless the relevant default is not remedied within 30 days after a default notice is given. Debtors are also entitled to initiate negotiations with the mortgagee or commence proceedings for a postponement of enforcement action.

Penalties and Prohibited Fees

Australian courts will not enforce a borrower's obligation to pay interest on a default or delinquent payment if the interest rate charged on default is seen to be a "penalty". Some jurisdictions prescribe a maximum recoverable interest rate. However, most do not specify what is a penalty; in those circumstances, whether a rate is a penalty will be determined by such factors as prevailing market interest rates. If a rate is too high, the borrower may be entitled to have the loan agreement reopened on the ground that it is unjust. Under the Corporations Act, the liquidator of a company mortgagor may avoid a loan and any related mortgage under which an extortionate interest rate or other charges are levied.

The Australian National Credit Code, where it applies, requires that any fee or charge to be levied in connection with the mortgage loan must be authorized, and sometimes specified in the contract, otherwise it cannot be levied. The regulations under the Australian National Credit Code may also prohibit certain fees and charges. The Australian National Credit Code also requires that establishment fees, termination fees and prepayment fees be reasonable, or they may be reduced or set aside. In relation of home loans entered into after July 1, 2011 which are regulated by the Australian National Credit Code, fees payable on termination are prohibited other than break fees and discharge fees. In respect of these loans, break fees must relate to the credit provider's loss arising from an early repayment of a fixed rate loan that is a result of differences in interest rates and discharge fees must be limited reimbursing the credit provider for reasonable administrative costs of terminating the contract.

Bankruptcy and Insolvency

The insolvency of a natural person is governed by the provisions of the Bankruptcy Act 1966, which is a Federal statute. Secured creditors of a natural person, such as mortgagees under land mortgages, stand outside the bankruptcy. That is, the property of the bankrupt which is available for distribution to creditors by the trustee in bankruptcy does not include the mortgaged property. The mortgagee may prove, or file a claim, in the bankruptcy as an unsecured creditor if it has realized the mortgaged property and its debt has not been fully repaid, in which case it can prove for the unpaid balance. If the mortgagee proves in the bankruptcy for the full amount of its debt without taking into account the value of the mortgaged property it will be deemed to have surrendered its security.

Certain dispositions of property (including the granting of a mortgage) by a bankrupt prior to the commencement of the bankruptcy may be avoided by a trustee in bankruptcy. These include where:

- (a) the disposition was made to defraud creditors; or
- (b) the disposition was made by the bankrupt within 6 months of the deemed commencement of the bankruptcy and that disposition gave a preference, priority or advantage to an existing creditor over at least one other outstanding creditor; or
- (c) the disposition was made by the bankrupt within 5 years of the deemed commencement of the bankruptcy and the beneficiary of the disposition gave no consideration for the disposition or gave consideration of less value than the market value of the property.

The insolvency of a company is governed by the Corporations Act. Again, secured creditors generally stand outside the liquidation. However, a liquidator may avoid a mortgage under the Corporations Act because it is an uncommercial transaction, or an unfair preference to a creditor or a transaction for the purpose of defeating creditors, and that transaction occurred:

- (a) when the company was insolvent, or an act was done to give effect to the transaction when the company was insolvent, or the company became insolvent because of the transaction or the doing of an act to give effect to the transaction; and
- (b) within a prescribed period (generally 6 months for an unfair preference, 2 years for an uncommercial transaction and 10 years for a transaction to defeat creditors) before the deemed commencement of the liquidation of the company.

The liquidator may also avoid a loan or mortgage which is fraudulent or under which an extortionate interest rate or other charges are levied entered into at any time.

In addition to bankruptcy and liquidation, the Bankruptcy Act and Corporations Act provide for the appointment of a controlling trustee or administrator to assume control of an insolvent mortgagor's affairs to enable a workout arrangement to be put to the mortgagor's creditors. In this event a

moratorium may apply to prevent mortgagees and other creditors from taking enforcement action against the mortgagor or the mortgagor's property.

Environmental Considerations

Land which is mortgaged to a lender may be subject to unforeseen environmental problems, including land contamination. Environmental legislation which deals with liability for such problems exists at both State and Federal levels, although the majority of relevant legislation is imposed by the States. No Australian statute expressly imposes liability on "passive" lenders or security holders for environmentally damaged land, including the cost of rectifying the damage, which liabilities may attach to a person who is, for instance, an owner, occupier or person in control of the relevant property. In some but not all States, lenders may be expressly excluded from the definitions of one or more of these categories.

Merely holding security over property does not convert a lender into an owner or occupier. However, a lender or receiver who takes possession of contaminated mortgaged property or otherwise enforces its security may be liable as an owner or occupier.

Some environmental legislation provides that security interests may be created over contaminated or other affected property to secure payment of the costs of any necessary rectification of the property. The security interests may have priority over pre-existing mortgages.

To the extent that the Trustee or a receiver appointed on the Trustee's behalf incurs any of these liabilities in the proper administration of the trust, it will be entitled to be indemnified out of the assets of the trust.

Tax Treatment of Interest on Australian Mortgage Loans

Under Australian law, interest on loans used to purchase a person's primary place of residence is not ordinarily deductible for taxation purposes. Conversely, interest payments on loans and other non-capital expenditures relating to non-owner occupied residential properties that generate assessable income are generally allowable as tax deductions.

The Seller as Mortgagee

The Seller is and, at least until a Title Perfection Event occurs, intends to remain, the registered mortgagee of all the mortgages. The borrowers and guarantors will not be aware of the equitable assignment of the mortgage loans and mortgages to the Trustee.

Prior to any Title Perfection Event, the Servicer will undertake any necessary enforcement action with respect to defaulted mortgage loans and mortgages. Following a Title Perfection Event, the Trustee is entitled, under an irrevocable power of attorney granted to the Trustee by the seller, to be registered as mortgagee of the mortgages.

Each New Receivable Portfolio acquired by the Trustee consists of Receivables sold by the Seller to the Trustee from time to time, in accordance with the terms of the Mortgage Sale Agreement, as more fully described under "*Summary of the Principal Documents – Mortgage Sale Agreement*".

For the purposes hereof:

New Receivable Portfolio means a portfolio of New Receivables (other than any New Receivables included in such portfolio which have been redeemed in full prior to the relevant Transfer Date in respect of such portfolio), particulars of which are set out in, or attached to, a New Receivable

Portfolio Notice, and all right, title, interest and benefit of the Seller in and to the rights and assets set out in paragraphs (a) to (f) (inclusive) below:

- (a) all sums of principal and interest (including, for the avoidance of doubt, all arrears of interest that are currently due and payable as at the Acquisition Cut-Off Date and all interest and expenses that have been capitalised) and any other sum due or to become due under or in respect of such New Receivables after the Acquisition Cut-Off Date (but excluding, for the avoidance of doubt, all accrued interest as at the Acquisition Cut-Off Date) in respect of such New Receivables and including without limitation, the right to demand, sue for, recover and give receipts for all such principal, interest or other amounts, and the right to sue on all covenants and undertakings made or expressed to be made in favour of the Seller under the applicable Receivable Conditions;
- (b) the benefit of all other securities for such principal, interest and other sums payable (including, without limitation, any interest of the Seller in any life policy), any guarantee in respect of such New Receivables and any other collateral security for the repayment of the relevant Purchased Receivables;
- (c) the right to exercise all the powers of the Seller in relation thereto subject to and in accordance with the relevant Receivable Conditions;
- (d) all the estate, title and interest in the Properties in relation thereto vested in the Seller;
- (e) to the extent they are assignable or capable of being put into trust, each certificate of title and Valuation Report and any right of action of the Seller against any solicitor, valuer or other person in connection with any report, valuation, opinion, certificate or other statement of fact or opinion given in connection with any such New Receivables, or any part thereof affecting the decision of the Seller to make or offer to make such Receivables or part thereof; and
- (f) the benefit of certain Insurance Contracts, in each case so far as they relate to such New Receivables comprised in that portfolio of New Receivables, including the right to receive the proceeds of all claims made or to be made by or on behalf of the Seller or to which the Seller is or may become entitled.

Any schedule of New Receivables attached to any New Receivable Portfolio Notice may be provided in a document stored upon electronic media (including, but not limited to, electronic mail and CD-ROM).

See also the following risk factors under *“Risk Factors Relating to the Covered Bonds – Risk Factors relating to the Covered Bond Guarantor, including the ability of the Covered Bond Guarantor to fulfil its obligations in relation to the Covered Bond Guarantee – Limited description of the Portfolio”*.

BOOK ENTRY CLEARANCE SYSTEMS

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of the clearing systems currently in effect. The information in this section concerning the clearing systems has been obtained from sources that the Issuer and the Covered Bond Guarantor believe to be reliable, but none of the Issuer, the Covered Bond Guarantor, the Bond Trustee nor any Dealer takes any responsibility for the accuracy thereof. Investors wishing to use the facilities of any of the clearing systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant clearing system. None of the Issuer, the Covered Bond Guarantor, nor any other party to the Principal Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Covered Bonds held through the facilities of any clearing system or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Book-entry systems

DTC

DTC is a limited purpose trust company organised under the New York Banking Law, a “banking organisation” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to Section 17A of the Exchange Act. DTC holds and provides asset servicing for securities that its participants (**Direct Participants**) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerised book-entry transfers and pledges between Direct Participants’ accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (**DTCC**). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC System is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (**Indirect Participants**). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of DTC Covered Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Covered Bonds on DTC’s records. The ownership interest of each actual purchaser of each Covered Bond (**Beneficial Owner**) is in turn to be recorded on the Direct and Indirect Participant’s records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the DTC Covered Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in DTC Covered Bonds, except in the event that use of the book-entry system for the DTC Covered Bonds is discontinued.

To facilitate subsequent transfers, all DTC Covered Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other nominee as may be requested by an authorised representative of DTC. The deposit of DTC Covered Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the DTC Covered Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such DTC Covered Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Each issue of DTC covered Bonds shall be represented by a Rule 144A Global Covered Bond and/or a Regulation S Global Covered Bond, each in the aggregate principal amount of such issue sold in reliance on Rule 144A or Regulation S, as the case may be, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds U.S.\$500 million, one Rule 144A Global Covered Bond and/or Regulation S Global Covered Bond will be issued with respect to each U.S.\$500 million of principal amount, and an additional Rule 144A Global Covered Bond or Regulation S Global Covered Bond, as applicable, will be issued with respect to any remaining principal amount of such Global Bonds issued in reliance on Rule 144A or Regulation S, as applicable.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the DTC Covered Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to DTC Covered Bonds unless authorised by a Direct Participant in accordance with DTC's HMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the DTC Covered Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, principal and interest payments on the DTC Covered Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorised representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Issuer or its paying agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC or its nominee, the Issuer or its paying agents, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorised representative of DTC) is the responsibility of Issuer or its paying agents, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

Under certain circumstances, DTC will exchange the DTC Covered Bonds for Registered Definitive Covered Bonds, which it will distribute to its Participants in accordance with their proportionate entitlements and which, if representing interests in a Rule 144A Global Covered Bond, will be legended as set forth under “*Subscription and Sale and Selling Restrictions (Conflicts of Interests)*”.

Since DTC may only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, any Beneficial Owner desiring to pledge DTC Covered Bonds to persons or entities that do not participate in DTC, or otherwise take actions with respect to such DTC Covered Bonds, will be required to withdraw its Registered Covered Bonds from DTC.

DTC may discontinue providing its services as depository with respect to the DTC Covered Bonds at any time by giving reasonable notice to the Issuer or its paying agent. Under such circumstances, in the event that a successor depository is not obtained, Covered Bond certificates are required to be printed and delivered.

The Issuer may decide to continue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Covered Bond certificates will be printed and delivered to DTC.

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for its customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

Book-entry Ownership of and Payments in respect of DTC Covered Bonds

The Issuer may apply to DTC in order to have any Tranche of Covered Bonds represented by a Registered Global Covered Bond accepted in its book-entry settlement system. Upon the issue of any such Registered Global Covered Bond, DTC or its custodian will credit, on its internal book-entry system, the respective nominal amounts of the individual beneficial interests represented by such Registered Global Covered Bond to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the relevant Dealer. Ownership of beneficial interests in such a Registered Global Covered Bond will be limited to Direct Participants or Indirect Participants, including, in the case of any Regulation S Global Covered Bond, the respective depositories of Euroclear and Clearstream, Luxembourg. Ownership of beneficial interests in a Registered Global Covered Bond accepted by DTC will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to interests of Indirect Participants).

It should be noted that DTC will only process payments of principal and interest in U.S. dollars. Payments in U.S. dollars of principal and interest in respect of a Registered Global Covered Bond

accepted by DTC will be made to the order of DTC or its nominee as the registered holder of such Registered Global Covered Bond. In the case of any payment in a currency other than U.S. dollars, payment will be made to the Exchange Agent on behalf of DTC or its nominee and the Exchange Agent will (in accordance with instructions received by it) remit all or a portion of such payment for credit directly to the beneficial holders of interests in the Registered Global Covered Bond in the currency in which such payment was made and/or cause all or a portion of such payment to be converted into U.S. dollars and credited to the applicable Participants' account.

The Issuer expects DTC to credit accounts of Direct Participants on the applicable payment date in accordance with their respective holdings as shown in the records of DTC unless DTC has reason to believe that it will not receive payment on such payment date. The Issuer also expects that payments by Participants to beneficial owners of Covered Bonds will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not the responsibility of DTC, the Bond Trustee, the Covered Bond Guarantor Security Trustee, the Principal Paying Agent, the Registrar or the Issuer. Payment of principal, premium, if any, and interest, if any, on Covered Bonds to DTC is the responsibility of the Issuer.

Transfers of Covered Bonds represented by Registered Global Covered Bonds

Transfers of any interests in Covered Bonds represented by a Registered Global Covered Bond within DTC, Euroclear and Clearstream, Luxembourg will be effected in accordance with the customary rules and operating procedures of the relevant clearing system. The laws in some States within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Covered Bonds represented by a Registered Global Covered Bond to such persons may depend upon the ability to exchange such Covered Bonds for Covered Bonds in definitive form. Similarly, because DTC can only act on behalf of Direct Participants in the DTC system who in turn act on behalf of Indirect Participants, the ability of a person having an interest in Covered Bonds represented by a Registered Global Covered Bond accepted by DTC to pledge such Covered Bonds to persons or entities that do not participate in the DTC system or otherwise to take action in respect of such Covered Bonds may depend upon the ability to exchange such Covered Bonds for Covered Bonds in definitive form. The ability of any holder of Covered Bonds represented by a Registered Global Covered Bond accepted by DTC to resell, pledge or otherwise transfer such Covered Bonds may be impaired if the proposed transferee of such Covered Bonds is not eligible to hold such Covered Bonds through a direct or indirect participant in the DTC system.

Subject to compliance with the transfer restrictions applicable to the Registered Covered Bonds described under “*Subscription and Sale and Selling Restrictions (Conflicts of Interests)*”, cross-market transfers between DTC, on the one hand, and directly or indirectly through Clearstream, Luxembourg or Euroclear accountholders, on the other, will be effected by the relevant clearing system in accordance with its rules and through action taken by the Registrar, the Principal Paying Agent and any custodian (**Custodian**) with whom the relevant Registered Global Covered Bonds have been deposited.

On or after the Issue Date for any Series, transfers of Covered Bonds of such Series between accountholders in Clearstream, Luxembourg and Euroclear and transfers of Covered Bonds of such Series between participants in DTC will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in Clearstream, Luxembourg or Euroclear and DTC participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Clearstream, Luxembourg and Euroclear, on the other, transfers of interests in the relevant Registered Global Covered Bonds will be effected through the Registrar, the Principal Paying Agent and the Custodian receiving instructions (and, where appropriate, certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. In the case of cross-market transfers, settlement between Euroclear or Clearstream, Luxembourg accountholders and DTC participants cannot be made on a delivery versus payment basis. The Covered Bonds will be delivered on a free delivery basis and arrangements for payment must be made separately.

DTC, Clearstream, Luxembourg and Euroclear have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Registered Global Covered Bonds among participants and accountholders of DTC, Clearstream, Luxembourg and Euroclear. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Bond Trustee, the Security Trustee, the Issuer, the Covered Bond Guarantor, the Agents or any Dealer will be responsible for any performance by DTC, Clearstream, Luxembourg or Euroclear or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Covered Bonds represented by Registered Global Covered Bonds or for maintaining, supervising or reviewing any records relating to such beneficial interests.

TAXATION

General

Neither ANZBGL nor any of the Dealers makes any comment about the treatment for taxation purposes of payments or receipts in respect of the Covered Bonds. Each investor contemplating acquiring Covered Bonds under the Program is advised to consult a professional adviser in connection with the consequences relating to the acquisition, retention and disposition of Covered Bonds.

United States Federal Income Taxation

United States IRS Circular 230 Notice: To ensure compliance with IRS Circular 230, prospective investors are hereby notified that: (a) any discussion of United States federal tax issues contained or referred to in this Offering Memorandum or any document referred to herein is not intended or written to be used, and cannot be used by prospective investors for the purpose of avoiding penalties that may be imposed on them under the United States Internal Revenue Code; (b) such discussion is written for use in connection with the promotion or marketing of the transactions or matters addressed herein; and (c) prospective investors should seek advice based on their particular circumstances from an independent tax advisor.

This section describes the material United States federal income tax consequences of owning the Covered Bonds. It applies to you only if you hold your Covered Bonds as capital assets for tax purposes. This section does not apply to you if you are a member of a class of holders subject to special rules, such as:

- a dealer in securities or currencies,
- a trader in securities that elects to use a mark-to-market method of accounting for your securities holdings,
- a bank,
- a life insurance company,
- a tax-exempt organization,
- a person that owns Covered Bonds that are a hedge or that are hedged against interest rate or currency risks,
- a person that owns Covered Bonds as part of a straddle or conversion transaction for tax purposes,
- a person that purchases or sells Covered Bonds as part of a wash sale for tax purposes, or
- a United States holder (as defined below) whose functional currency for tax purposes is not the U.S. dollar.

This section applies only to holders of registered Covered Bonds. Bearer Covered Bonds will not be offered to United States holders. This section deals only with Covered Bonds that are due to mature 30 years or less from the date on which they are issued. The United States federal income tax consequences of owning Covered Bonds that are due to mature more than 30 years from their date of issue will be discussed in an applicable supplement. This section is based on the Code, its legislative

history, existing and proposed regulations under the Code, published rulings and court decisions, all as currently in effect. These laws are subject to change, possibly on a retroactive basis.

If a partnership holds the Covered Bonds, the United States federal income tax treatment of a partner will generally depend on the status of the partner and the tax treatment of the partnership. A partner in a partnership holding the Covered Bonds should consult its tax advisor with regard to the United States federal income tax treatment of an investment in the Covered Bonds.

The tax consequences of any particular Covered Bond depend on its terms, and any particular offering of Covered Bonds may have features or terms that cause the U.S. federal income tax treatment of the Covered Bonds to differ materially from the discussion below. An applicable supplement will discuss any material differences from the discussion below.

Please consult your own tax advisor concerning the consequences of owning these Covered Bonds in your particular circumstances under the Code.

United States holders

This subsection describes the tax consequences to a United States holder. You are a United States holder if you are a beneficial owner of a Covered Bond and you are:

- a citizen or resident of the United States,
- a domestic corporation,
- an estate whose income is subject to United States federal income tax regardless of its source, or
- a trust if a United States court can exercise primary supervision over the trust's administration and one or more United States persons are authorized to control all substantial decisions of the trust.

If you are not a United States holder, this subsection does not apply to you and you should refer to “—*United States alien holders*” below.

Payments of Interest

Except as described below in the case of interest on a discount Covered Bond that is not qualified stated interest, each as defined below under “—*Original Issue Discount—General*”, you will be taxed on any interest on your Covered Bond, whether payable in U.S. dollars or other Specified Currency, as ordinary income at the time you receive the interest or when it accrues, depending on your method of accounting for tax purposes.

Interest paid by the Issuer on the Covered Bonds and original issue discount, if any, accrued with respect to the Covered Bonds (as described below under “—*Original Issue Discount*”) and any additional amounts paid with respect to withholding tax on the Covered Bonds, including withholding tax on payments of such additional amounts (**additional amounts**), is income from sources without the United States subject to the rules regarding the foreign tax credit allowable to a United States holder. Under the foreign tax credit rules, interest, original issue discount and additional amounts paid with respect to the Covered Bonds will, depending on your circumstances, be either “passive category” or “general category” income for purposes of computing the foreign tax credit.

Cash Basis Taxpayers. If you are a taxpayer that uses the cash receipts and disbursements method of accounting for tax purposes and you receive an interest payment that is denominated in, or determined

by reference to, a Specified Currency other than U.S. dollars, you must recognize income equal to the U.S. dollar value of the interest payment, based on the exchange rate in effect on the date of receipt, regardless of whether you actually convert the payment into U.S. dollars.

Accrual Basis Taxpayers. If you are a taxpayer that uses an accrual method of accounting for tax purposes, you may determine the amount of income that you recognize with respect to an interest payment denominated in, or determined by reference to, a Specified Currency other than U.S. dollars by using one of two methods. Under the first method, you will determine the amount of income accrued based on the average exchange rate in effect during the interest accrual period or, with respect to an accrual period that spans two taxable years, that part of the period within the taxable year.

If you elect the second method, you would determine the amount of income accrued on the basis of the exchange rate in effect on the last day of the accrual period, or, in the case of an accrual period that spans two taxable years, the exchange rate in effect on the last day of the part of the period within the taxable year. Additionally, under this second method, if you receive a payment of interest within five business days of the last day of your accrual period or taxable year, you may instead translate the interest accrued into U.S. dollars at the exchange rate in effect on the day that you actually receive the interest payment. If you elect the second method it will apply to all debt instruments that you hold at the beginning of the first taxable year to which the election applies and to all debt instruments that you subsequently acquire. You may not revoke this election without the consent of the United States IRS.

When you actually receive an interest payment, including a payment attributable to accrued but unpaid interest upon the sale or retirement of your Covered Bond, denominated in, or determined by reference to, a Specified Currency other than U.S. dollars for which you accrued an amount of income, you will recognize ordinary income or loss measured by the difference, if any, between the exchange rate that you used to accrue interest income and the exchange rate in effect on the date of receipt, regardless of whether you actually convert the payment into U.S. dollars.

Original Issue Discount

General. If you own a Covered Bond, other than a short-term Covered Bond with a term of one year or less, it will be treated as a discount Covered Bond issued at an original issue discount if the amount by which the Covered Bond's stated redemption price at maturity exceeds its issue price is more than a de minimis amount. Generally, a Covered Bond's issue price will be the first price at which a substantial amount of Covered Bonds included in the issue of which the Covered Bond is a part is sold to persons other than bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers. A Covered Bond's stated redemption price at maturity is the total of all payments provided by the Covered Bond that are not payments of qualified stated interest. Generally, an interest payment on a Covered Bond is qualified stated interest if it is one of a series of stated interest payments on a Covered Bond that are unconditionally payable at least annually at a single fixed rate, with certain exceptions for lower rates paid during some periods, applied to the outstanding principal amount of the Covered Bond. There are special rules for variable rate Covered Bonds that are discussed under "*—Variable Rate Covered Bonds*".

In general, your Covered Bond is not a discount Covered Bond if the amount by which its stated redemption price at maturity exceeds its issue price is less than the de minimis amount of $\frac{1}{4}$ of 1 percent of its stated redemption price at maturity multiplied by the number of complete years to its maturity. Your Covered Bond will have de minimis original issue discount if the amount of the excess is less than the de minimis amount. If your Covered Bond has de minimis original issue discount, you must include the de minimis amount in income as stated principal payments are made on the Covered Bond, unless you make the election described below under "*—Election to Treat All Interest as Original Issue Discount*". You can determine the includible amount with respect to each such

payment by multiplying the total amount of your Covered Bond's de minimis original issue discount by a fraction equal to:

- the amount of the principal payment made
- divided by:
- the stated principal amount of the Covered Bond.

Generally, if your discount Covered Bond matures more than one year from its date of issue, you must include original issue discount, or OID, in income before you receive cash attributable to that income. The amount of OID that you must include in income is calculated using a constant-yield method, and generally you will include increasingly greater amounts of OID in income over the life of your Covered Bond. More specifically, you can calculate the amount of OID that you must include in income by adding the daily portions of OID with respect to your discount Covered Bond for each day during the taxable year or portion of the taxable year that you hold your discount Covered Bond. You can determine the daily portion by allocating to each day in any accrual period a pro rata portion of the OID allocable to that accrual period. You may select an accrual period of any length with respect to your discount Covered Bond and you may vary the length of each accrual period over the term of your discount Covered Bond. However, no accrual period may be longer than one year and each scheduled payment of interest or principal on the discount Covered Bond must occur on either the first or final day of an accrual period.

You can determine the amount of OID allocable to an accrual period by:

- multiplying your discount Covered Bond's adjusted issue price at the beginning of the accrual period by your Covered Bond's yield to maturity, and then
- subtracting from this figure the sum of the payments of qualified stated interest on your Covered Bond allocable to the accrual period.

You must determine the discount Covered Bond's yield to maturity on the basis of compounding at the close of each accrual period and adjusting for the length of each accrual period. Further, you determine your discount Covered Bond's adjusted issue price at the beginning of any accrual period by:

- adding your discount Covered Bond's issue price and any accrued OID for each prior accrual period, and then
- subtracting any payments previously made on your discount Covered Bond that were not qualified stated interest payments.

If an interval between payments of qualified stated interest on your discount Covered Bond contains more than one accrual period, then, when you determine the amount of OID allocable to an accrual period, you must allocate the amount of qualified stated interest payable at the end of the interval, including any qualified stated interest that is payable on the first day of the accrual period immediately following the interval, pro rata to each accrual period in the interval based on their relative lengths. In addition, you must increase the adjusted issue price at the beginning of each accrual period in the interval by the amount of any qualified stated interest that has accrued prior to the first day of the accrual period but that is not payable until the end of the interval. You may compute the amount of OID allocable to an initial short accrual period by using any reasonable method if all other accrual periods, other than a final short accrual period, are of equal length.

The amount of OID allocable to the final accrual period is equal to the difference between:

- the amount payable at the maturity of your Covered Bond, other than any payment of qualified stated interest, and
- your Covered Bond's adjusted issue price as of the beginning of the final accrual period.

Acquisition Premium. If you purchase your Covered Bond for an amount that is less than or equal to the sum of all amounts, other than qualified stated interest, payable on your Covered Bond after the purchase date but is greater than the amount of your Covered Bond's adjusted issue price, as determined above under "*—General*", the excess is acquisition premium. If you do not make the election described below under "*—Election to Treat All Interest as Original Issue Discount*", then you must reduce the daily portions of OID by a fraction equal to:

- the excess of your adjusted basis in the Covered Bond immediately after purchase over the adjusted issue price of the Covered Bond
- divided by:
- the excess of the sum of all amounts payable, other than qualified stated interest, on the Covered Bond after the purchase date over the Covered Bond's adjusted issue price.

Pre-Issuance Accrued Interest. An election may be made to decrease the issue price of your Covered Bond by the amount of pre-issuance accrued interest if:

- a portion of the initial purchase price of your Covered Bond is attributable to pre-issuance accrued interest,
- the first stated interest payment on your Covered Bond is to be made within one year of your Covered Bond's issue date, and
- the payment will equal or exceed the amount of pre-issuance accrued interest.

If this election is made, a portion of the first stated interest payment will be treated as a return of the excluded pre-issuance accrued interest and not as an amount payable on your Covered Bond.

Covered Bonds Subject to Contingencies Including Optional Redemption. Your Covered Bond is subject to a contingency if it provides for an alternative payment schedule or schedules applicable upon the occurrence of a contingency or contingencies, other than a remote or incidental contingency, whether such contingency relates to payments of interest or of principal. In such a case, you must determine the yield and maturity of your Covered Bond by assuming that the payments will be made according to the payment schedule most likely to occur if:

- the timing and amounts of the payments that comprise each payment schedule are known as of the issue date, and
- one of such schedules is significantly more likely than not to occur.

If there is no single payment schedule that is significantly more likely than not to occur, other than because of a mandatory sinking fund, you must include income on your Covered Bond in accordance with the general rules that govern contingent payment obligations. These rules will be discussed in an applicable supplement.

Notwithstanding the general rules for determining yield and maturity, if your Covered Bond is subject to contingencies, and either you or the Issuer have an unconditional option or options that, if

exercised, would require payments to be made on the Covered Bond under an alternative payment schedule or schedules, then:

- in the case of an option or options that the Issuer may exercise, the Issuer will be deemed to exercise or not exercise an option or combination of options in the manner that minimizes the yield on your Covered Bond, and
- in the case of an option or options that you may exercise, you will be deemed to exercise or not exercise an option or combination of options in the manner that maximizes the yield on your Covered Bond.

If both you and the Issuer hold options described in the preceding sentence, those rules will apply to each option in the order in which they may be exercised. You may determine the yield on your Covered Bond for the purposes of those calculations by using any date on which your Covered Bond may be redeemed or repurchased as the maturity date and the amount payable on the date that you chose in accordance with the terms of your Covered Bond as the principal amount payable at maturity.

If a contingency, including the exercise of an option, actually occurs or does not occur contrary to an assumption made according to the above rules then, except to the extent that a portion of your Covered Bond is repaid as a result of this change in circumstances and solely to determine the amount and accrual of OID, you must redetermine the yield and maturity of your Covered Bond by treating your Covered Bond as having been retired and reissued on the date of the change in circumstances for an amount equal to your Covered Bond's adjusted issue price on that date.

Election to Treat All Interest as Original Issue Discount. You may elect to include in gross income all interest that accrues on your Covered Bond using the constant-yield method described above under “—General”, with the modifications described below. For purposes of this election, interest will include stated interest, OID, de minimis original issue discount, market discount, de minimis market discount and unstated interest, as adjusted by any amortizable bond premium, described below under “—Covered Bonds Purchased at a Premium”, or acquisition premium.

If you make this election for your Covered Bond, then, when you apply the constant-yield method:

- the issue price of your Covered Bond will equal your cost,
- the issue date of your Covered Bond will be the date you acquired it, and
- no payments on your Covered Bond will be treated as payments of qualified stated interest.

Generally, this election will apply only to the Covered Bond for which you make it; however, if the Covered Bond has amortizable bond premium, you will be deemed to have made an election to apply amortizable bond premium against interest for all debt instruments with amortizable bond premium, other than debt instruments the interest on which is excludible from gross income, that you hold as of the beginning of the taxable year to which the election applies or any taxable year thereafter. Additionally, if you make this election for a market discount Covered Bond, you will be treated as having made the election discussed below under “—Market Discount” to include market discount in income currently over the life of all debt instruments having market discount that you acquire on or after the first day of the first taxable year to which the election applies. You may not revoke any election to apply the constant-yield method to all interest on a Covered Bond or the deemed elections with respect to amortizable bond premium or market discount Covered Bonds without the consent of the IRS.

Variable Rate Covered Bonds. Your Covered Bond will be a variable rate Covered Bond if:

- your Covered Bond's issue price does not exceed the total noncontingent principal payments by more than the lesser of:
 - .015 multiplied by the product of the total noncontingent principal payments and the number of complete years to maturity from the issue date, or
 - 15 percent of the total noncontingent principal payments; and
- your Covered Bond provides for stated interest, compounded or paid at least annually, only at:
 - one or more qualified floating rates,
 - a single fixed rate and one or more qualified floating rates,
 - a single objective rate, or
 - a single fixed rate and a single objective rate that is a qualified inverse floating rate.

Your Covered Bond will have a variable rate that is a qualified floating rate if:

- variations in the value of the rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which your Covered Bond is denominated; or
- the rate is equal to such a rate multiplied by either:
 - a fixed multiple that is greater than 0.65 but not more than 1.35 or
 - a fixed multiple greater than 0.65 but not more than 1.35, increased or decreased by a fixed rate; and
- the value of the rate on any date during the term of your Covered Bond is set no earlier than three months prior to the first day on which that value is in effect and no later than one year following that first day.

If your Covered Bond provides for two or more qualified floating rates that are within 0.25 percentage points of each other on the issue date or can reasonably be expected to have approximately the same values throughout the term of the Covered Bond, the qualified floating rates together constitute a single qualified floating rate.

Your Covered Bond will not have a qualified floating rate, however, if the rate is subject to certain restrictions (including caps, floors, governors, or other similar restrictions) unless such restrictions are fixed throughout the term of the Covered Bond or are not reasonably expected to significantly affect the yield on the Covered Bond.

Your Covered Bond will have a variable rate that is a single objective rate if:

- the rate is not a qualified floating rate,
- the rate is determined using a single, fixed formula that is based on objective financial or economic information that is not within the control of or unique to the circumstances of the issuer or a related party, and

- the value of the rate on any date during the term of your Covered Bond is set no earlier than three months prior to the first day on which that value is in effect and no later than one year following that first day.

Your Covered Bond will not have a variable rate that is an objective rate, however, if it is reasonably expected that the average value of the rate during the first half of your Covered Bond's term will be either significantly less than or significantly greater than the average value of the rate during the final half of your Covered Bond's term.

An objective rate as described above is a qualified inverse floating rate if:

- the rate is equal to a fixed rate minus a qualified floating rate and
- the variations in the rate can reasonably be expected to inversely reflect contemporaneous variations in the cost of newly borrowed funds.

Your Covered Bond will also have a single qualified floating rate or an objective rate if interest on your Covered Bond is stated at a fixed rate for an initial period of one year or less followed by either a qualified floating rate or an objective rate for a subsequent period, and either:

- the fixed rate and the qualified floating rate or objective rate have values on the issue date of the Covered Bond that do not differ by more than 0.25 percentage points or
- the value of the qualified floating rate or objective rate is intended to approximate the fixed rate.

In general, if your variable rate Covered Bond provides for stated interest at a single qualified floating rate or objective rate, or one of those rates after a single fixed rate for an initial period, all stated interest on your Covered Bond is qualified stated interest. In this case, the amount of OID, if any, is determined by using, in the case of a qualified floating rate or qualified inverse floating rate, the value as of the issue date of the qualified floating rate or qualified inverse floating rate, or, for any other objective rate, a fixed rate that reflects the yield reasonably expected for your Covered Bond.

If your variable rate Covered Bond does not provide for stated interest at a single qualified floating rate or a single objective rate, and also does not provide for interest payable at a fixed rate other than a single fixed rate for an initial period, you generally must determine the interest and OID accruals on your Covered Bond by:

- determining a fixed rate substitute for each variable rate provided under your variable rate Covered Bond,
- constructing the equivalent fixed rate debt instrument, using the fixed rate substitute described above,
- determining the amount of qualified stated interest and OID with respect to the equivalent fixed rate debt instrument, and
- adjusting for actual variable rates during the applicable accrual period.

When you determine the fixed rate substitute for each variable rate provided under the variable rate Covered Bond, you generally will use the value of each variable rate as of the issue date or, for an objective rate that is not a qualified inverse floating rate, a rate that reflects the reasonably expected yield on your Covered Bond.

If your variable rate Covered Bond provides for stated interest either at one or more qualified floating rates or at a qualified inverse floating rate, and also provides for stated interest at a single fixed rate other than at a single fixed rate for an initial period, you generally must determine interest and OID accruals by using the method described in the previous paragraph. However, your variable rate Covered Bond will be treated, for purposes of the first three steps of the determination, as if your Covered Bond had provided for a qualified floating rate, or a qualified inverse floating rate, rather than the fixed rate. The qualified floating rate, or qualified inverse floating rate, that replaces the fixed rate must be such that the fair market value of your variable rate Covered Bond as of the issue date approximates the fair market value of an otherwise identical debt instrument that provides for the qualified floating rate, or qualified inverse floating rate, rather than the fixed rate.

Short-Term Covered Bonds. In general, if you are an individual or other cash basis United States holder of a short-term Covered Bond, you are not required to accrue OID, as specially defined below for the purposes of this paragraph, for United States federal income tax purposes unless you elect to do so (although it is possible that you may be required to include any stated interest in income as you receive it). If you are an accrual basis taxpayer, a taxpayer in a special class, including, but not limited to, a regulated investment company, common trust fund, or a certain type of pass-through entity, or a cash basis taxpayer who so elects, you will be required to accrue OID on short-term Covered Bond on either a straight-line basis or under the constant-yield method, based on daily compounding. If you are not required and do not elect to include OID in income currently, any gain you realize on the sale or retirement of your short-term Covered Bond will be ordinary income to the extent of the accrued OID, which will be determined on a straight-line basis unless you make an election to accrue the OID under the constant-yield method, through the date of sale or retirement. However, if you are not required and do not elect to accrue OID on your short-term Covered Bonds, you will be required to defer deductions for interest on borrowings allocable to your short-term Covered Bonds in an amount not exceeding the deferred income until the deferred income is realized.

When you determine the amount of OID subject to these rules, you must include all interest payments on your short-term Covered Bond, including stated interest, in your short-term Covered Bond's stated redemption price at maturity.

Foreign Currency Discount Covered Bonds. If your discount Covered Bond is denominated in, or determined by reference to, a Specified Currency other than U.S. dollars, you must determine OID for any accrual period on your discount Covered Bond in the Specified Currency and then translate the amount of OID into U.S. dollars in the same manner as stated interest accrued by an accrual basis United States holder, as described under “—United States holders—Payments of Interest”. You may recognize ordinary income or loss when you receive an amount attributable to OID in connection with a payment of interest or the sale or retirement of your Covered Bond.

Market Discount

You will be treated as if you purchased your Covered Bond, other than a short-term Covered Bond, at a market discount, and your Covered Bond will be a market discount Covered Bond if:

- you purchase your Covered Bond at its original issuance for an amount less than its issue price as determined above under “—*Original Issue Discount—General*” and
- the difference between the Covered Bond's stated redemption price at maturity or, in the case of a discount Covered Bond, the Covered Bond's revised issue price, and the price you paid for your Covered Bond is equal to or greater than $\frac{1}{4}$ of 1 percent of your Covered Bond's stated redemption price at maturity or revised issue price, respectively, multiplied by the number of complete years to the Covered Bond's maturity. To determine the revised issue price of your Covered Bond for these purposes, you generally add any OID that has accrued on your Covered Bond to its issue price.

If your Covered Bond's stated redemption price at maturity or, in the case of a discount Covered Bond, its revised issue price, exceeds the price you paid for the Covered Bond by less than $\frac{1}{4}$ of 1 percent multiplied by the number of complete years to the Covered Bond's maturity, the excess constitutes de minimis market discount, and the rules discussed below are not applicable to you.

You must treat any gain you recognize on the maturity or disposition of your market discount Covered Bond as ordinary income to the extent of the accrued market discount on your Covered Bond. Alternatively, you may elect to include market discount in income currently over the life of your Covered Bond. If you make this election, it will apply to all debt instruments with market discount that you acquire on or after the first day of the first taxable year to which the election applies. You may not revoke this election without the consent of the IRS. If you own a market discount Covered Bond and do not make this election, you will generally be required to defer deductions for interest on borrowings allocable to your Covered Bond in an amount not exceeding the accrued market discount on your Covered Bond until the maturity or disposition of your Covered Bond.

You will accrue market discount on your market discount Covered Bond on a straight-line basis unless you elect to accrue market discount using a constant-yield method. If you make this election, it will apply only to the Covered Bond with respect to which it is made and you may not revoke it.

Covered Bonds Purchased at a Premium

If you purchase your Covered Bond for an amount in excess of its principal amount, you may elect to treat the excess as amortizable bond premium. If you make this election, you will reduce the amount required to be included in your income each year with respect to interest on your Covered Bond by the amount of amortizable bond premium allocable to that year, based on your Covered Bond's yield to maturity. If your Covered Bond is denominated in, or determined by reference to, a Specified Currency other than U.S. dollars, you will compute your amortizable bond premium in units of the Specified Currency and your amortizable bond premium will reduce your interest income in units of the Specified Currency. Gain or loss recognized that is attributable to changes in exchange rates between the time your amortized bond premium offsets interest income and the time of the acquisition of your Covered Bond is generally taxable as ordinary income or loss. If you make an election to amortize bond premium, it will apply to all debt instruments, other than debt instruments the interest on which is excludible from gross income, that you hold at the beginning of the first taxable year to which the election applies or that you thereafter acquire, and you may not revoke it without the consent of the IRS. See also "*Original Issue Discount—Election to Treat All Interest as Original Issue Discount*".

Purchase, Sale and Retirement of the Covered Bonds

Your tax basis in your Covered Bond will generally be the U.S. dollar cost, as defined below, of your Covered Bond, adjusted by:

- adding any OID or market discount previously included in income with respect to your Covered Bond, and then
- subtracting any payments on your Covered Bond that are not qualified stated interest payments and any amortizable bond premium applied to reduce interest on your Covered Bond.

If you purchase your Covered Bond with foreign currency (i.e., a currency other than U.S. dollars), the U.S. dollar cost of your Covered Bond will generally be the U.S. dollar value of the purchase price on the date of purchase. However, if you are a cash basis taxpayer, or an accrual basis taxpayer if you so elect, and your Covered Bond is traded on an established securities market, as defined in the

applicable Treasury regulations, the U.S. dollar cost of your Covered Bond will be the U.S. dollar value of the purchase price on the settlement date of your purchase.

You will generally recognize gain or loss on the sale or retirement of your Covered Bond equal to the difference between the amount you realize on the sale or retirement and your tax basis in your Covered Bond. If your Covered Bond is sold or retired for an amount in foreign currency, the amount you realize will be the U.S. dollar value of such amount on the date the Covered Bond is disposed of or retired, except that in the case of a Covered Bond that is traded on an established securities market, as defined in the applicable Treasury regulations, a cash basis taxpayer, or an accrual basis taxpayer that so elects, will determine the amount realized based on the U.S. dollar value of the foreign currency on the settlement date of the sale.

You will recognize capital gain or loss when you sell or retire your Covered Bond, except to the extent:

- described above under “—Original Issue Discount—Short-Term Covered Bonds” or “—Market Discount”,
- attributable to accrued but unpaid interest,
- the rules governing contingent payment obligations apply, or
- attributable to changes in exchange rates as described below.

Capital gain of a noncorporate United States holder is generally taxed at preferential rates where the property is held for more than one year.

You must treat any portion of the gain or loss that you recognize on the sale or retirement of a Covered Bond as ordinary income or loss to the extent attributable to changes in exchange rates. However, you will take exchange gain or loss into account only to the extent of the total gain or loss you realize on the transaction.

Exchange of Amounts in Other Than U.S. Dollars

If you receive foreign currency (i.e., a currency other than U.S. dollars) as interest on your Covered Bond or on the sale or retirement of your Covered Bond, your tax basis in the foreign currency will equal its U.S. dollar value when the interest is received or at the time of the sale or retirement. If you purchase foreign currency, you generally will have a tax basis equal to the U.S. dollar value of the foreign currency on the date of your purchase. If you sell or dispose of a foreign currency, including if you use it to purchase Covered Bonds or exchange it for U.S. dollars, any gain or loss recognized generally will be ordinary income or loss.

Index Linked Interest Covered Bonds and Instalment Covered Bonds

An applicable supplement will discuss any special United States federal income tax rules with respect to Covered Bonds the payments on which are determined by reference to any index, Covered Bonds that are subject to the rules governing contingent payment obligations and Instalment Covered Bonds.

Medicare Tax

For taxable years beginning after December 31, 2012, a United States holder that is an individual or estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, will be subject to a 3.8% tax on the lesser of (1) the United States holder’s “net investment income” for the relevant taxable year and (2) the excess of the United States holder’s modified adjusted gross income for the taxable year over a certain threshold (which in the case of individuals will be between \$125,000 and \$250,000, depending on the individual’s circumstances). A holder’s net investment

income will generally include its interest income and its net gains from the disposition of Covered Bonds, unless such interest income or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). If you are a United States holder that is an individual, estate or trust, you are urged to consult your tax advisors regarding the applicability of the Medicare tax to your income and gains in respect of your investment in the Covered Bonds.

Treasury Regulations Requiring Disclosure of Reportable Transactions

Treasury regulations require United States taxpayers to report certain transactions that give rise to a loss in excess of certain thresholds (a **Reportable Transaction**). Under these regulations, if the Covered Bonds are denominated in a Specified Currency other than U.S. dollars, a United States holder (or a U.S. alien holder that holds the Covered Bonds in connection with a U.S. trade or business) that recognizes a loss with respect to the Covered Bonds that is characterized as an ordinary loss due to changes in currency exchange rates (under any of the rules discussed above) would be required to report the loss on IRS Form 8886 (Reportable Transaction Statement) if the loss exceeds the thresholds set forth in the regulations. For individuals and trusts, this loss threshold is US\$50,000 in any single taxable year. For other types of taxpayers and other types of losses, the thresholds are higher. You should consult with your tax advisor regarding any tax filing and reporting obligations that may apply in connection with acquiring, owning and disposing of Covered Bonds.

Information with Respect to Foreign Financial Assets

Owners of “specified foreign financial assets” with an aggregate value in excess of \$50,000 (and in some circumstances, a higher threshold) may be required to file an information report with respect to such assets with their tax returns. “Specified foreign financial assets” include any financial accounts maintained by foreign financial institutions, as well as any of the following, but only if they are not held in accounts maintained by financial institutions: (i) stocks and securities issued by non-United States persons, (ii) financial instruments and contracts held for investment that have non-United States issuers or counterparties, and (iii) interests in foreign entities. Covered Bonds should qualify as specified foreign financial assets unless held in accounts maintained by financial institutions. Holders are urged to consult their tax advisors regarding the application of this legislation to their ownership of the Covered Bonds.

United States alien holders

This subsection describes the tax consequences to a United States alien holder. You are a United States alien holder if you are a beneficial owner of a Covered Bond and you are, for United States federal income tax purposes:

- a nonresident alien individual,
- a foreign corporation, or
- an estate or trust that in either case is not subject to United States federal income tax on a net income basis on income or gain from a Covered Bond.

If you are a United States holder, this subsection does not apply to you.

Under United States federal income and estate tax law, and subject to the discussion of backup withholding below, if you are a United States alien holder of a Covered Bond interest on a Covered Bond paid to you is generally exempt from United States federal income tax, including withholding tax, whether or not you are engaged in a trade or business in the United States, unless:

- you are an insurance company carrying on a United States insurance business within the meaning of the Code and the interest is effectively connected with your conduct of a trade or business within the United States, or
- you both:
 - have an office or other fixed place of business in the United States to which the interest is attributable and
 - derive the interest in the active conduct of a banking, financing or similar business within the United States.

If you are a United States alien holder of a Covered Bond, you generally will not be subject to United States federal income tax on gain realized on the sale, exchange or retirement of a Covered Bond unless:

- the gain is effectively connected with your conduct of a trade or business in the United States or
- you are an individual, you are present in the United States for 183 or more days during the taxable year in which the gain is realized and certain other conditions exist.

For purposes of the United States federal estate tax, the Covered Bonds will be treated as situated outside the United States and will not be includible in the gross estate of a holder who is neither a citizen nor a resident of the United States (as specially defined for United States federal estate tax purposes) at the time of death.

Foreign Account Tax Compliance Withholding

A 30% withholding tax will be imposed on certain payments to certain non-U.S. financial institutions that fail to comply with information reporting requirements or certification requirements in respect of their direct and indirect United States shareholders and/or United States accountholders. United States accountholders subject to such information reporting or certification requirements may include holders of the Covered Bonds. To avoid becoming subject to the 30% withholding tax on payments to them, ANZ and other non-U.S. financial institutions may be required to report information to the IRS regarding the holders of Covered Bonds issued after March 18, 2012 and, in the case of holders who (i) fail to provide the relevant information, (ii) are non-U.S. financial institutions who have not agreed to comply with these information reporting requirements, or (iii) hold Covered Bonds directly or indirectly through such a non-compliant non-U.S. financial institution, withhold on a portion of payments under the Covered Bonds. Under proposed regulations, such withholding would generally not apply to payments made before January 1, 2017. Moreover, under proposed regulations, such requirements would only apply to Covered Bonds issued on or after January 1, 2013. If these rules were to be finalized in their current proposed form, a holder of Covered Bonds would not be subject to the information reporting and withholding rules described in this paragraph unless the holder (i) is a non-U.S. financial institutions who has not agreed to comply with these information reporting requirements, or (ii) holds Covered Bonds directly or indirectly through such a non-compliant non-U.S. financial institution. However, the rules for the implementation of this legislation have not yet been finalized, so it is impossible to determine at this time what impact, if any, this legislation will have on holders of the Covered Bonds.

Backup Withholding and Information Reporting

If you are a noncorporate United States holder, information reporting requirements, on IRS Form 1099, generally will apply to:

- payments of principal and interest on a Covered Bond within the United States, including payments made by wire transfer from outside the United States to an account you maintain in the United States, and
- the payment of the proceeds from the sale of a Covered Bond effected at a United States office of a broker.

Additionally, backup withholding will apply to such payments if you are a noncorporate United States holder that:

- fails to provide an accurate taxpayer identification number,
- is notified by the IRS that you have failed to report all interest and dividends required to be shown on your federal income tax returns, or
- in certain circumstances, fails to comply with applicable certification requirements.

If you are a United States alien holder, you are generally exempt from backup withholding and information reporting requirements with respect to:

- payments of principal and interest made to you outside the United States by ANZBGL or another non-United States payor, and

- other payments of principal and interest and the payment of the proceeds from the sale of a Covered Bond effected at a United States office of a broker, as long as the income associated with such payments is otherwise exempt from United States federal income tax, and:
 - the payor or broker does not have actual knowledge or reason to know that you are a United States person and you have furnished to the payor or broker:
 - an IRS Form W-8BEN or an acceptable substitute form upon which you certify, under penalties of perjury, that you are a non-United States person, or
 - other documentation upon which it may rely to treat the payments as made to a non-United States person in accordance with U.S. Treasury regulations, or
 - you otherwise establish an exemption.

Payment of the proceeds from the sale of a Covered Bond effected at a foreign office of a broker generally will not be subject to information reporting or backup withholding. However, a sale of a Covered Bond that is effected at a foreign office of a broker will be subject to information reporting and backup withholding if:

- the proceeds are transferred to an account maintained by you in the United States,
- the payment of proceeds or the confirmation of the sale is mailed to you at a United States address, or
- the sale has some other specified connection with the United States as provided in U.S. Treasury regulations,

unless the broker does not have actual knowledge or reason to know that you are a United States person and the documentation requirements described above are met or you otherwise establish an exemption.

In addition, a sale of a Covered Bond effected at a foreign office of a broker will be subject to information reporting if the broker is:

- a United States person,
- a controlled foreign corporation for United States tax purposes,
- a foreign person 50% or more of whose gross income is effectively connected with the conduct of a United States trade or business for a specified three-year period, or
- a foreign partnership, if at any time during its tax year
 - one or more of its partners are “U.S. persons”, as defined in U.S. Treasury regulations, who in the aggregate hold more than 50% of the income or capital interest in the partnership, or
 - such foreign partnership is engaged in the conduct of a United States trade or business,

unless the broker does not have actual knowledge or reason to know that you are a United States person and the documentation requirements described above are met or you otherwise establish an

exemption. Backup withholding will apply if the sale is subject to information reporting and the broker has actual knowledge that you are a United States person.

Any amount withheld under the backup withholding rules from a payment to you will generally be allowed as a refund or credit against your United States federal income tax, provided the required information is timely furnished to the IRS.

Australia

The comments below are of a general nature and are based on the provisions currently in force in Australia. They relate only to the position of persons who are the absolute beneficial owners of their Covered Bonds issued by ANZBGL (other than through an offshore branch, in which case such persons should consider the tax implications of the jurisdiction in which the relevant branch is located). Covered Bondholders who are in doubt as to their personal tax position should consult their professional advisers. Statutory references are references to a section of the *Income Tax Assessment Act 1936* or the *Income Tax Assessment Act 1997* of Australia (the **Australian Tax Act**).

Interest or an amount that is included in the extended definition of interest in section 128A on the Covered Bonds issued by ANZBGL is exempt from Australian withholding tax under section 128F of the Australian Tax Act if the following conditions are met:

- (a) ANZBGL is either:
 - (i) a resident of Australia when it issues the Covered Bonds and when interest (as defined in section 128A (1AB)) is paid on the Covered Bonds; or
 - (ii) a non-resident of Australia when it issues the Covered Bonds and when interest (as defined in section 128A (1AB)) is paid on the Covered Bonds and the Covered Bonds are issued and the interest is paid on the Covered Bonds by ANZBGL in carrying on business at or through a permanent establishment in Australia; and
- (b) the Covered Bonds are issued by ANZBGL in a manner which satisfies the public offer test.

The public offer test is satisfied if the Covered Bonds are issued by ANZBGL as a result of being offered for issue:

- (a) to at least ten persons each of whom:
 - (i) is carrying on business of providing finance, or investing or dealing in securities, in the course of operating in financial markets; and
 - (ii) is not known, or suspected, by ANZBGL to be an associate (as defined in section 128F) of any of the other persons; or
- (b) to at least 100 persons whom it is reasonable for ANZBGL to regard as having acquired Covered Bonds in the past or being likely to be interested in acquiring Covered Bonds; or
- (c) as a result of being accepted for listing on a stock exchange, where ANZBGL had previously entered into an agreement with a dealer, manager or underwriter in relation to the placement of the Covered Bonds, requiring ANZBGL to seek such a listing; or
- (d) as a result of negotiations being initiated publicly in electronic form, or in another form, that is used by financial markets for dealing in instruments similar to the Covered Bonds; or

- (e) to a dealer, manager or underwriter in relation to the placement of the Covered Bonds who, under an agreement with ANZBGL, offered the Covered Bonds for sale within 30 days in a way covered by any of paragraphs (a) to (d) above.

In relation to the issue of a Global Covered Bond by ANZBGL, the **public offer** test will be satisfied if the Global Covered Bond falls within the definition of **global bond** set out in section 128F(10). Broadly speaking, this will be the case if the following requirements are satisfied:

- (a) the Global Covered Bond describes itself as a global bond or a global note; and
- (b) it is issued to a clearing house (as defined in section 128F(9)) or to a person as trustee or agent for, or otherwise on behalf of, one or more clearing houses; and
- (c) in connection with the issue of the Global Covered Bond, the clearing house or houses confer rights in relation to the Global Covered Bond on other persons and will record the existence of the rights; and
- (d) before the issue of the Global Covered Bond, ANZBGL or a Dealer, manager or underwriter in relation to the placement of debentures, on behalf of ANZBGL, announces that, as a result of the issue, such rights will be able to be created; and
- (e) the announcement is made in a way or ways covered by any of paragraphs (a) to (e) of section 128F(3) (reading a reference in those paragraphs to **debenture** as if it were a reference to the rights referred to in paragraph (d) above and a reference to the **company** as if it included a reference to the Dealer, manager or underwriter); and
- (f) under the terms of the Global Covered Bond, interests in the Global Covered Bond are able to be surrendered, whether or not in particular circumstances, in exchange for other debentures issued by ANZBGL, that are not themselves Global Covered Bonds.

The public offer test is not satisfied if at the time of issue, or at the time of payment, ANZBGL knows, or had reasonable grounds to suspect, that the Covered Bonds, or an interest in the Covered Bonds, issued by ANZBGL was being, or would later be, acquired directly or indirectly by an Offshore Associate (as defined Condition 5(i)) of ANZBGL acting other than in the capacity of a dealer, manager or underwriter in relation to the placement of the Covered Bonds or a clearing house, custodian, funds manager or responsible entity of a registered scheme within the meaning of the Corporations Act 2001 of Australia.

If ANZBGL is compelled by law at any time to withhold or deduct an amount in respect of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of Australia or any authority therein having the power to tax, it will, subject to certain exceptions set out in Condition 7 (*Taxation*), pay such additional amounts as will result in the payment to the Covered Bondholders concerned of the sum which would otherwise have been payable on the Covered Bonds.

ANZBGL will not be liable to account to an investor for any deduction or withholding on account of any duties or taxes where those duties or taxes are imposed or levied by or on behalf of Australia or any authority therein having the power to tax by virtue of, among other things (refer to Condition 7 (*Taxation*) of “The Conditions of the Covered Bonds” for further details), the investor being an Offshore Associate (as defined Condition 5(i)) of ANZBGL (acting other than in the capacity of a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme within the meaning of the Corporations Act 2001 of Australia), or as a result of the investor being a party to or participating in a scheme to avoid such duties or taxes, being a scheme which ANZBGL neither was a party to nor participated in.

ANZBGL proposes to issue Covered Bonds in a manner which will satisfy the requirements of section 128F of the Australian Tax Act.

The Australian Government has signed a number of new or amended double tax conventions (**New Treaties**) with foreign jurisdictions (each a **Specified Country**).

The New Treaties effectively prevent interest withholding tax applying to interest derived by:

- Governments of the Specified Countries and certain governmental authorities and agencies in a Specified Country; and
- certain unrelated (1) banks, and (2) other financial institutions which substantially derive their profits by carrying on a business of raising and providing finance and which are resident in the Specified Country,

by reducing the interest withholding tax rate to zero (interest paid under a back-to-back loan or economically equivalent arrangement will not qualify for this exemption).

The New Treaties are in force in a number of jurisdictions including, for example, the United States and the United Kingdom. The Australian government is progressively amending its double tax conventions to include this form of the interest withholding tax exemption.

Section 126 of the Australian Tax Act imposes a type of withholding tax at the rate of 45 percent on the payment of interest on bearer Covered Bonds issued by ANZBGL (other than certain promissory notes) if ANZBGL fails to disclose the names and addresses of the holders to the Australian Taxation Office. Section 126 does not apply to a payment on a bearer Covered Bonds which, although not being interest at general law, is included in the extended definition of interest in section 128A. Section 126 does not apply to the payment of interest on bearer Covered Bonds held by non-residents who do not carry on business at or through a permanent establishment in Australia, where the issue of those Covered Bonds satisfied the requirements of section 128F of the Australian Tax Act or interest withholding tax is payable. The Australian Taxation Office has clarified that it considers “the holder of debenture”, for the purposes of section 126, to be the person in possession of the debenture. Consequently, where residents of Australia or non-residents carrying on a business at or through a permanent establishment in Australia hold bearer Covered Bonds through (for example) the Euroclear or Clearstream systems, the Australian Taxation Office will view the operator of the relevant system as the holder of those bearer Covered Bonds.

Section 12-140 of Schedule 1 to the Taxation Administration Act 1953 of Australia imposes a type of withholding tax at the rate of (currently) 46.5 percent on the payment of interest on certain registered securities unless the relevant payee has quoted an Australian tax file number (**TFN**), (in certain circumstances) an Australian Business Number (**ABN**) or proof of some other exception (as appropriate). Assuming the requirements of section 128F of the Australian Tax Act are satisfied with respect to the Covered Bonds issued by ANZBGL, then the requirements of section 12-140 do not apply to payments to a holder of those Covered Bonds in registered form who is not a resident of Australia and not holding those Covered Bonds in the course of carrying on business at or through a permanent establishment in Australia. Payments to other classes of holders of Covered Bonds issued by ANZBGL in registered form may be subject to a withholding where the holder of those Covered Bonds does not quote a TFN, ABN or provide proof of an appropriate exemption (as appropriate).

ANZBGL has been advised by its Australian counsel that, under current Australian law:

- (a) subject to compliance with the requirements of the Australian Tax Act referred to above, payments of:

- (i) principal;
- (ii) interest;
- (iii) amounts included in the extended definition of interest in section 128A; or
- (iv) amounts that are deemed to be interest under section 128AA of the Australian Tax Act,

to a holder of a Covered Bond issued by ANZBGL who is a non-resident of Australia and who, during the taxable year has not engaged in trade or business at or through a permanent establishment within Australia, will not be subject to Australian income tax;

- (b) a holder of a Covered Bond issued by ANZBGL who is a non-resident of Australia and who during the taxable year has not carried on business at or through a permanent establishment within Australia will not be subject to Australian income or capital gains tax on gains realised during that year on sale or redemption of such Covered Bonds, provided such gains do not have an Australian source. A gain arising on the sale of a Covered Bond issued by ANZBGL by a non-Australian resident holder to another non-Australian resident where the Covered Bond is sold outside Australia and all negotiations are conducted and all documentation is executed outside Australia would not be regarded as having an Australian source; and
- (c) Subdivision 12-FB of the *Taxation Administration Act 1953* (the **Act**) of Australia imposes a withholding obligation in respect of certain payments, to be prescribed by regulation, that are made to non-residents of Australia.

The Act expressly provides that the regulations will not apply to interest and other payments which are already subject to the current interest withholding tax rules or specifically exempt from those rules. Further, regulations may only be made if the responsible minister is satisfied the specified payments are of a kind that could reasonably relate to assessable income of foreign residents. ANZBGL has been advised by its Australian counsel that they do not expect the regulations to apply to repayments of principal under the Covered Bonds, as such amounts are not generally income or gains. The possible application of any regulations to the proceeds of any sale of the Covered Bonds will need to be monitored.

- (a) the Covered Bonds issued by ANZBGL will not be subject to death, estate or succession duties imposed by Australia or by any instrumentality thereof or therein, if held outside Australia at the time of death; and
- (b) no ad valorem stamp, issue, registration or similar taxes are payable in Australia on the issue of the Covered Bonds by ANZBGL or the transfer of the Covered Bonds issued by ANZBGL.

Taxation of Financial Arrangements

The Australian Government has enacted a new regime for the taxation of financial arrangements (referred to as TOFA) which can affect the taxation of financial instruments such as Covered Bonds. ANZBGL has elected for the new TOFA regime to apply to certain financial arrangements, such as the Covered Bonds, acquired on or after July 1, 2009. ANZBGL has elected for the new TOFA regime to apply to all financial arrangements held by them on July 1, 2009. The previous law governing the taxation of financial arrangements will continue to apply to Covered Bonds acquired before July 1, 2010. The previous law governing the taxation of financial arrangements will also continue to apply to Covered Bonds held by taxpayers that are not subject to the TOFA regime because they do not meet certain threshold requirements. In any case, the TOFA regime does not contain any measures that would override the exemption from Australian interest withholding tax

available under section 128F of the Australian Tax Act in respect of interest payable on the Covered Bonds.

Consolidation

ANZBGL is the head company of a consolidated tax group for the purposes of Australian income tax. This means that ANZBGL determines its income tax liability on the basis that its subsidiary members are taken to be a part of ANZBGL. Each subsidiary member has entered into a Tax Sharing Deed which has the effect, in the event of a default by ANZBGL in the payment of a relevant tax liability, of allocating to that subsidiary member its reasonable allocation of that liability. The Trust will be a subsidiary member of ANZBGL and the Covered Bond Guarantor has acceded to the Tax Sharing Deed. ANZBGL and the Covered Bond Guarantor have been advised that a nil amount is a reasonable allocation of any income tax liability incurred by ANZBGL.

United Kingdom Taxation

The comments below are of a general nature based on current United Kingdom law and practice. They relate only to the position of persons who are the absolute beneficial owners of their Covered Bonds and all payments made thereon. The comments relate only to withholding tax and do not deal with any other aspect of the United Kingdom taxation treatment that may be applicable to holders of Covered Bonds (including, for instance, income tax, capital gains tax and corporation tax). Prospective holders of Covered Bonds should note that the particular terms of issue of any Series of Covered Bonds as specified in the applicable Final Terms may affect the tax treatment of that and any other Series of Covered Bonds and should be treated with appropriate caution. The comments below do not deal with the tax consequences of any substitution of the Issuer in accordance with Condition 11 (Meetings of Covered Bondholders, Modification, Waiver and Substitution).

Any holders of Covered Bonds who are in doubt as to their tax position should consult their professional advisers. Holders of Covered Bonds who may be liable to taxation in jurisdictions other than the United Kingdom in respect of their acquisition, holding or disposal of Covered Bonds are particularly advised to consult their professional advisers as to whether they are so liable (and, if so, under the laws of which jurisdictions), since the following comments relate only to certain United Kingdom taxation aspects of payments in respect of the Covered Bonds. In particular, holders of Covered Bonds should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Covered Bonds even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom.

Payments of interest on the Covered Bonds issued by ANZBGL may be made without withholding on account of United Kingdom income tax.

Covered Bondholders may wish to note that, in certain circumstances, HM Revenue and Customs (**HMRC**) has power to obtain information (including the name and address of the beneficial owner of the interest) from any person in the United Kingdom who either pays or credits interest to or receives interest for the benefit of a Covered Bondholder. HMRC also has power, in certain circumstances, to obtain information from any person in the United Kingdom who pays amounts payable on the redemption of Covered Bonds which are deeply discounted securities for the purposes of the Income Tax (Trading and Other Income) Act 2005 to or receives such amounts for the benefit of another person, although HMRC published practice indicates that HMRC will not exercise the power referred to above to require this information in respect of amounts payable on the redemption of deeply discounted securities where such amounts are paid on or before April 5, 2012. Such information may include the name and address of the beneficial owner of the amount payable on redemption. Any information obtained may, in certain circumstances, be exchanged by HMRC with the tax authorities of the jurisdiction in which the Covered Bondholder is resident for tax purposes.

EU Tax Savings Directive

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

The European Commission has proposed certain amendments to the Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

EMPLOYEE RETIREMENT INCOME SECURITY ACT

A fiduciary of a pension, profit-sharing or other employee benefit plan (a **plan**) subject to the U.S. Employee Retirement Income Security Act of 1974, as amended (**ERISA**), should consider the fiduciary standards of ERISA in the context of the plan's particular circumstances before authorizing an investment in the Covered Bonds. Accordingly, among other factors, the fiduciary should consider whether the investment would satisfy the prudence and diversification requirements of ERISA and would be consistent with the documents and instruments governing the plan, and whether the investment would involve a prohibited transaction under Section 406 of ERISA or Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the **Code**).

Section 406 of ERISA and Section 4975 of the Code prohibit plans, as well as individual retirement accounts and Keogh plans subject to Section 4975 of the Code (also **plans**), from engaging in certain transactions involving "plan assets" with persons who are "parties in interest" under ERISA or "disqualified persons" under the Code (**parties in interest**) with respect to the plan. A violation of these prohibited transaction rules may result in civil penalties or other liabilities under ERISA and/or an excise tax under Section 4975 of the Code for those persons, unless exemptive relief is available under an applicable statutory, regulatory or administrative exemption. Certain employee benefit plans and arrangements including those that are governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA) and foreign plans (as described in Section 4(b)(4) of ERISA) (**non-ERISA arrangements**) are not subject to the requirements of ERISA or Section 4975 of the Code but may be subject to similar provisions under applicable federal, state, local, foreign or other regulations, rules or laws (**similar laws**).

The acquisition of the Covered Bonds by a plan with respect to which we or certain of our affiliates is or becomes a party in interest may constitute or result in a prohibited transaction under ERISA or Section 4975 of the Code, unless those Covered Bonds are acquired pursuant to and in accordance with an applicable exemption. Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code provide an exemption for the purchase and sale of securities where neither ANZBGL nor any of its affiliates have or exercise any discretionary authority or control or render any investment advice with respect to the assets of the plan involved in the transaction and the plan pays no more and receives no less than "adequate consideration" in connection with the transaction (the **service provider exemption**). The U.S. Department of Labor has also issued five prohibited transaction class exemptions, or "PTCEs", that may provide exemptive relief if required for direct or indirect prohibited transactions that may arise from the purchase or holding of the Covered Bonds. These exemptions are:

- PTCE 84-14, an exemption for certain transactions determined or effected by independent qualified professional asset managers;
- PTCE 90-1, an exemption for certain transactions involving insurance company pooled separate accounts;
- PTCE 91-38, an exemption for certain transactions involving bank collective investment funds;
- PTCE 95-60, an exemption for transactions involving certain insurance company general accounts; and
- PTCE 96-23, an exemption for plan asset transactions managed by in-house asset managers.

Any purchaser or holder of Covered Bonds or any interest therein will be deemed to have represented by its purchase and holding of the Covered Bonds that it either (1) is not a plan and is not purchasing

those Covered Bonds on behalf of or with “plan assets” of any plan or (2) with respect to the purchase or holding is eligible for the exemptive relief available under any of the PTCEs listed above, the service provider exemption or another applicable exemption. In addition, any purchaser or holder of Covered Bonds or any interest therein which is a non-ERISA arrangement will be deemed to have represented by its purchase or holding of the Covered Bonds that its purchase and holding will not constitute or result in a non-exempt violation of the provisions of any similar law.

Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is important that fiduciaries or other persons considering purchasing Covered Bonds on behalf of or with “plan assets” of any plan or non-ERISA arrangement consult with their counsel regarding the availability of exemptive relief under any of the PTCEs listed above, the service provider exemption or any other applicable exemption, or the potential consequences of any purchase or holding under similar laws, as applicable.

If you are an insurance company or the fiduciary of a pension plan or an employee benefit plan, and propose to invest in Covered Bonds, you should consult your legal counsel.

SUBSCRIPTION AND SALE AND SELLING RESTRICTIONS (CONFLICTS OF INTERESTS)

The Dealers have pursuant to a distribution agreement (as the same may be amended and/or supplemented and/or restated from time to time, the **Distribution Agreement**) dated November 14, 2011, agreed with the Issuer and the Covered Bond Guarantor a basis upon which such Dealers or any of them may from time to time agree to purchase Covered Bonds. Any such agreement for any particular purchase by a Dealer will extend to those matters stated under *Form of the Covered Bonds* and *Terms and Conditions of the Covered Bonds* above. As at the date of this Offering Memorandum, the Dealers are ANZ Securities, Inc., Citigroup Global Markets Inc. and UBS Securities LLC but the Issuer may appoint other dealers from time to time in accordance with the Distribution Agreement, which appointment may be for a specific issue or on an ongoing basis.

The Issuer may pay the Dealers commissions from time to time in connection with the sale of any Covered Bonds. The Issuer will pay the applicable Dealer a commission which will equal the percentage of the principal amount of any such Covered Bond sold through such Dealer set forth in the applicable Final Terms. The Issuer may also sell Covered Bonds to a Dealer, as principal, at a discount from the principal amount thereof, and such Dealer may later resell such Covered Bonds to investors and other purchasers at varying prices related to prevailing market prices at the time of sale as determined by such Dealer. The Issuer may also sell Covered Bonds directly to, and may solicit and accept offers to purchase directly from, investors on its own behalf in those jurisdictions where the Issuer is authorized to do so. In addition, the Dealers may offer the Covered Bonds they have purchased as principal to other Dealers. The Dealers may sell Covered Bonds to any Dealer at a discount. Unless otherwise indicated in the relevant Final Terms, any Covered Bond sold to a Dealer as principal will be purchased by such Dealer at a price equal to 100% of the principal amount thereof less a percentage equal to the commission applicable to any agency sale of a Covered Bond of identical term, and may be resold by such Dealer to investors and other purchasers from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale or may be resold to certain dealers as described above. After the initial offering of Covered Bonds to be resold to investors and other purchasers on a fixed offering price basis, the offering price, concession and discount may be changed. In the Distribution Agreement, the Issuer has agreed to reimburse and indemnify the Dealers for certain of their expenses and liabilities in connection with the establishment and any future updates of the Program and the issue of Covered Bonds under the Program including liabilities under the Securities Act. The Dealers are entitled to be released and discharged from their obligations in relation to any agreement to purchase Covered Bonds under the Distribution Agreement in certain circumstances prior to payment to the Issuer.

In order to facilitate the offering of any Tranche of the Covered Bonds, certain persons participating in the offering of the Tranche may engage in transactions that stabilise, maintain or otherwise affect the market price of the relevant Covered Bonds during and after the offering of the Tranche. Specifically, such persons may over-allot or create a short position in the Covered Bonds for their own account by selling more Covered Bonds than have been sold to them by the Issuer. Such persons may also elect to cover any such short position by purchasing Covered Bonds in the open market. In addition, such persons may stabilise or maintain the price of the Covered Bonds by bidding for or purchasing Covered Bonds in the open market and may impose penalty bids, under which selling concessions allowed to syndicate members or other broker dealers participating in the offering of the Covered Bonds are reclaimed if Covered Bonds previously distributed in the offering are repurchased in connection with stabilisation transactions or otherwise. The effect of these transactions may be to stabilise or maintain the market price of the Covered Bonds at a level above that which might otherwise prevail in the open market. The imposition of a penalty bid may also affect the price of the Covered Bonds to the extent that it discourages resales thereof. No representation is made as to the

magnitude or effect of any such stabilising or other transactions. Such transactions, if commenced, may be discontinued at any time.

The Dealers and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. The Dealers may engage in transactions with, or perform services for the Issuer in the ordinary course of business. Some of the Dealers or their affiliates have, directly or indirectly, performed investment and/or commercial banking or financial advisory services for the Issuer or its affiliates, for which they may have received customary fees and commissions, and they expect to provide these services to the Issuer and its affiliates in the future, for which they may also receive customary fees and commissions. In the ordinary course of their various business activities, the Dealers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve securities and/or instruments of the Issuer, the Covered Bond Guarantor or their affiliates. The Dealers and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

ANZ Securities, Inc. is an affiliate of the Issuer.

Transfer Restrictions

As a result of the following restrictions, purchasers of Covered Bonds in the United States are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Covered Bonds.

Each purchaser of Registered Covered Bonds or person wishing to transfer an interest from one Registered Global Covered Bond to another or from global to definitive form or vice versa, will be required to acknowledge, represent and agree (and in certain cases, will be deemed to represent and agree) as follows (terms used in this paragraph that are defined in Rule 144A or in Regulation S are used herein as defined therein):

- (i) neither the Covered Bonds nor the Covered Bond Guarantee have been or will be registered under the Securities Act or any other applicable securities law and, accordingly, none of the Covered Bonds may be offered, sold, transferred, pledged, encumbered or otherwise disposed of unless in a transaction exempt from registration under the Securities Act and any other applicable securities law;
- (ii) (A) it is a QIB, and is purchasing for its own account or solely for the account of one or more QIBs for which it acts as a fiduciary or agent, and such purchaser acknowledges that it is aware that the seller may rely upon the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A thereunder or (B) it is a purchaser acquiring such Covered Bonds in an offshore transaction occurring outside the United States within the meaning of Regulation S that is not a “U.S. person” (and is not acquiring such Covered Bonds for the account or benefit of a U.S. person) within the meaning of Regulation S;
- (iii) it agrees on its own behalf and on behalf of any account for which it is purchasing Covered Bonds, to offer, sell or otherwise transfer such Covered Bonds (A) only in minimum principal amounts of U.S.\$250,000 or such larger principal amounts as shall be specified in the relevant Final Terms as the minimum denomination for the Covered Bonds of a relevant Tranche (or, in either case, the equivalent thereof in another currency or composite currency) and (B) prior to the date that is one year after the later of (i) the issue date of such Covered Bonds and (ii)

the last date on which the Issuer or any affiliate of the Issuer was the beneficial owner of such Covered Bonds (or any predecessor of such Covered Bonds) only (a) pursuant to the exemption from the registration requirements of the Securities Act provided by either Rule 144A or Regulation S, (b) to the Issuer or any of its subsidiaries or a Dealer that is, or becomes, a party to the Distribution Agreement or (c) pursuant to an exemption from such registration requirements as confirmed in an opinion of counsel satisfactory to the Issuer. It acknowledges that each Covered Bond will contain a legend substantially to the effect of the foregoing paragraph (i) and this paragraph (iii);

- (iv) it acknowledges that the Registrar referred to herein will register the transfer of any Covered Bond resold or otherwise transferred by such purchaser pursuant to clause (c) of the foregoing paragraph (iii) only upon receipt of an opinion of counsel satisfactory to the Issuer;
- (v) it acknowledges that the Issuer, the Covered Bond Guarantor, the Dealers and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements and it agrees that, if any of the acknowledgments, representations or warranties deemed to have been made by it in connection with its purchase of Covered Bonds are no longer accurate, it shall promptly notify the Issuer and the Dealer through which it purchased any Covered Bonds. If it is acquiring any Covered Bonds as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such account;
- (vi) either (a) it is not a pension, profit sharing or other employee benefit plan that is subject to the U.S. Employee Retirement Income Security Act of 1974, as amended (**ERISA**) or Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the **Code**) or any similar provision of applicable federal, state, local, foreign or other law, and it is not purchasing the Covered Bonds on behalf of or with the assets of any such plan or (b) with respect to its purchase and holding of the Covered Bonds, it is eligible for a statutory or administrative exemption from the prohibited transaction rules of ERISA and the Code or, where applicable, any such similar law;
- (vii) the Covered Bonds, other than the Regulation S Global Covered Bonds, will bear a legend to the following effect unless otherwise agreed to by the Issuer:

“THIS SECURITY AND ANY GUARANTEE IN RESPECT THEREOF HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD OR DELIVERED, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT IT IS A “QUALIFIED INSTITUTIONAL BUYER” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING THIS SECURITY FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS; (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THIS SECURITY EXCEPT IN ACCORDANCE WITH THE PRINCIPAL AGENCY AGREEMENT IN RESPECT OF THIS SECURITY (THE PRINCIPAL AGENCY AGREEMENT) AND, PRIOR TO THE DATE WHICH IS ONE YEAR AFTER THE LATER OF THE LAST ISSUE DATE FOR THE SERIES AND THE LAST DATE ON WHICH THE ISSUER OR AN AFFILIATE OF THE ISSUER WAS THE OWNER OF SUCH SECURITY OTHER THAN (1) TO THE ISSUER OR ANY AFFILIATE THEREOF, (2) INSIDE THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER

WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING THE SECURITY FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (3) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT, (4) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION; AND (C) IT AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

THIS SECURITY AND RELATED DOCUMENTATION (INCLUDING, WITHOUT LIMITATION, THE PRINCIPAL AGENCY AGREEMENT REFERRED TO HEREIN) MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, WITHOUT THE CONSENT OF, BUT UPON NOTICE TO, THE HOLDERS OF SUCH SECURITIES SENT TO THEIR REGISTERED ADDRESSES, TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR REALES AND OTHER TRANSFERS OF THIS SECURITY TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO REALES OR OTHER TRANSFERS OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS SECURITY SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THIS SECURITY AND ANY SECURITIES ISSUED IN EXCHANGE OR SUBSTITUTION THEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON).

PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT THE SELLER OF THIS SECURITY MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A.

- (viii) the Regulation S Global Covered Bonds will bear a legend to the following effect unless otherwise agreed to by the Issuer:

“THIS SECURITY AND ANY GUARANTEE IN RESPECT THEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD OR DELIVERED, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN ACCORDANCE WITH THE PRINCIPAL AGENCY AGREEMENT IN RESPECT OF THIS SECURITY (THE PRINCIPAL AGENCY AGREEMENT) AND PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT. IN ACCORDANCE WITH U.S. SECURITIES LAW, UNTIL THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE LATER OF (i) THE DATE ON WHICH THE OFFERING OF THIS SECURITY COMMENCED TO PERSONS OTHER THAN DISTRIBUTORS IN RELIANCE ON REGULATION S AND (ii) THE DATE OF ISSUANCE OF SUCH SECURITY, SALES MAY NOT BE MADE UNLESS MADE (I) OUTSIDE THE UNITED STATES PURSUANT TO RULE 903 OR 904 OF REGULATION S UNDER THE SECURITIES ACT OR (II) TO QUALIFIED INSTITUTIONAL BUYERS

AS DEFINED IN, AND IN TRANSACTIONS PURSUANT TO, RULE 144A UNDER THE SECURITIES ACT.”

Dealers may arrange for the resale of Covered Bonds to QIBs pursuant to Rule 144A and each such purchaser of Covered Bonds is hereby notified that the Dealers may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A. The minimum aggregate principal amount of Covered Bonds which may be purchased by a QIB pursuant to Rule 144A is U.S.\$250,000 (or the approximate equivalent in another Specified Currency).

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

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of Covered Bonds which are the subject of an offering contemplated by the Offering Memorandum as completed by the Final Terms in relation thereto to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Covered Bonds to the public in that Relevant Member State:

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

provided that no such offer of Covered Bonds referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

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

United Kingdom

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

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

Australia

Each Dealer has represented and agreed and each further Dealer appointed under the Program will be required to represent and agree that in connection with the distribution of the Covered Bonds, it:

- (a) will not make any offer or invitation in Australia or any offer or invitation which is received in Australia in relation to the issue, sale or purchase of any Covered Bonds unless the offeree is required to pay at least A\$500,000 for the Covered Bonds or its foreign currency equivalent (in either case disregarding amounts, if any, lent by the Issuer or other person offering the Covered Bonds or its associates (within the meaning of those expression in Part 6D.2 of the Corporations Act 2001 of Australia (the **Corporations Act**)), or it is otherwise an offer or invitation for which by virtue of section 708 of the Corporations Act no disclosure is required to be made under Part 6D.2 of the Corporations Act and is not made to a retail client (as defined in section 761G of the Corporations Act); and
- (b) has not circulated or issued and will not circulate or issue a disclosure document relating to the Covered Bonds in Australia or received in Australia which requires lodging under Division 5 of Part 6D.2 or under Part 7 of the Corporations Act.

Hong Kong

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

- (c) it has not offered or sold and will not offer or sell in Hong Kong Special Administrative Region of the People's Republic of China (**Hong Kong**), by means of any document, any Covered Bonds other than (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong) and any rules made under that Ordinance or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32 of the Laws of Hong Kong) or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (d) it has not issued, or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Covered Bonds, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Covered Bonds which are or are intended to be disposed of only to persons outside Hong

Kong or only to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and any rules made under that Ordinance.

Japan

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

The Republic of France

Each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree that it has not offered or sold and will not offer or sell directly or indirectly, Covered Bonds to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Offering Memorandum, the relevant Final Terms or any other offering material relating to the Covered Bonds, and that such offers, sales and distributions have been and will be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties, and/or (b) qualified investors (*investisseurs qualifiés*), other than individuals, all as defined in, and in accordance with Articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French Code *monétaire et financier*.

New Zealand

Each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that: (1) it has not offered, sold or delivered, and will not directly or indirectly offer, sell, or deliver, any Covered Bond; (2) it will not distribute any offering circular or advertisement in relation to any offer of Covered Bonds, in New Zealand other than: (A) to persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money, or who in the circumstances can properly be regarded as having been selected other than as members of the public; (B) to persons who are each required to pay a minimum subscription price of at least NZ\$500,000 for the Covered Bonds (disregarding any amount lent by the offeror, the Issuer, or any associated person of the offeror or Issuer) before the allotment of those Covered Bonds; or (C) in other circumstances where there is no contravention of the Securities Act 1978 of New Zealand; and (3) it has not offered or sold, and will not offer or sell, any Covered Bonds to persons whom it believes to be persons to whom any amounts payable on the Covered Bonds are or would be subject to New Zealand resident withholding tax, unless such persons certify that they hold a valid certificate of exemption for New Zealand resident withholding tax purposes and provide a New Zealand tax file number to such Dealer (in which event, the Dealer shall provide details thereof to the Issuer or to a Paying Agent).

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Program will be required to acknowledge, that the Offering Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore, and the Covered Bonds will be offered pursuant to exemptions under the Securities and Futures Act, Chapter 289 of Singapore (the **Securities and Futures Act**). Accordingly, the Covered Bonds may not be offered or sold or made the subject of an invitation for subscription or purchase nor may this Offering Memorandum or any other document or material in

connection with the offer or sale or invitation for subscription or purchase of any Covered Bonds be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor pursuant to Section 274 of the Securities and Futures Act, (b) to a relevant person pursuant to Section 275(1) of the Securities and Futures Act, or to any person pursuant to Section 275(1A) of the Securities and Futures Act, and in accordance with the conditions specified in Section 275 of the Securities and Futures Act, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

Each of the following persons specified in Section 275 of the Securities and Futures Act which has subscribed or purchased the Covered Bonds, namely a person who is:

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

should note that shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferred within six months after that corporation or that trust has acquired the Covered Bonds under Section 275 of the Securities and Futures Act except:

- (i) to an institutional investor under Section 274 of the Securities and Futures Act or to a relevant person or to any person pursuant to Section 275(1) and Section 275(1A) of the Securities and Futures Act, respectively and in accordance with the conditions specified in Section 275 of the Securities and Futures Act;
- (ii) where no consideration is or will be given for the transfer; or
- (iii) where the transfer is by operation of law; or
- (iv) pursuant to Section 276(7) of the Securities and Futures Act.

General

Each Dealer has agreed and each further Dealer appointed under the Program will be required to agree that it will comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Covered Bonds or possesses or distributes the Offering Memorandum or any Final Terms and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Covered Bonds under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Issuer, the Covered Bond Guarantor nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer, the Covered Bond Guarantor or any of the Dealers has represented that Covered Bonds may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the Relevant Dealer(s) will be required to comply with such other restrictions as the Issuer and the Relevant Dealer(s) shall agree as a term of issue and purchase as indicated in the applicable Final Terms.

Each Dealer will, unless prohibited by applicable law, furnish to each person to whom they offer or sell Covered Bonds a copy of this Offering Memorandum as then amended or supplemented or, unless delivery of the Offering Memorandum is required by applicable law, inform each such person that a copy will be made available upon request. The Dealers are not authorised to give any information or to make any representation not contained in the Offering Memorandum in connection with the offer and sale of Covered Bonds to which this Offering Memorandum relates.

This Offering Memorandum may be used by the Dealers for offers and sales related to market-making transactions in the Covered Bonds. Any or each of the Dealers may act as principal or agent in these transactions. These sales will be made at prices relating to prevailing market prices at the time of sale. None of the Dealers has any obligation to make a market in the Covered Bonds, and any market-making may be discontinued at any time without notice. The Dealers are participating in the initial distribution of the Covered Bonds.

INDEPENDENT AUDITORS

The ANZ Consolidated Financial Statements are incorporated by reference in this Offering Memorandum. As stated, and on the basis described, in their reports appearing therein:

1. the audited annual consolidated financial statements as at and for the fiscal years ended September 30, 2011, 2010 and 2009 have been audited by KPMG, the independent public accounting firm that serves as our independent auditors; and
2. the unaudited interim consolidated financial statements as at and for the six months ended March 31, 2012 and 2011 have been reviewed by KPMG.

LIMITATION ON INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM'S LIABILITY

The liability of KPMG Australia in relation to the performance of their professional services to ANZ including, without limitation, KPMG Australia's audits of our financial statements described under "Independent Auditors", is limited under the Institute of Chartered Accountants in Australia (Victoria) Scheme approved under the Professional Standards Act of 2003 (Victoria), including the Treasury Legislation Amendment (Professional Standards) Act (the "Accountants Scheme"). The Accountants Scheme limits the civil liability of KPMG Australia to ten times reasonable fees for the service up to \$75 million. The Accountants Scheme does not limit liability for breach of trust, fraud or dishonesty.

LEGAL MATTERS

The validity of the Covered Bonds under English law will be passed upon for the Issuer by the Issuer's English counsel Allen & Overy LLP, London, United Kingdom. The validity of the Covered Bonds under English law will be passed upon for the Dealers by their English counsel, Clifford Chance LLP, London, United Kingdom. These opinions will be conditioned upon, and subject to certain assumptions regarding future action required to be taken by the Issuer, the Bond Trustee, the Covered Bond Guarantor and the US Paying Agent in connection with the issuance and sale of any particular Covered Bond, the specific terms of Covered Bonds and other matters which may affect the validity of Covered Bonds but which cannot be ascertained at the date of such opinions.

GLOSSARY

Account Bank means ANZBGL in its capacity as Account Bank pursuant to the Account Bank Agreement or such other account bank appointed pursuant to the Account Bank Agreement from time to time.

Account Bank Agreement means the account bank agreement entered into on the Program Date between the Covered Bond Guarantor, ANZBGL, the Trust Manager, the Account Bank, the Calculation Manager and the Security Trustee.

Accrued Income Adjustment means:

- (a) in relation to a Receivable being sold by the Seller an amount equal to the sum of:
 - (i) unless otherwise included in the definition of Purchase Price, accrued but uncapitalised interest in respect of the Collection Period ending on the Acquisition Cut-Off Date;
 - (ii) accrued interest on the Purchase Price for the period from (and not including) the Acquisition Cut-Off Date to (but including) the Transfer Date; and
 - (iii) any related capitalised fees from the Acquisition Cut-Off Date for the period from (and not including) the Acquisition Cut-Off Date to (but including) the Transfer Date; and
 - (iv) accrued interest on the amount referred to in subparagraph (iii) for the period (and not including) the Acquisition Cut-Off Date to (but including) the Transfer Date;
- (b) in relation to a Receivable being purchased by, extinguished in favour of or reconveyed to, the Seller an amount equal to:
 - (i) accrued but uncapitalised interest in respect of the Collection Period ending on the Repurchase Cut-Off Date; less
 - (ii) accrued interest as at the Repurchase Cut-Off Date in respect of any Deducted Amounts raised in the Collection Period ending on the Repurchase Cut-Off Date; plus
 - (iii) accrued interest on the Repurchase Price for the period from (and including) the Repurchase Cut-Off Date to (but excluding) the Repurchase Date; plus
 - (iv) capitalised and unpaid interest and fees that have been capitalised to the Current Principal Balance but not collected as at the Repurchase Cut-Off Date; plus
 - (v) accrued interest on the amount referred to in subparagraph (iv) for the period from (and including) the Repurchase Cut-Off Date to (but excluding) the Repurchase Date; plus
 - (vi) any capitalised fees from the Repurchase Cut-Off Date for the period from (and not including) the Repurchase Cut-Off Date to (but including) the Repurchase Date; plus
 - (vii) accrued interest on the amount referred to in subparagraph (vi) for the period from (and not including) the Repurchase Cut-Off Date to (but including) the Repurchase Date.

Accrued Interest means in respect of a Receivable and a Cut-Off Date, the aggregate of all interest accrued but not yet due and payable on the Receivable from (but excluding) the Receivable Scheduled Payment Date immediately preceding the Cut-Off Date to (and including) the Cut-Off Date.

Acquisition Cut-Off Date means, in respect of a Receivable to be acquired by the Trustee, the date specified in the relevant notice as the date on which the Receivable is selected for acquisition with the actual transfer occurring on the Transfer Date.

Additional Business Centre means, in relation to a Series of Covered Bonds, the Additional Business Centre as specified in the applicable Final Terms.

ADI means an “authorised deposit-taking institution” as that term is defined under the Australian Banking Act.

Adjusted Aggregate Receivable Amount means the amount calculated on each Determination Date as specified in “*Summary of Principal Documents—Supplemental Deed—Asset Coverage Test*” in this Offering Memorandum.

Adjusted Required Redemption Amount means the amount calculated on each Determination Date as specified in “*Summary of Principal Documents—Supplemental Deed—Asset Coverage Test*” in this Offering Memorandum.

Adverse Rating Effect means an effect which either causes or contributes to a downgrading or withdrawal of the rating given to any Covered Bonds by a Designated Rating Agency.

Agents means each Paying Agent each Registrar, the Exchange Agent and the Transfer Agent. **Agent** means each or any of them (as the context requires).

All Moneys Mortgage means a Mortgage or other Related Security that secures or purports to secure the repayment of Associated Debt as well as a Purchased Receivable.

Alternative Clearing System means a clearing system other than DTC, Euroclear or Clearstream, Luxembourg, specified in the applicable Final Terms or as may otherwise be approved by the Issuer, the Bond Trustee and the Principal Paying Agent.

Amendment Act means the Banking Amendment (Covered Bonds) Act 2011 (*Cth*).

AML/CTF Act means the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (*Cth*).

Amortisation Test means the amount calculated on each Determination Date as specified in “*Summary of Principal Documents—Supplemental Deed—Amortisation Test*” in this Offering Memorandum.

Amortisation Test Aggregate Receivable Amount means the amount calculated on each relevant Determination Date as specified in “*Summary of Principal Documents—Supplemental Deed—Amortisation Test*” in this Offering Memorandum.

Annual Accounting Date means in respect of the Trust, September 30 in each year or such other date as the Covered Bond Guarantor (acting on the directions of the Trust Manager) may determine.

ANZ means Australia and New Zealand Banking Group Limited (ABN 11 005 357 522).

ANZ Group means Australia and New Zealand Banking Group Limited (ABN 11 005 357 522) and its Subsidiaries.

ANZCCL means ANZ Capel Court Limited (ABN 30 004 768 807).

APRA means the Australian Prudential Regulation Authority.

Arrears of Interest means, in respect of a Receivable and a Cut-Off Date, interest (other than interest that has been capitalised or interest that is Accrued Interest) on that Receivable which is currently due and payable and unpaid on that date.

ASIC means the Australian Securities and Investments Commission.

Asset means, in relation to a trust, the right, title and interest of the Trustee in the following (to the extent to which they relate to the Trust):

- (a) Receivables and Related Securities;
- (b) Authorised Investments;
- (c) Substitution Assets;
- (d) the rights of the Trustee in the Program Documents and the Trust Accounts;
- (e) the benefit of all representations, warranties, undertakings, covenants, indemnities and promises made by any party in favour of the Trustee under the Program Documents; and
- (f) amounts derived or accrued from any of the assets referred to in the preceding paragraphs of this definition.

Asset Coverage Reports means the monthly reports in a form agreed from time to time between the Trust Manager, the Covered Bond Guarantor and ANZBGL, and each an **Asset Coverage Report**.

Asset Coverage Test means the asset coverage test described in “*Summary of Principal Documents—Supplemental Deed—Asset Coverage Test*” in this Offering Memorandum.

Asset Coverage Test Breach Notice means the notice required to be served by the Bond Trustee on the Covered Bond Guarantor (copied to the Trust Manager) if the Asset Coverage Test is not satisfied on two consecutive Determination Dates.

Asset Monitor means KPMG or such replacement asset monitor appointed pursuant to the Asset Monitor Agreement from time to time.

Asset Monitor Agreement means the asset monitor agreement entered into on the Program Date, between the Asset Monitor, the Covered Bond Guarantor, the Trust Manager, the Calculation Manager, the Issuer, the Bond Trustee and the Security Trustee.

Asset Monitor Report means the results of the tests conducted by the Asset Monitor in the form set out in the Asset Monitor Agreement to be delivered to the Calculation Manager, the Covered Bond Guarantor, the Trust Manager, the Issuer, the Bond Trustee and the Security Trustee in accordance with the Asset Monitor Agreement.

Asset Percentage means the asset percentage as described in “*Summary of Principal Documents—Supplemental Deed—Asset Coverage Test*” in this Offering Memorandum.

Asset Percentage Adjusted Receivable Balance Amount means the amount calculated for a Purchased Receivable, on the relevant Determination Date as specified in “*Summary of Principal Documents—Supplemental Deed—Asset Coverage Test*” in this Offering Memorandum.

Associated Debt means, in respect of a Related Security, the indebtedness which a Debtor owes or may owe to the Seller from time to time and which:

- (a) is not:
 - (i) a Purchased Receivable; or
 - (ii) transferable to the Covered Bond Guarantor pursuant to the terms of the Mortgage Sale Agreement; and
- (b) the payment or repayment of which is secured by the Related Security.

Auditor means, as the context permits, each of:

- (a) the person appointed as the auditor of the Trust under the Trust Terms Deed or the Supplemental Deed; and
- (b) the auditor for the time being of the Issuer,

or, in the event of being unable or unwilling promptly to carry out any action requested of them pursuant to the Program Documents, such other firm of accountants as may be approved by the Bond Trustee and the Security Trustee for the purposes of the Program Documents, and each an “Auditor”.

Australian Banking Act means the Banking Act 1959 (*Cth*).

Australian Credit Licence has the meaning given to that term in the NCCP.

Australian Dollar Equivalent means in relation to an amount which is denominated in

- (a) a currency other than Australian Dollars, the Australian Dollar equivalent of such amount ascertained using the relevant Swap Rate and
- (b) Australian Dollars, the applicable amount in Australian Dollars.

Australian Tax Act means the *Income Tax Assessment Act 1936* or the *Income Tax Assessment Act 1997* of Australia, as applicable.

Authorised Investments means any of the following:

- (a) an at call deposit held with an ADI and convertible into cash within 2 Local Business Days;
- (b) a bank accepted bill or certificate of deposit that:
 - (i) matures within 100 days; and
 - (ii) is eligible for repurchase transactions with the Reserve Bank of Australia; and
 - (iii) was not issued by the Issuer;
- (c) a bond, note, debenture or other instrument issued or guaranteed by the Commonwealth of Australia, a State or a Territory of Australia;
- (d) a loan secured by a mortgage, charge or other security interest over residential property in Australia;
- (e) a loan secured by a mortgage, charge or other security interest over commercial property in Australia;

- (f) a mortgage insurance policy or other asset related to a loan covered by paragraph (e) or (f);
- (g) a contractual rights relating to the holding or management of another Authorised Investment;
- (h) a derivative held for one or more of the following purposes:
 - (i) to protect the value of another Authorised Investment;
 - (ii) to hedge risks in relation to another Authorised Investment;
 - (iii) to hedge risks in relation to liabilities secured by one or more Authorised Investments;
 - (iv) an asset of a kind prescribed by the Covered Bond Legislation for the purposes of section 31 of the Australian Banking Act,

other than an asset of a kind prescribed by the Covered Bond Legislation as not being an asset for the purposes of section 31 of the Australian Banking Act.

Authorised Officer means in respect of a Transaction Party, each director and secretary of that Transaction Party and any other person appointed by the Transaction Party to act as an authorised officer for the purposes of the Program Documents and notified to the other parties and, in the case of the Trustee or the Security Trustee (as the case may be), also includes any officer of the Trustee or the Security Trustee (as the case may be) who has the word “manager” or “counsel” in his or her title and in the case of the Trust Manager also includes a person whose title includes “Head”, “Director”, “Associate Director” or “Manager” and any person who is a duly appointed and appropriately empowered attorney of the Trust Manager and notified to the other Transaction Parties.

Available Principal Receipts means on a Determination Date, an amount equal to the aggregate of (without double counting):

- (a) the amount of Receivable Principal Receipts collected by the Servicer during the immediately preceding Collection Period and credited, or to be credited on the immediately following Trust Payment Date to the Principal Ledger on the GIC Account;
- (b) the proceeds from any sale of Receivable pursuant to the terms of the Supplemental Deed or the Mortgage Sale Agreement that are to be credited on the immediately following Trust Payment Date to the Principal Ledger on the GIC Account but excluding any amount of principal received or to be received on that date under the Swap Agreements;
- (c) any other amount standing to the credit of the Principal Ledger as at the Determination Date (and, in the case of paragraph (ii), as at the Trust Payment Date immediately following the Determination Date), including:
 - (i) the proceeds of any Demand Loan Advance (where such proceeds have not been applied to acquire New Receivable Portfolios or to invest in Substitution Assets or Authorised Investments and
 - (ii) the proceeds of any Intercompany Loan Advance (where such proceeds have not been applied to acquire New Receivable Portfolios or to invest in Substitution Assets or Authorised Investments;
 - (iii) the proceeds from any sale of Receivable pursuant to the terms of the Supplemental Deed or the Mortgage Sale Agreement but excluding any amount of principal received under the Swap Agreements;

- (iv) any Excess Proceeds; and
- (v) any amount credited to the GIC Account under paragraph (j) of the Pre-acceleration Principal Allocation;
- (d) the amount of any termination payment received from a Swap Provider which is not applied to acquire a replacement Swap for the relevant terminated Swap and the amount of any premium received from a replacement Swap Provider which is not applied to make a termination payment, in each case, received during the immediately preceding Collection Period; and
- (e) following repayment of any Hard Bullet Covered Bonds, any amounts standing to the credit of the Pre-Maturity Ledger as at the Determination Date (unless such amounts are required to be retained in accordance with the Supplemental Deed),

but excluding

- (f) Swap Collateral Excluded Amounts which shall be applied in accordance with the terms of the relevant Swap Agreements.

Available Revenue Receipts means on a Determination Date, an amount equal to the aggregate of:

- (a) the amount of Receivable Revenue Receipts (net of fees already debited) collected by the Servicer during the immediately preceding Collection Period and credited, or to be credited on the immediately following Trust Payment Date, to the Revenue Ledger on the GIC Account;
- (b) other net income of the Covered Bond Guarantor received during the immediately preceding Collection Period, including all amounts of interest received on the Trust Accounts, the Substitution Assets and Authorised Investments and the amount paid to the Covered Bond Guarantor by the Servicer in respect of Collections held by it under the Servicing Deed;
- (c) prior to the service on the Covered Bond Guarantor of a Notice to Pay or an Asset Coverage Test Breach Notice:
 - (i) amounts standing to the credit of the Reserve Fund as at the Determination Date in excess of the Reserve Fund Required Amounts; and
 - (ii) where there is a Contingent Covered Bond Swap and paragraph (d) does not apply, amounts received by the Covered Bond Guarantor under an Interest Rate Swap, to the extent they are in the nature of interest and without double counting, amounts received by the Covered Bond Guarantor under any Interest Rate Swap Agreement or Current Covered Bond Swap;
- (d) following the service on the Covered Bond Guarantor of a Notice to pay (copied to the Trust Manager) or an Asset Coverage Test Breach Notice:
 - (i) amounts standing to the credit of the Reserve Fund as at the Determination Date;
 - (ii) certain amounts received by the Covered Bond Guarantor after application in accordance with the Supplemental Deed under an Interest Rate Swap (other than in the nature of principal); and
- (e) any other revenue receipts not referred to in paragraphs (a) to (d) (inclusive) above received during previous Collection Periods and standing to the credit of the Revenue Ledger on the GIC Account,

but excluding

- (f) Third Party Amounts, which shall be paid on receipt in cleared funds to the Seller; and
- (g) Swap Collateral Excluded Amounts which shall be applied in accordance with the terms of the relevant Swap Agreements.

Bank Bill Rate means, in respect of any Interest Period, Demand Loan Interest Period or any other interest period for which this rate is required under a Program Document, the rate expressed as a percentage per annum:

- (a) calculated by taking the rate appearing on the Reuters screen BBSW page at or about 10.15 am (Melbourne time) on the first day of that Interest Period for each bank so quoting (being no fewer than five) as being the mean buying and selling rate for a bill (which for the purpose of this definition means a bill of exchange of the type specified for the purpose of quoting on the Reuters screen BBSW page) having a tenor of 30 days after eliminating the highest and the lowest mean rates and taking the average of the remaining mean rates (rounded up, if necessary, to the nearest four decimal places);
- (b) if fewer than five banks quote on the Reuters screen BBSW page, the rate calculated as above by taking the rates otherwise quoted by five banks otherwise authorised to quote rates on the Reuters screen BBSW page at or about 10.15 am (Melbourne time) for a bill of exchange having a tenor of 30 days; or
- (c) if a rate cannot be determined in accordance with the procedures in (a) or (b), the rate specified in good faith by the Trust Manager at or around that time on that day, having regard, to the extent possible, to comparable indices then available as to the rate otherwise bid and offered for bills of exchange having a tenor of 30 days,

provided that, if the first Interest Period, Demand Loan Interest Period or other interest period is a period of more than 30 days, the Bank Bill Rate for that Interest Period will be calculated by the Trust Manager to be a linear interpolated rate for the relevant period.

Bond Trust Deed means the trust deed entered into on the Program Date, between, among others, the Issuer, the Covered Bond Guarantor, the Trust Manager and the Bond Trustee.

Bond Trustee means DB Trustees (Hong Kong) Limited, in its capacity as bond trustee under the Bond Trust Deed together with any additional or replacement bond trustee appointed from time to time in accordance with the terms of the Bond Trust Deed.

Business Day means:

- (a) a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments generally in London, Sydney and Melbourne; and
- (b) in the case of:
 - (i) a Specified Currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments generally in the Principal Financial Centre (as defined in the Conditions) for such Specified Currency; or
 - (ii) in the case of euro, a TARGET2 Business Day (as defined in the Conditions); and
- (c) in the case of one or more Additional Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in the

Additional Business Centres or, if no currency is indicated, generally in each of the Additional Business Centres,

unless otherwise specified in the relevant applicable Final Terms.

Calculation Agent means in relation to all or any Series of the Covered Bonds, the person initially appointed as calculation agent in relation to such Covered Bonds by the Issuer and the Covered Bond Guarantor pursuant to the Principal Agency Agreement or such other person specified in the applicable Final Terms or, if applicable, any successor or separately appointed calculation agent in relation to all or any Series of the Covered Bonds.

Calculation Manager means ANZBGL, in its capacity as calculation manager under the Supplemental Deed together with any replacement calculation manager appointed in accordance with clause 7.9 of the Supplemental Deed.

Calculation Manager Termination Event means:

- (a) default is made by the Calculation Manager in the performance or observance of any of its covenants and obligations under the Supplemental Deed, which the Security Trustee considers (acting on the directions of (if there are Covered Bonds outstanding) the Bond Trustee or (if there are no Covered Bonds outstanding) the Majority Secured Creditors) is materially prejudicial to the interests of the Covered Bondholders and such default continues unremedied for a period of 20 Business Days after the earlier of the Calculation Manager becoming aware of such default and receipt by the Calculation Manager of written notice from the Security Trustee requiring the same to be remedied; or
- (b) an Insolvency Event occurs in respect of the Calculation Manager.

Cashflow Allocation Methodology means the orders of priority for the allocation and distribution of amounts standing to the credit of the Trust Accounts in different circumstances, and each a **Cashflow Allocation Methodology**.

Charge means the charge (if any) over the Assets, granted to the Security Trustee by the Trustee under the Deed of Charge for the benefit of the Secured Creditors in order to secure its obligations to the Secured Creditors.

Clearing System means either Clearstream, Luxembourg, Euroclear or DTC, as the case may be.

Clearstream, Luxembourg means Clearstream Banking, société anonyme, a limited liability company organised under the laws of Luxembourg.

Collection Business Day means a day (excluding a Saturday, Sunday and any public holiday) on which banks are open for business in Melbourne, Australia.

Collection Period means, in relation to a Trust Payment Date, the period from (and including) the first day of the calendar month immediately preceding the related Determination Date up to (and including) the late day of the calendar month immediately preceding the related Determination Date. However, the first Collection Period commences on (but excludes) the first Acquisition Cut-Off Date and ends on the last day of the calendar month in which the related Transfer Date occurs. However, if the last day of the calendar month is not a Collection Business Day then the Collection Period will end on (and include) the next Collection Business Day. Any subsequent Collection Period will commence on (and include) the day after the end of the previous Collection Period.

Conditions means the terms and conditions of the Covered Bonds a form of which is set out in Schedule 1 of the Bond Trust Deed and set out in “*Terms and Conditions of the Covered Bonds*” in this Offering Memorandum.

Consumer Credit Law means:

- (a) the National Credit Code;
- (b) the NCCP;
- (c) the National Consumer Credit Protection (Transitional and Consequential Provisions) Act 2009 (Cth);
- (d) the National Consumer Credit Protection (Fees) Act 2009 (Cth);
- (e) any acts or other legislation enacted in connection with the National Credit Code or any of the acts set out in paragraphs (a) to (d) above and any regulations made under the National Credit Code or any of the acts set out in paragraphs (a) to (d) above;
- (f) Division 2 of Part 2 of the Australian Securities and Investments Commission Act 2001 and regulations made for the purpose of that Division; and
- (g) any other Commonwealth, State or Territory legislation that covers conduct relating to credit activities (as defined in the NCCP) (whether or not it also covers other conduct), but only in so far as it covers conduct relating to credit activities).

Contingent Covered Bond Swap means a forward-starting currency swap or interest rate transaction (or both) entered into between the Covered Bond Guarantor, the Trust Manager and a Covered Bond Swap Provider with respect to a Series of Covered Bonds.

Covered Bond Guarantee means the unconditional and irrevocable guarantee by the Covered Bond Guarantor in the Bond Trust Deed for the payment of an amount equal to the Guaranteed Amounts in respect of the Covered Bonds when the same shall become Due for Payment.

Covered Bond Guarantee Acceleration Notice means, following the occurrence of a Covered Bond Guarantor Event of Default which is continuing, a notice in writing given by the Bond Trustee to the Issuer and the Covered Bond Guarantor, that each Covered Bond of each Series is, and each Covered Bond of each Series shall as against the Issuer (if not already due and repayable against it following an Issuer Event of Default) and as against the Covered Bond Guarantor, thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest as provided in and in accordance with the Bond Trust Deed and thereafter the Charge shall become enforceable.

Covered Bond Guarantor means Perpetual Corporate Trust Limited, solely in its capacity as trustee of the Trust. Each reference to the Covered Bond Guarantor (except where the reference is part of another defined term), is also to be read as a reference to the Trustee.

Covered Bond Guarantor Event of Default has the meaning given to it in Condition 9(b) (*Covered Bond Guarantor Events of Default*).

Covered Bond Legislation means Division 3A of the Australian Banking Act, any related provisions of the Australian Banking Act and any regulation prescribed under them.

Covered Bond Swap means a Contingent Covered Bond Swap or Current Covered Bond Swap or both, as the context requires.

Covered Bond Swap Agreement means a Swap Agreement governing a Covered Bond Swap.

Covered Bond Swap Provider means the covered bond swap provider appointed from time to time under the Covered Bond Swaps together with any transferee or successor thereto.

Covered Bondholders means the holders at any given time of the Covered Bonds, as described in the Conditions.

Covered Bonds means the covered bonds issued or to be issued pursuant to the Distribution Agreement and which are or are to be constituted under the Bond Trust Deed, which covered bonds may be represented by a Global Covered Bond or any Definitive Covered Bond, and includes any replacements or a Covered Bond issued pursuant to Condition 12 (*Replacement of Covered Bonds*), and each a **Covered Bond**.

Current Covered Bond Swap means a currency swap or interest rate transaction (or both) that is not a Contingent Covered Bond Swap that is entered into between the Covered Bond Guarantor, the Trust Manager and a Covered Bond Swap Provider with respect to a Series of Covered Bonds.

Current Principal Balance means in relation to any Purchased Receivable as at any given date, the principal balance of that Purchased Receivable to which the Seller applies the relevant interest rate to and at which interest on that Purchased Receivable accrues interest, and is the aggregate (but avoiding double counting) of:

- (a) the original principal amount advanced to the relevant Debtor and any further amount advanced on or before any given date to the relevant Debtor under that Purchased Receivable secured or intended to be secured by the Related Security; and
- (b) the amount (without double counting any amount under paragraph (a)) of any Redraws and Further Advances secured or purported to be secured by the Related Security; and
- (c) any arrears or expenses that have been capitalised,

less any repayment or payment of any of the foregoing made on or before the end of the Local Business Day immediately preceding that given date.

Cut-Off Date means, in relation to a Receivable, either the Acquisition Cut-Off Date or the Repurchase Cut-Off Date, as the case may be.

Dealer and **Dealers** have the meanings given to them in the Distribution Agreement.

Debtor means, in relation to a Purchased Receivable, the person who is obliged to make payments with respect to that Purchased Receivable, whether as a principal or secondary obligation (and in respect of a Receivable means the person who is the account debtor under that Receivable), and includes, where the context requires, any other person obligated to make payments with respect to that Purchased Receivable (including any mortgagor or guarantor).

Deducted Amount means:

- (a) any Further Advance or Redraw amounts not funded by the Trust, or
- (b) any other amount as determined by the Trust Manager to be in the nature of being a Deducted Amount.

Deed of Charge means the deed with the words **Deed of Charge** and the name of the Trust in its title dated October 31, 2011 between the Trustee, the Trust Manager, the Security Trustee and the Bond Trustee (if any) and under which the Trustee creates an Encumbrance over the Assets of the Trust for the benefit of the Secured Creditors.

Defaulted Receivable means any Purchased Receivable which is more than three months in arrears.

Definitions Schedule means the ANZ covered bond trust definitions schedule entered into on the Program Date between the Transaction Parties (as amended and restated from time to time).

Definitive Covered Bond means a Registered Definitive Covered Bond.

Demand Loan means the aggregate principal amount of each Demand Loan Advance, as reduced by repayment under the Demand Loan Agreement.

Demand Loan Advances means advances made or to be made by the Demand Loan Provider to the Covered Bond Guarantor under the Demand Loan Facility, and each a **Demand Loan Advance**.

Demand Loan Agreement means the demand loan agreement entered into on the Program Date between the Covered Bond Guarantor, the Trust Manager, the Demand Loan Provider, the Seller, the Calculation Manager and the Security Trustee.

Demand Loan Facility means the facility made available by ANZBGL as Demand Loan Provider to the Covered Bond Guarantor pursuant to the Demand Loan Agreement.

Demand Loan Provider means ANZBGL.

Designated Rating Agencies means Moody's and Fitch or their successors, each a **Designated Rating Agency**.

Details means, in a document, the section of the document headed "Details".

Determination Date means the 20th day of each calendar month or, if such day is not a Business Day, the following Business Day.

Distribution Agreement means the agreement to be entered into by the Issuer, the Covered Bond Guarantor, the Trust Manager and the Dealers to agree a basis upon which the Dealer(s) or any of them may from time to time agree to purchase Covered Bonds.

Distribution Compliance Period has the meaning given to it in Condition 2(h) (*Definitions*).

DTC means The Depository Trust Company or its successors.

DTC Covered Bonds means Covered Bonds accepted into DTC's book-entry settlement system.

Due for Payment means, following the delivery of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager),:

- (a) prior to the occurrence of a Covered Bond Guarantor Event of Default and the service of a Covered Bond Guarantee Acceleration Notice on the Issuer and the Covered Bond Guarantor (copied to the Trust Manager and the Security Trustee), the later of the following occurs:
 - (i) the Original Due for Payment Date; and
 - (ii) in relation to any Guaranteed Amounts in respect of the Final Redemption Amount payable on the Final Maturity Date for a Series of Covered Bonds only, the Extended Due for Payment Date, but only:
 - (A) if in respect of the relevant Series of Covered Bonds the Covered Bond Guarantee is subject to an Extended Due for Payment Date pursuant to the terms of the applicable Final Terms and
 - (B) to the extent that the Covered Bond Guarantor having received a Notice to Pay (copied to the Trust Manager) no later than the date falling one Business

Day prior to the Extension Determination Date does not pay Guaranteed Amounts equal to the Final Redemption Amount in respect of such Series of Covered Bonds by the Extension Determination Date, as the Covered Bond Guarantor has insufficient moneys available under the Guarantee Allocations to pay such Guaranteed Amounts in full on the earlier of (a) the date which falls two Business Days after service of such Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager) or, if later, the Final Maturity Date (or, in each case, after the expiry of the grace period set out in Condition 9(b)(i) (*Covered Bond Guarantor Events of Default*)) under the terms of the Covered Bond Guarantee or (b) the Extension Determination Date,

or if, in either case, such day is not a Business Day, the next following Business Day. For the avoidance of doubt, Due for Payment does not refer to any earlier date upon which payment of any Guaranteed Amounts may become due under the guaranteed obligations, by reason of prepayment, acceleration of maturity, mandatory or optional redemption or otherwise; or

- (b) following the occurrence of a Covered Bond Guarantor Event of Default, the date on which a Covered Bond Guarantee Acceleration Notice is served on the Issuer and the Covered Bond Guarantor (copied to the Trust Manager and the Security Trustee).

Earliest Maturing Covered Bonds means at any time, the Series of the Covered Bonds (other than any Series which is fully collateralised by amounts standing to the credit of the GIC Account) that has or have the earliest Final Maturity Date as specified in the applicable Final Terms (ignoring any acceleration of amounts due under the Covered Bonds prior to the occurrence of a Covered Bond Guarantor Event of Default).

Early Redemption Amount in relation to a Series of Covered Bonds, means the early redemption amount determined in accordance with Condition 5(f) (*Early Redemption Amounts*).

Early Repayment Charges means any charge or fee which a Debtor is required to pay in accordance with the Receivable Conditions applicable to a Receivable in the event that the Debtor repays all or part of the relevant Receivable before a specified date.

Eligible Bank means a Bank whose:

- (a) short term, unsecured, unsubordinated and unguaranteed debt obligations have a rating equivalent to or higher than:
 - (i) in the case of Moody's, P-1 or such other lower rating as Moody's may require in order to maintain the then current ratings of the Covered Bonds;
 - (ii) in the case of Fitch, F1 (or if on rating negative watch by Fitch, F1+) or such other lower rating as Fitch may require taking into account any backup, standby or guarantee arrangements with sufficiently highly rated banks in order to maintain the then current ratings of the Covered Bonds; and
 - (iii) an equivalent rating from another Designated Rating Agency, and
- (b) long term, unsecured, unsubordinated and unguaranteed debt obligations have a rating equivalent to or higher than A by Fitch (or if on rating negative watch by Fitch, A+) or such other lower rating as Fitch may require taking into account any backup, standby or guarantee arrangements with sufficiently highly rated banks in order to maintain the then current ratings of the Covered Bonds.

Encumbrance means any:

- (a) security for the payment of money or performance of obligations, including a mortgage, charge, lien, pledge, trust, power or title retention or flawed deposit arrangement; or
- (b) security interest under the PPSA; or
- (c) right, interest or arrangement which has the effect of giving another person a preference, priority or advantage over creditors including any right of set-off; or
- (d) right that a person (other than the owner) has to remove something from land (known as a profit à prendre), easement, public right of way, restrictive or positive covenant, lease, or licence to use or occupy; or
- (e) third party right or interest or any right arising as a consequence of the enforcement of a judgment,

or any agreement to create any of them or allow them to exist.

Excess Proceeds means all moneys received (following the occurrence of an Issuer Event of Default and delivery of an Issuer Acceleration Notice and service of a Notice to Pay) by the Bond Trustee from the Issuer or any administrator, receiver, receiver and manager, liquidator, statutory manager or other similar official appointed in relation to the Issuer.

Excluded Swap Termination Amount means in relation to a Swap Agreement, an amount equal to the amount of any termination payment due and payable:

- (a) to the relevant Swap Provider as a result of a Swap Provider Default with respect to such Swap Provider; or
- (b) to the relevant Swap Provider following a Swap Provider Downgrade Event with respect to such Swap Provider.

Extendable Maturity Covered Bonds means Covered Bonds for which the applicable Final Terms provides that such Covered Bonds are subject to an Extended Due for Payment Date.

Extended Due for Payment Date has the meaning given to it in Condition 5(a) (*Final redemption*).

Extension Determination Date has the meaning given to it in Condition 5(a) (*Final redemption*).

Extraordinary Resolution means:

- (a) where no Covered Bonds are outstanding, in relation to Voting Secured Creditors or a class of Voting Secured Creditors, a resolution passed by the Voting Secured Creditors in accordance with the provisions of the Security Trust Deed by:
 - (i) a majority of not less than 75% of the votes of such Voting Secured Creditors or class of Voting Secured Creditors capable of being cast on it; or
 - (ii) a written resolution signed by all of such Voting Secured Creditors or class of Voting Secured Creditors;
- (b) where Covered Bonds are outstanding, in relation to the Covered Bondholders, a resolution of the Covered Bondholders passed as an extraordinary resolution under the terms of the Bond Trust Deed.

Final Maturity Date means, in relation to a Series of Covered Bonds, the Interest Payment Date specified as such in the applicable Final Terms on which such Series of Covered Bonds is required to be redeemed in accordance with Condition 4 (*Interest and other Calculations*).

Final Maturity Demand Loan Advance means a Demand Loan Advance under the Demand Loan Facility in an amount (determined by the Trust Manager) sufficient to enable the Covered Bond Guarantor to apply such Demand Loan Advance (after being swapped if necessary under the related Covered Bond Swap) to repay the applicable Term Advance in full in accordance with the Intercompany Loan Agreement requested by the Covered Bond Guarantor (acting on the directions of the Trust Manager) if, on the Final Maturity Date of a Series of Covered Bonds, the aggregate of:

- (a) the proceeds of the sale of Receivables by the Covered Bond Guarantor to the Seller on that date (after being swapped if necessary under the related Covered Bond Swap); and
- (b) (subject to paragraph (g)(2) of the Pre-acceleration Principal Allocations) the Available Principal Receipts (if any); and
- (c) the proceeds of any Term Advance available to be used in accordance with the Intercompany Loan Agreement,

are not sufficient to repay the Term Advance corresponding to such Series of Covered Bonds.

Final Redemption Amount means, in relation to a Series of Covered Bonds, the meaning given in the applicable Final Terms.

Final Termination Date means the date declared to be such by the Trustee (at the direction of the Trust Manager), being a date by which the Trust Manager reasonably believes that the disposal of and distribution of the Assets will be completed in accordance with the Supplemental Deed.

Final Terms means the final terms prepared in relation to each Series or Tranche of Covered Bonds issued under the Program (substantially in the form set out in this Offering Memorandum) and giving details of that Series or Tranche and, in relation to any particular Series or Tranche of Covered Bonds, **applicable Final Terms** means the Final Terms applicable to that Tranche.

Fitch means Fitch Australia Pty Ltd and includes any successor to its ratings business.

Fixed Income Register means the register kept by the Trust Manager pursuant to the Supplemental Deed which records (separately) each instrument of the type described in paragraphs (b) and (c) of section 31(1) of the Australian Banking Act and its relevant Face Value.

Floating Rate Payer Spread has the meaning given to it in the applicable Covered Bond Swap Agreement.

FSMA means the United Kingdom Financial Services and Markets Act 2000, as may be amended from time to time.

Further Advances means in relation to a Purchased Receivable, each advance of further money to the relevant Debtor following the making of the initial advance of monies in respect of such Purchased Receivable (**Initial Advance**) which is secured by the same Mortgage as the Initial Advance but does not include any Redraw.

General Insurance Policies mean any insurance policies in force issued in respect of Property the subject of any Mortgage or any other property the subject of any Related Security in respect of a Receivable.

GIC Account means the account in the name of the Covered Bond Guarantor held with the Account Bank and maintained subject to the terms of the Account Bank Agreement and the Security Trust Deed and/or such additional or replacement account as may from time to time be in place pursuant to the terms of the Account Bank Agreement and the Security Trust Deed (or both).

Global Covered Bond has the meaning given to it in the Conditions.

GST has the meaning given to it in the GST Act.

GST Act means the A New Tax System (Goods and Services Tax) Act 1999 (*Cth*).

Guarantee Allocations means the guarantee Cashflow Allocation Methodology relating to the allocation and distribution of all Available Revenue Receipts and Available Principal Receipts following service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager), but prior to service of a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer (copied to the Trust Manager and the Security Trustee).

Guaranteed Amounts means

- (a) prior to the service of a Covered Bond Guarantee Acceleration Notice, with respect to any Original Due for Payment Date or, if applicable, any Extended Due for Payment Date, the sum of Scheduled Interest and Scheduled Principal, in each case, payable on that Original Due for Payment Date or, if applicable, any Extended Due for Payment Date; or
- (b) after service of a Covered Bond Guarantee Acceleration Notice, an amount equal to the relevant Early Redemption Amount as specified in the Conditions plus all accrued and unpaid interest and all other amounts due and payable in respect of the Covered Bonds, including all Excluded Scheduled Interest Amounts (as that term is defined in the definition of Scheduled Interest in this Offering Memorandum) and all Excluded Scheduled Principal Amounts (as that term is defined in the definition of Scheduled Interest in this Offering Memorandum) (whenever the same arose).

Hard Bullet Covered Bonds means a Series of Covered Bonds specified as such in the Final Terms which is scheduled to be redeemed in full on the Final Maturity Date for such Covered Bonds and without any provision for scheduled redemption other than on the Final Maturity Date.

Higher Redemption Amount means the amount (if any) specified in the applicable Final Terms.

Housing Loan means a loan under a loan agreement secured by a first Mortgage over residential Land.

Indexed Valuation means at any date in relation to any Purchased Receivable secured over any Property:

- (a) where the Latest Valuation of that Property is equal to or greater than the Property Price Indexed Valuation as at that date, the Property Price Indexed Valuation; or
- (b) where the Latest Valuation of that Property is less than the Property Indexed Valuation as at that date, the Latest Valuation plus 85 percent of the difference between the Latest Valuation and the Property Price Indexed Valuation.

Initial Advance has the meaning given to it in the definition of Further Advance.

Insolvency Event means, in relation to any body corporate, the happening of any of these events:

- (a) an application (other than a frivolous or vexatious application or an application which is stayed within 15 Local Business Days) is made to a court or any order is made that the relevant body corporate be wound up other than for the purposes of a solvent reconstruction or amalgamation;

- (b) an application is made to a court or an order appointing a liquidator or provisional liquidator in respect of the relevant body corporate, or one of them is appointed, whether or not under an order;
- (c) a receiver, receiver and manager, liquidator, trustee or similar officer is appointed in respect of any part of the property of the relevant body corporate and such appointment is not revoked within 15 Local Business Days;
- (d) an administrator is appointed to the relevant body corporate or any steps are taken for the appointment of an administrator to the relevant body corporate;
- (e) the relevant body corporate commences negotiations with any one or more of its creditors with a view to the general readjustment or rescheduling of its indebtedness or makes a general assignment for the benefit of or a composition with its creditors;
- (f) the relevant body corporate is or states that it is unable to pay its debts as and when they fall due or is deemed unable to pay its debts under any applicable legislation (other than as a result of the failure to pay a debt or claim which is the subject of a good faith dispute); or
- (g) anything analogous or having a substantially similar effect to any of the events specified above happens under the laws of any applicable jurisdiction.

Insurance Contracts means any insurance contract or policy arranged by the Seller from time to time and in which the Seller has an interest relating to the Purchased Receivables and **Insurance Contract** means any one of them.

Insurance Policies means, in respect of a Receivable, any policy of insurance in force in respect of a Receivable or its Related Security, including:

- (a) any General Insurance Policy; and
- (b) any Mortgage Insurance Policy,

and each an **Insurance Policy**.

Intercompany Loan Agreement means the intercompany loan agreement dated the Program Date, between the Intercompany Loan Provider, the Covered Bond Guarantor, the Trust Manager, the Seller, the Calculation Manager and the Security Trustee.

Intercompany Loan Drawdown Date means, in relation to a Term Advance, the date specified in the Intercompany Loan Drawdown Request for the making of the Term Advance, which must be a Business Day.

Intercompany Loan Drawdown Request means a request substantially in the form set out in the Intercompany Loan Agreement.

Intercompany Loan Interest Payment Date means, in relation to a Term Advance, the date specified in the Term Advance Notice.

Intercompany Loan Provider means ANZBGL.

Interest Commencement Date in relation to a Series of Covered Bonds means the Issue Date or such other date as may be specified in the applicable Final Terms.

Interest Period has the meaning given to it in Condition 4(m).

Interest Rate Shortfall has the meaning given to it in “*Summary of the Principal Documents—Servicing Deed—Interest Rate Shortfall Test*” in this Offering Memorandum.

Interest Rate Shortfall Test has the meaning given to it in “*Summary of the Principal Documents—Servicing Deed—Interest Rate Shortfall Test*” in this Offering Memorandum.

Interest Rate Swap means an interest rate swap transaction entered into between the Covered Bond Guarantor, the Trust Manager and the Interest Rate Swap Provider.

Interest Rate Swap Agreement means the Swap Agreement dated November 14, 2011 governing the Interest Rate Swap.

Interest Rate Swap Provider means ANZBGL in its capacity as interest rate swap provider under an Interest Rate Swap together with any successor thereto or replacement thereof.

ISDA means the International Swaps and Derivatives Association, Inc.

ISDA Master Agreement means the 2002 ISDA master agreement, as published by ISDA.

Issue Date means, in relation to any Series or Tranche, the date on which such Series or Tranche has been issued or, if not yet issued, the date agreed between the Issuer and the Relevant Dealer or the Lead Manager, as the case may be, for the issue of such Series or Tranche.

Issue Price means, in relation to a Series or Tranche (as applicable) of Covered Bonds, the price, generally expressed as a percentage of the nominal amount of the Covered Bonds, at which the Covered Bonds will be issued and which is specified in the applicable Final Terms.

Issuer means ANZBGL.

Issuer Acceleration Notice has the meaning given to it in Condition 9(a) (*Issuer Events of Default*).

Issuer Event of Default has the meaning given to it in Condition 9(a) (*Issuer Events of Default*).

Land means:

- (a) land (including tenements and hereditaments corporeal and incorporeal and every estate and interest in it whether vested or contingent, freehold or Crown leasehold, the terms of which lease is expressed to expire not earlier than five years after the maturity of the relevant Mortgage, and whether at law or in equity) wherever situated and including any fixtures to land; and
- (b) any parcel and any lot, common property and land comprising a parcel within the meaning of the Strata Schemes (Freehold Development) Act 1973 (New South Wales) or the Community Land Development Act 1989 (New South Wales) or any equivalent legislation in any other Australian jurisdiction.

Land Titles Office means, in relation to an Australian State or Territory, the office of the relevant government department responsible for maintaining the register of interests in Land.

Latest Valuation means, in relation to a Property, the value given to the Property by either:

- (a) the most recent Valuation Report held by the Seller in respect of that Property; or
- (b) (if there is no Valuation Report) such valuation of that Property as determined by the Seller or the Servicer in accordance with the Servicing Procedures and using a methodology which would be acceptable to a Prudent Mortgage Lender.

Lead Manager has the meaning given to it in the Program Agreement.

Ledgers means each of the ledgers, including the Term Advances Ledger, Demand Loan Ledger, Principal Ledger, Revenue Ledger, Pre-Maturity Ledger, Reserve Ledger, Losses Ledger, Swap Collateral Ledger, Covered Bonds Ledger, Collection Period Interest Ledger and Residual Income Unitholder Ledger, each as described in, and to be maintained in accordance with, the Supplemental Deed.

Liabilities means:

- (a) in relation to the Trust all liabilities of or referable to a Trust (including liabilities accrued but not yet paid and fees and expenses payable in accordance with Clause 25 of the Trust Deed) and any provision which the Trust Manager decides in consultation with the Auditor should be taken into account in determining the liabilities of the Trust; and
- (b) in respect of any person generally, and losses, damages, costs, charges, awards, claims, demands, expenses, judgments, actions, proceedings or other liabilities whatsoever including properly incurred legal fees and penalties incurred by the person, and “Liability” shall be construed accordingly.

Local Business Day means any day (other than a Saturday, Sunday or public holiday) on which banks are open for business in Melbourne and Sydney.

Losses means the realised losses on the Purchased Receivables.

LVR Adjusted Receivable Amount means the amount calculated for a Purchased Receivable, on the relevant Determination Date, as:

- (a) for each Purchased Receivable that is not then a Defaulted Receivable, the lesser of:
 - (i) the outstanding Current Principal Balance of the Purchased Receivable as at the last day of the immediately preceding Collection Period; and
 - (ii) 80% of the Indexed Valuation for the Property charged by a Mortgage which secures the Purchased Receivable as at the last day of the immediately preceding Collection Period (but without double counting across Purchased Receivables);
- (b) for each Purchased Receivable that is then a Defaulted Receivable, zero;

less:

- (c) where a Purchased Receivable was, in the immediately preceding Collection Period, known by the Trustee or the Trust Manager to be in breach of the Representations and Warranties contained in the Mortgage Sale Agreement as at the date of its sale to the Trustee, and the Seller has not repurchased the Purchased Receivable to the extent required by the terms of the Mortgage Sale Agreement: an amount equal to the LVR Adjusted Receivable Amount determined on the basis that only paragraph (a) of that definition applies (calculated as at the last day of the immediately preceding Collection Period) for each Purchased Receivable to which this paragraph (c) applies; and
- (d) where the Seller, in any preceding Collection Period, was in material breach of any other warranty under the Mortgage Sale Agreement and/or the Servicer was, in any preceding Collection Period, in material breach of a term of the Servicing Deed: an amount equal to the resulting financial loss incurred by the Trustee in the immediately preceding Collection Period (such financial loss to be calculated by the Trust Manager without double counting and

to be reduced by any amount paid (in cash or in kind) to the Trustee by the Seller or by the Servicer (as applicable) to indemnify the Trustee for such financial loss).

Majority Secured Creditors means Secured Creditors whose Secured Money amount in aggregate to more than 66 percent of the total Secured Money.

Material Adverse Effect means an event which (as determined by the Trust Manager or the Trustee, as the context requires, or by the Trust Manager in any other case) will materially and adversely affect the amount of any payment to a Secured Creditor or the timing of any such payment.

Minimum Redemption Amount means in respect of a Series or Tranche of Covered Bonds, the amount (if any) specified in the applicable Final Terms.

Moody's means Moody's Investors Service Pty Limited and includes any successor to its rating business.

Mortgage means, in relation to a Receivable, each registered mortgage over Land and the improvements on it situated in any State or Territory of Australia, any over and other asset, securing, among other things, payment of interest and the repayment of principal and all other moneys in respect of the Receivable notwithstanding that by its terms the mortgage may secure other liabilities to the Seller (in the case of a Receivable originated by a Seller) or to any other person (in the case of a Receivable originated by another person), as the case may be.

Mortgage Insurance Policies means a primary mortgage insurance policy taken out with respect to any Receivable.

Mortgage Insurer means any mortgage insurer approved by the Trust Manager and acceptable to each Designated Rating Agency and notified to the Covered Bond Guarantor.

Mortgage Sale Agreement means:

- (a) for the ANZ Residential Covered Bonds Trust, the mortgage sale agreement dated on or about November 14, 2011, between, among others, the Seller, the Covered Bond Guarantor, the Trust Manager and the Security Trustee;
- (b) for any other Trust, the mortgage sale agreement described in the Supplemental Deed for the Trust.

Native Title Act means the Native Title Act 1993 (*Cth*).

NCCP means the National Consumer Credit Protection Act 2009 (*Cth*).

Negative Carry Factor has the meaning given in the formula component "Z" in the definition of Adjusted Aggregate Receivable Amount.

Net Annual Income means the net income with respect to a Trust under the provisions of the Income Tax Assessment Act 1936 (or any similar provision of any replacement Act) for a Financial Year.

New Receivable Portfolio means a portfolio of New Receivables (other than any New Receivables included in such portfolio which have been redeemed in full prior to the relevant Transfer Date in respect of such portfolio), particulars of which are set out in, or attached to, a New Receivable Portfolio Notice, and all right, title, interest and benefit of the Seller in and to the rights and assets set out in paragraphs (a) to (f) (inclusive) below:

- (a) all sums of principal and interest (including, for the avoidance of doubt, all Arrears of Interest that are currently due and payable as at the Acquisition Cut-Off Date and all interest and

expenses that have been capitalised) and any other sum due or to become due under or in respect of such New Receivables after the Acquisition Cut-Off Date (but excluding, for the avoidance of doubt, all Accrued Interest as at the Acquisition Cut-Off Date) in respect of such New Receivables and including, without limitation, the right to demand, sue for, recover and give receipts for all such principal, interest or other amounts, the right to sue on all covenants and undertakings made or expressed to be made in favour of the Seller under the applicable Receivable Conditions;

- (b) the benefit of all other securities for such principal, interest and other sums payable (including without limitation any interest of the Seller in any life policy), any guarantee in respect of such New Receivables and other collateral security for the repayment of the relevant Receivables secured by the Related Security;
- (c) the right to exercise all the powers of the Seller in relation thereto subject to and in accordance with the relevant Receivable Conditions;
- (d) all the estate, title and interest in the Properties in relation thereto vested in the Seller;
- (e) to the extent they are assignable or capable of being put into trust, each certificate of title and Valuation Report and any right of action of the Seller against any solicitor, valuer or other person in connection with any report, valuation, opinion, certificate or other statement of fact or opinion given in connection with any such New Receivables, or any part thereof affecting the decision of the Seller to make or offer to make such Receivables or part thereof; and
- (f) the benefit of certain Insurance Policies, in each case so far as they relate to such New Receivables comprised in that portfolio of New Receivables, including the right to receive the proceeds of all claims made or to be made by or on behalf of the Seller or to which the Seller is or may become entitled.

New Receivable Portfolio Sale Notice means a notice in the form set out in the Mortgage Sale Agreement served in accordance with the terms of the Mortgage Sale Agreement.

New Receivables means Receivables which the Seller may transfer to the Covered Bond Guarantor pursuant to the Mortgage Sale Agreement.

Notice of Creation of Trust means the notice dated October 31, 2011 executed by the Trustee and the Trust Manager and the Security Trustee in accordance with the Trust Terms Deed creating the Trust.

Notice to Pay means the notice to pay (substantially in the form set out in the Bond Trust Deed) served by the Bond Trustee on the Covered Bond Guarantor (and copied to the Trust Manager) pursuant to the Covered Bond Guarantee which requires the Covered Bond Guarantor to make payments of Guaranteed Amounts when they shall become Due for Payment in accordance with the terms of the Covered Bond Guarantee.

Original Due for Payment Date means the date on which the Scheduled Payment Date in respect of such Guaranteed Amount occurs or, if later, the day which is two Business Days following the date of service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager) in respect of such Guaranteed Amounts or if the applicable Final Terms specified that an Extended Due for Payment Date is applicable to the relevant Series of Covered Bonds, the Interest Payment Date falling on the Final Maturity Date as if such date had been the Extended Due for Payment Date.

Outstanding or **outstanding** means, in relation to the Covered Bonds of all or any Series, all the Covered Bonds of such Series issued other than:

- (a) those Covered Bonds which have been redeemed in full and cancelled pursuant to the Trust Presents or the Conditions (or both);
- (b) those Covered Bonds in respect of which the date (including, where applicable, any deferred date) for redemption in accordance with the Conditions has occurred and the redemption monies (including all interest payable thereon) have been duly paid to the Bond Trustee or to the Principal Paying Agent in the manner provided in the Principal Agency Agreement (and where appropriate notice to that effect has been given to the relative Covered Bondholders in accordance with the Conditions and remain available for payment against presentation of the relevant Covered Bonds;
- (c) those Covered Bonds which have been purchased and cancelled in accordance with Conditions 5(i) (*Redemption and Purchase – Purchases*) and 5(j) (*Redemption and Purchase – Cancellation*) of the Conditions and any equivalent provision in the Conditions;
- (d) those Covered Bonds which have become void or in respect of which claims have become prescribed, in each case under Condition 8 (Prescription) of the Conditions;
- (e) those mutilated or defaced Covered Bonds which have been surrendered and cancelled and in respect of which replacements have been issued pursuant to Condition 12 (*Replacement of Covered Bonds*) of the Conditions;
- (f) (for the purpose only of ascertaining the Principal Amount Outstanding of the Covered Bonds outstanding and without prejudice to the status for any other purpose of the relevant Covered Bonds) those Covered Bonds which are alleged to have been lost, stolen or destroyed and in respect of which replacements have been issued pursuant to Condition 12 (*Replacement of Covered Bonds*); and
- (g) any Global Covered Bond to the extent that it shall have been exchanged for definitive Covered Bonds or another Global Covered Bond pursuant to its provisions, the provisions of the Trust Presents and the Principal Agency Agreement,

provided that for each of the following purposes, namely:

- (h) the right to attend and vote at any meeting of the holders of the Covered Bonds of any Series, to give instruction or direction to the Bond Trustee and for the purposes of a resolution in writing as envisaged by paragraph 20 of Schedule 4 (Provisions of Meetings for Covered Bondholders) to the Bond Trust Deed;
- (i) the determination of how many and which Covered Bonds of any Series are for the time being outstanding for the purposes of Clause 10 (Proceedings, Action And Indemnification) of the Bond Trust Deed, Conditions 9 (*Events of Default and Enforcement*) and 11 (*Meetings of Covered Bondholders, Modification, Waiver and Substitution*) of the Conditions and paragraphs 2, 5, 6, and 9 of schedule 4 (Provisions of Meetings for Covered Bondholders) to the Bond Trust Deed;
- (j) any discretion, power or authority (whether contained in the Trust Presents or vested by operation of law) which the Bond Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the holders of the Covered Bonds of any Series; and
- (k) the determination by the Bond Trustee whether any event, circumstance, matter or thing is, in its opinion, materially prejudicial to the interests of the holders of the Covered Bonds of any Series,

those Covered Bonds of the relevant Series (if any) which are for the time being held by or on behalf of or for the benefit of the Issuer or the Covered Bond Guarantor (for the avoidance of doubt, in its

capacity as trustee of the Trust), any Subsidiary or holding company of any of them or any other Subsidiary of any such holding company, in each case as beneficial owner shall (unless and until ceasing to be so held) be deemed not to remain outstanding except in the case of the Issuer or the Covered Bond Guarantor, any Subsidiary or holding company of any of them or any other Subsidiary of any such holding company (each a “Relevant Person”) holding, by itself or together with any other Relevant Person, all of the Covered Bonds then outstanding or, in respect of a Series of Covered Bonds holds all Covered Bond of such Series.

Overpayment means in respect of a Purchased Receivable, any additional amounts of Receivable Principal Receipts received above the regular Receivable Scheduled Payments due in respect of such Purchased Receivables, paid by the relevant Debtor which (a) is permitted by the terms of such Receivable or by agreement with the Debtor and (b) reduces the Current Principal Balance of such Purchased Receivable.

Partial Portfolio means part of any portfolio of Selected Receivables offered for sale to Purchasers in accordance with the Supplemental Deed.

Paying Agent has the meaning given to it in the Conditions.

Post-enforcement Allocations means amounts standing to the credit of the Transaction Accounts and their order of priority following the service of a Covered Bond Guarantee Acceleration Notice or the enforcement of the Charge, as summarised in “*Cashflows—Post-enforcement Allocations*” in this Offering Memorandum.

Pre-acceleration Allocations means the order of priority set out in the Supplemental Deed, as summarised in “*Cashflows—Pre-acceleration Allocations*” in this Offering Memorandum .

Pre-acceleration Principal Allocations means the order of priority set out in the Supplemental Deed, as summarised in “*Cashflows—Pre-acceleration Allocations*” in this Offering Memorandum.

Pre-acceleration Revenue Allocation means the order of priority set out in the Supplemental Deed, as summarised in “*Cashflows—Pre-acceleration Allocations*” in this Offering Memorandum.

Pre-Maturity Demand Loan Advance means, if on a Pre-Maturity Test Date there is a breach of the Pre-Maturity Test, the Demand Loan Advance the Trust Manager must direct the Covered Bond Guarantor in accordance with the Supplemental Deed to request under the Demand Loan Facility in an amount (determined by the Calculation Manager) necessary to rectify such breach of the Pre-Maturity Test.

Pre-Maturity Ledger means the ledger of that name to be maintained in accordance with the Supplemental Deed.

Pre-Maturity Test means the test set out in the Supplemental Deed, as summarised in “*Summary of the Principal Documents—Supplemental Deed—Sale of Selected Receivables if the Pre-maturity Test is breached*” in this Offering Memorandum.

Pre-Maturity Test Date means each Local Business Day during the Pre-Maturity Test Period, on which the Trust Manager makes a determination of whether each Series of Hard Bullet Covered Bonds is in compliance with, the Pre-Maturity Test.

Pre-Maturity Test Period means, in relation to a Series of Hard Bullet Covered Bonds, the period commencing on the date that is 12 months prior to the Final Maturity Date of the Series, and ending on the Final Maturity Date of the Series.

Principal Agency Agreement means the agency agreement dated the Program Date (such agency agreement as amended and/or supplemented and/or restated from time to time) and made between,

among others, the Issuer, the Covered Bond Guarantor, the Bond Trustee, the Principal Paying Agent and the Registrar.

Principal Amount Outstanding has the meaning given to it in Condition 4(m) (*Definitions*).

Principal Ledger means the ledger of that name to be maintained in accordance with the Supplemental Deed.

Principal Paying Agent has the meaning given to it in the Conditions.

Product Switch means a variation, from time to time, in the Receivable Conditions applicable to a Debtor's Receivable which means that the Receivable would no longer be a Qualifying Receivable and/or moving a Debtor to an alternative mortgage product, including a change in Product Type.

Product Type means a type of housing loan originated by the Seller.

Program means the covered bond program established by ANZBGL under the Program Documents.

Program Date means November 14, 2011 or such other date as notified by the Issuer to the Transaction Parties.

Program Documents means:

- (a) Trust Terms Deed;
- (b) Notice of Creation of Trust;
- (c) Mortgage Sale Agreement (and any documents entered into (including but not limited to any document setting out particulars of each New Receivable Portfolio) pursuant to the Mortgage Sale Agreement);
- (d) Servicing Deed;
- (e) Asset Monitor Agreement;
- (f) Intercompany Loan Agreement;
- (g) Demand Loan Agreement;
- (h) Supplemental Deed;
- (i) Interest Rate Swap Agreement;
- (j) each Covered Bond Swap Agreement;
- (k) Account Bank Agreement;
- (l) Security Trust Deed (and any documents entered into pursuant to the Security Trust Deed);
- (m) Deed of Charge;
- (n) Bond Trust Deed;
- (o) Distribution Agreement;
- (p) Principal Agency Agreement;
- (q) each Seller's Power of Attorney;

- (r) each Support Facility (if any);
- (s) this Offering Memorandum; and
- (t) each Final Terms,

and each document, agreement or deed ancillary or supplemental to any of such documents or any document, agreement or deed specified by the Issuer, the Covered Bond Guarantor and the Security Trustee as a Program Document and each a **Program Document**.

Program Resolution has the meaning given to it in Condition 11(a) (*Meetings of Covered Bondholders, Modification, Waiver and Substitution*).

Property means Land which is subject to a Mortgage.

Prudent Mortgage Lender means a reasonably prudent residential mortgage lender lending to borrowers in Australia who generally satisfy the lending criteria of traditional sources of residential mortgage capital.

Purchase Price in relation to an Asset that is a Receivable means:

- (a) in relation to a Receivable being sold by the Seller, the sum of:
 - (i) an amount equal to the sum of the Current Principal Balance on the Acquisition Cut-Off Date of the Receivable; and
 - (ii) unless otherwise to be included in the Accrued Income Adjustment, the accrued but uncapitalised interest in respect of the Collection Period ending on the Acquisition Cut-Off Date,

and in relation to an Asset that is not a Receivable, means:

- (b) an amount equal to the Current Principal Balance on the Acquisition Cut-Off Date of the Asset minus capitalised and unpaid interest and fees.

Purchased Receivables means on any particular date, each Receivable comprised in a New Receivables Portfolio that has been sold to the Covered Bond Guarantor pursuant to the terms of the Mortgage Sale Agreement up to (and including) such date, after taking account of, among other things, amortisation of the Receivables and the addition and/or removal of Receivables to or from the portfolio of Purchased Receivables since the Program Date.

Purchaser means the Seller or any third party to whom the Covered Bond Guarantor offers to sell Selected Receivables.

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

Qualifying Receivable means a Receivable which satisfies the qualifying eligibility criteria set out in the Mortgage Sale Agreement, as set out in “*Summary of the Principal Documents—Mortgage Sale Agreement—Qualifying Receivables*” in this Offering Memorandum.

Rating Agency Notification means in respect of a planned or proposed event or action, the provision of written notice to each Designated Rating Agency at least 10 Business Days prior to the implementation of such planned or proposed event or action, or such shorter period ending upon each Designated Rating Agency confirming in writing receipt of such notice.

Receivable means the right, title and interest in, to and under any financial asset, including, without limitation, under:

- (a) a Housing Loan or Commercial Property Loan; or
- (b) Related Securities and other rights in respect of such an asset.

Receivable Conditions means all the terms and conditions applicable to a Receivable at any time.

Receivable Principal Receipts means any payment in respect of principal received from time to time in respect of any Purchased Receivable (including, without limitation whether as all or part of a Receivable Scheduled Payment by a Debtor on the relevant Purchased Receivable, on redemption (in whole or in part), on enforcement or on disposal of such Purchased Receivable or otherwise (including pursuant to any Insurance Policy)).

Receivable Repurchase Notice means the notice served upon the Seller (copied to the Trust Manager and the Security Trustee) by the Covered Bond Guarantor offering to accept the Repurchase Price from the Seller in respect of specified Receivables, as set out in Schedule 3 to the Mortgage Sale Agreement.

Receivable Revenue Receipts means, in respect of any Receivable, the aggregate of interest collections, fee collections, interest that has been set off that would have otherwise been part of aggregate interest collections Accrued Income Adjustment on a repurchased Receivable less Accrued Income Adjustment on Purchased Receivables.

Receivable Scheduled Payment means in respect of a Receivable, the amount which the applicable Receivable Conditions require a Debtor to pay on a Receivable Scheduled Payment Date in respect of such Receivable.

Receivable Scheduled Payment Date means, in relation to any Receivable, the day on which interest is scheduled to be capitalised to the balance of the Receivable in accordance with the Receivable Conditions applicable to such Receivable.

Receiver means any person or persons appointed (and any additional person or persons appointed or substituted pursuant thereto) by the Security Trustee as a receiver, receiver, manager, or receiver and manager of the property charged or secured under the Security Trust Deed and the Deed of Charge.

Redraw means, in respect of a Purchased Receivable, a re-advance by the Seller of some or all of the Overpayments that the relevant Debtor has paid on the Purchased Receivable.

Reference Banks means either:

- (a) ANZBGL, the Commonwealth Bank of Australia, National Australia Bank Limited and Westpac Banking Corporation Limited; or
- (b) (other than in relation to BBSW Covered Bonds, separate provisions for which are contained in Condition 4(b)(v)) the institutions specified as such in the applicable Final Terms or, if none, four major banks selected by the Principal Paying Agent in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the Reference Rate specified in the applicable Final Terms which, if the relevant Reference Rate is EURIBOR, shall be Euro-Zone.

as the context requires.

Register means the register of holders of the Registered Covered Bonds maintained by the Registrar.

Registered Covered Bonds means Covered Bonds issued in registered form (being Registered Global Covered Bonds and/or Registered Definitive Covered Bonds, as the case may be).

Registered Definitive Covered Bond has the meaning given to it in the Conditions.

Registered Global Covered Bond has the meaning given to it in the Conditions.

Registrar has the meaning given to it in the Conditions.

Regulation S means Regulation S under the Securities Act.

Reimbursement Demand Loan Advance means a Demand Loan Advance under the Demand Loan Facility in an amount (determined by the Trust Manager) necessary to pay the Purchase Price of the Further Advance or to reimburse the funding of the Redraw, if on any Trust Payment Date the Available Principal Receipts (if any) are not sufficient to pay to the Seller the Purchase Price of a Further Advance or to reimburse the Seller for funding a Redraw that the Covered Bond Guarantor has agreed may remain in the Purchased Receivables in accordance with the Mortgage Sale Agreement.

Related Entity of an entity means another entity which is related to the first within the meaning of section 50 of the Corporations Act or is in any economic entity (as defined in any approved accounting standard) which contains the first.

Related Security means, in respect of a Receivable:

- (a) any Mortgage;
- (b) any:
 - (i) Encumbrance (other than a Mortgage);
 - (ii) guarantee, indemnity or other assurance; or
 - (iii) asset,which, in either case, secures or otherwise provides for the repayment or payment of the amount owing under the Receivable; or
- (c) any Mortgage Insurance Policy or other Insurance Policy (where it is not a Support Facility) (both present and future) in respect of the Receivable,

and with respect to any Related Security that constitutes an All Moneys Mortgage, the beneficial interest of the Covered Bond Guarantor in the Seller Trust declared in respect of that Mortgage.

Relevant Spread has the meaning given to it in the formula component “Z” in the definition of Adjusted Aggregate Receivable Amount, which forms part of the Asset Coverage Test summarised in “*Summary of the Principal Documents—Supplemental Deed—Asset Coverage Test*” in this Offering Memorandum.

Representations and Warranties means the representations and warranties set out in the Mortgage Sale Agreement, as summarised in “*Summary of the Principal Documents—Mortgage Sale Agreement—Representations and Warranties*” in this Offering Memorandum.

Repurchase Cut-Off Date means, in respect of a Receivable to be repurchased by the Seller, the date specified in the relevant notice as the date on which the Receivable is selected for acquisition with the actual transfer occurring on the Repurchase Date.

Repurchase Date means the date of completion of a repurchase of a Receivable by the Seller from the Covered Bond Guarantor in accordance with the Mortgage Sale Agreement.

Repurchase Price means, in relation to an Asset being repurchased:

- (a) in relation to an Asset that is a Receivable being repurchased by, extinguished in favour of or reconveyed to the Seller, an amount equal to:
 - (i) the Current Principal Balance on the Repurchase Cut-Off Date of the Receivable; less
 - (ii) capitalised and unpaid interest and fees that have been capitalised to the Current Principal Balance (but not collected) in respect of the Collection Period ending on the Repurchase Cut-Off Date; less
 - (iii) an amount equal to the principal amount of any Deducted Amounts made in the Collection Period ending on the Repurchase Cut-Off Date; and
- (b) in relation to an Asset that is not a Receivable, an amount equal to the Current Principal Balance on the Repurchase Cut-Off Date of the Asset minus capitalised and unpaid interest and fees.

Required Current Principal Balance Amount has the meaning given to it in “*Summary of the Principal Documents—Supplemental Deed—Method of Sale of Selected Receivables*” this Offering Memorandum.

Required Redemption Amount means, in respect of a Series of Covered Bonds, the amount calculated in accordance with the following formula:

$$A \times \left(1 + \left(B \times \frac{C}{365} \right) \right)$$

where,

A = the Principal Amount Outstanding of the relevant Series of Covered Bonds;

B = the Negative Carry Factor; and

C = days to maturity of the relevant Series of Covered Bonds.

Reserve Fund means the reserve fund established by the Covered Bond Guarantor (or the Trust Manager on its behalf) in accordance with the Supplemental Deed, as described in “*Structure Overview—Reserve Fund*” in this Offering Memorandum.

Reserve Fund Required Amount has the meaning given to it in the Supplemental Deed, as described in “*Structure Overview—Reserve Fund*” in this Offering Memorandum.

Reserve Ledger means the ledger of that name to be maintained in accordance with the Supplemental Deed.

Residual Capital Unit means the unit or units identified as such in the Supplemental Deed.

Residual Capital Unitholder means ANZBGL.

Residual Income Unit means the unit or units identified as such in the Supplemental Deed.

Residual Income Unitholder means ANZBGL.

Residual Income Unitholder Ledger means the ledger of that name to be maintained in accordance with the Supplemental Deed.

Revenue Ledger means the ledger of that name to be maintained in accordance with the Supplemental Deed.

Rule 144A means Rule 144A under the Securities Act.

Rule 144A Global Covered Bond means a Global Covered Bond in registered form representing the Registered Covered Bonds of a Tranche sold to QIBs pursuant to Rule 144A.

Rules means the rules, regulations and procedures creating and affecting DTC and its operations.

Sale Proceeds means the cash proceeds realised from the sale of Selected Receivables.

Scheduled Interest means an amount equal to the amount in respect of interest which would have been due and payable under the Covered Bonds on each Interest Payment Date as specified in Condition 4 (*Interest and other Calculations*) (but excluding any additional amounts relating to prepayments, early redemption, broker funding indemnities, penalties, premiums, default interest or interest upon interest (**Excluded Scheduled Interest Amounts**) payable by the Issuer following an Issuer Event of Default but including such amounts (whenever the same arose) following service of a Covered Bond Guarantee Acceleration Notice) as if the Covered Bonds had not become due and repayable prior to their Final Maturity Date or, if the Final Terms specified that an Extended Due for Payment Date is applicable to the relevant Covered Bonds, as if the maturity date of the Covered Bonds had been the Extended Due for Payment Date (but taking into account any principal repaid in respect of such Covered Bonds or any Guaranteed Amounts paid in respect of such principal prior to the Extended Due for Payment Date), less any additional amounts the Issuer would be obliged to pay as a result of any gross-up in respect of any withholding or deduction made under the circumstances set out in Condition 7 (*Taxation*).

Scheduled Payment Date means in relation to payments under the Covered Bond Guarantee, each Interest Payment Date and, if different, the Final Maturity Date as if the Covered Bonds had not become due and repayable prior to their Final Maturity Date.

Scheduled Principal means an amount equal to the amount in respect of principal which would have been due and repayable under the Covered Bonds on each Interest Payment Date or the Final Maturity Date (as the case may be) as specified in Condition 6 or the applicable Final Terms (or both) (but excluding any additional amounts relating to prepayments, early redemption, broken funding indemnities, penalties, premiums or default interest (**Excluded Scheduled Principal Amounts**) payable by the Issuer following an Issuer Event of Default but including such amounts (whenever the same arose) following service of a Covered Bond Guarantee Acceleration Notice) as if the Covered Bonds had not become due and repayable prior to their Final Maturity Date or, if the Final Terms specify that an Extended Due for Payment Date is applicable to the relevant Covered Bonds, as if the maturity date of the Covered Bonds had been the Extended Due for Payment Date.

Secured Creditors means the Security Trustee (in its own capacity and on behalf of the other Secured Creditors), the Bond Trustee (in its own capacity and on behalf of the Covered Bondholders), the Covered Bondholders, the Issuer, the Seller, the Servicer, the Intercompany Loan Provider, the Demand Loan Provider, the Account Bank, the Calculation Manager, the Swap Providers, the Trust Manager, the Agents, the Asset Monitor, any Support Facility Provider, the Trustee (for its own account) and any other person who becomes a Secured Creditor pursuant to the Security Trust Deed, and each a **Secured Creditor**.

Secured Money means all amounts (whether actual or contingent, present or future) which at any time for any reason or circumstance in connection with any Program Document that relates to, or applies to, the Trust or the Deed of Charge or any transactions contemplated by any of them (insofar as such transactions relate to, or apply to, the Trust), whatsoever whether at law, in equity, under statute or otherwise:

- (a) are payable, are owing but not currently payable, are contingently owing, or remain unpaid by the Covered Bond Guarantor to the Security Trustee on its own account or for the account of the Secured Creditors or to any Secured Creditor or to any Receiver;
- (b) have been advanced or paid by the Security Trustee on its own account or for the account of the Secured Creditors or by any Secured Creditor:
 - (i) at the express request of the Covered Bond Guarantor; and
 - (ii) on behalf of the Covered Bond Guarantor;
- (c) which the Security Trustee on its own account or for the account of the Secured Creditors or any Secured Creditor is liable to pay by reason of any act or omission of the Covered Bond Guarantor or has paid or advanced in the protection or maintenance of the Secured Property or the Security and the charge created by the Deed of Charge following an act or omission by the Covered Bond Guarantor; or
- (d) are reasonably foreseeable as likely, after that time, to fall within any of paragraphs (a), (b) or (c) above.

This definition applies:

- (i) irrespective of the capacity in which the Covered Bond Guarantor, the Security Trustee or any Secured Creditor became entitled or is liable in respect of the amount concerned;
- (ii) whether the Covered Bond Guarantor, the Security Trustee or any Secured Creditor is liable as principal debtor or surety or otherwise;
- (iii) whether the Covered Bond Guarantor is liable alone or jointly, or jointly and severally with another person;
- (iv) whether the Security Trustee or any Secured Creditor is the original obligee or an assignee or a transferee of the Secured Obligations and whether or not:
 - (A) the assignment or transfer took place before or after the delivery of the Deed of Charge; or
 - (B) the Covered Bond Guarantor consented to or was aware of the assignment or transfer; or
 - (C) the assigned or transferred obligation was secured; or
- (v) whether the Security Trustee or any Secured Creditor is the original Security Trustee or an original Secured Creditor or an assignee or a transferee of the original Security Trustee or an original Secured Creditor, and whether or not the Covered Bond Guarantor consented to or was aware of the assignment or transfer; or
- (vi) irrespective of the liquidation, insolvency or bankruptcy of any persons; or
- (vii) irrespective of any limitation of liability applying to any person.

Secured Property means all future Assets of the Trust acquired after the date of the Deed of Charge by the Covered Bond Guarantor on the terms of the Trust in accordance with the Trust Terms Deed and the Supplemental Deed.

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

Security Trust means the trust known as **ANZ Residential Covered Bonds Security Trust** created by the Notice of Creation of Trust and which is regulated by the Security Trust Deed and the Deed of Charge and, only if the context requires, each other Security Trust constituted under the Security Trust Deed.

Security Trust Deed means the Security Trust Deed dated October 31, 2011 between the Trustee, the Trust Manager, the Security Trustee and the Bond Trustee which relates or is purported to relate to one or more Trusts.

Security Trustee means the person appointed from time to time to act as security trustee under the Security Trust Deed.

Selected Receivable Offer Notice means a notice substantially in the form provided for in the Mortgage Sale Agreement from the Covered Bond Guarantor served on the Seller offering to sell Selected Receivables to the Seller.

Selected Receivables means Receivables to be sold by the Covered Bond Guarantor pursuant to the terms of the Supplemental Deed having in aggregate the Required Current Principal Balance Amount.

Seller means ANZBGL in its capacity as seller pursuant to the Mortgage Sale Agreement.

Seller Receivable Repurchase Notice means the notice served on the Covered Bond Guarantor by the Seller offering to purchase certain Receivables specified in the notice, as set out in Schedule 5 to the Mortgage Sale Agreement.

Seller Trust means a trust to be established on the date that an All Moneys Mortgage is assigned by the Seller to the Covered Bond Guarantor.

Seller's Power of Attorney means the Seller Power of Attorney in favour of the Covered Bond Guarantor in substantially the form set out in the Mortgage Sale Agreement.

Senior Portion Outstanding Senior Portion Outstanding means, in respect of the Demand Loan Advances outstanding, an amount equal to the lesser of:

the amount determined by the Demand Loan Provider by notice in writing to the Trust Manager; and

the amount calculated at any time by the Calculation Manager (notice of which must be given to the Trustee and the Trust Manager) as SPO where:

“**SPO**” = $X - Y$ where:

“**X**” = an amount equal to the aggregate principal amount outstanding under the Intercompany Loan Agreement and the Demand Loan Agreement;

“**Y**” = the greater of B and C where:

“**B**” = 103% of Z where:

“**Z**” = the Australian Dollar Equivalent of Covered Bonds Outstanding; and

“**C**” = $Z \times (X - D)/A$ where:

“**D**” = the sum of B + C + D + E under and as defined in the Asset Coverage Test;
and

“**A**” = A under and as defined in the Asset Coverage Test.

Series means a Tranche of Covered Bonds together with any further Tranche or Tranches of Covered Bonds which are:

- (a) expressed to be consolidated and form a single series; and
- (b) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates or Issue Price.

Series Reserved Matter has the meaning given to it in Condition 11 (*Meetings of Covered Bondholders, Modification, Waiver, Substitution and Legislative Exchange*).

Servicer means ANZBGL in its capacity as Servicer under the Servicing Deed or such other servicer appointed pursuant to the Servicing Deed from time to time.

Servicer Termination Event means those events described in “*Summary of Principal Documents—Servicing Deed—Removal or resignation of the Servicer*” in this Offering Memorandum.

Services means the services to be provided by the Servicer under the Servicing Deed.

Servicing Deed means the servicing deed entered into on the Program Date, between, among others, the Covered Bond Guarantor, the Trust Manager, the Servicer and the Security Trustee.

Servicing Procedures means the originating, lending and underwriting, administration, arrears and enforcement policies and procedures which are applied from time to time by the Seller to housing loans and the related security for their repayment which are beneficially owned solely by the Seller and which may be amended by the Seller from time to time.

Specified Currency means subject to any applicable legal or regulatory restrictions, Australian Dollars, euro, Sterling, U.S. Dollars and such other currency or currencies as may be agreed from time to time by the Issuer, the Relevant Dealer(s), the Principal Paying Agent and the Bond Trustee and specified in the applicable Final Terms.

Stated Income Loans means housing loans originated by ANZBGL in circumstances where income verification was not required as part of the origination process.

Stock Exchange means the London Stock Exchange or any other or further stock exchange(s) on which any Covered Bonds may from time to time be listed or admitted to trading and references to the relevant Stock Exchange shall, in relation to any Covered Bonds, be references to the Stock Exchange on which such Covered Bonds are, from time to time, or are intended to be, listed or admitted to trading.

Subsidiary has the meaning given to it in section 9 of the Corporations Act.

Substitute Servicer means a substitute servicer appointed following the termination of the appointment of the Servicer in accordance with the Servicing Deed, as described in “*Summary of the Principal Documents—Servicing Deed—Removal or resignation of the Servicer*”.

Substitution Assets means:

- (a) a bank accepted bill or certificate of deposit that:
 - (i) matures within 100 days of its issue; and
 - (ii) is eligible for repurchase transactions with the Reserve Bank of Australia; and
 - (iii) was issued by an Eligible Bank; and

- (iv) was not issued by the Issuer;
- (b) a bond, note, debenture or other instrument issued or guaranteed by the Commonwealth of Australia; or
- (c) a bond, note, debenture or other instrument issued or guaranteed by a State or Territory of Australia.

Supplemental Deed means the deed with those words in its title and referable to the Trust, which sets out the terms of the Trust and the relative rights and priorities of persons in respect of that Trust between (among other parties) the Trustee, the Trust Manager and the Security Trustee.

Swap Agreement Credit Support Document means a credit support document entered into between the Covered Bond Guarantor and a Swap Provider in the form of the ISDA 1995 credit support annex (Transfer - English law) to the ISDA Master Agreement.

Swap Agreements means each agreement between the Covered Bond Guarantor, the Trust Manager and a Swap Provider governing Swaps entered into with such Swap Provider in the form of an ISDA Master Agreement, the schedule and any relevant Swap Agreement Credit Support Document and related confirmations, and each a **Swap Agreement**.

Swap Collateral means at any time, an amount of cash or other eligible collateral which is paid or transferred by a Swap Provider to the Covered Bond Guarantor as collateral to secure the performance by such Swap Provider of its obligations under the relevant Swap Agreement together with any interest or other income received in respect of such cash or other eligible collateral.

Swap Collateral Available Amounts means, at any time, the amount of Swap Collateral which under the terms of the relevant Swap Agreement may be applied at that time in satisfaction of the relevant Swap Provider's obligations to the Covered Bond Guarantor following termination of the Swap to the extent that such obligations relate to payments to be made in connection with the Pre-Acceleration Allocations or the Guarantee Allocations.

Swap Collateral Cash Account means the account in the name of the Covered Bond Guarantor held with the Account Bank and maintained subject to the terms of the Account Bank Agreement and the relevant Swap Agreement Credit Support Document into which cash is deposited by a Swap Provider as collateral to secure the performance by such Swap Provider of its obligations under the relevant Swap Agreement.

Swap Collateral Cash Account Mandate means the resolutions, instructions and signature authorities relating to the Swap Collateral Cash Accounts.

Swap Collateral Excluded Amounts means at any time, the amount of Swap Collateral which may not be applied under the terms of the relevant Swap Agreement at that time in satisfaction of the relevant Swap Provider's obligations to the Covered Bond Guarantor, including Swap Collateral which is to be returned or paid to the relevant Swap Provider from time to time in accordance with the terms of the Swap Agreements and ultimately upon termination of the relevant Swap Agreement.

Swap Provider Default means, in relation to a Swap Agreement, the occurrence of an Event of Default (as defined in such Swap Agreement) where the relevant Swap Provider is the Defaulting Party (as defined in such Swap Agreement).

Swap Provider Downgrade Event means, in relation to a Swap Agreement, the occurrence of an Additional Termination Event (as defined in such Swap Agreement) following a failure by the Swap Provider to comply with the requirements of the ratings downgrade provisions set out in such Swap Agreement.

Swap Providers means the Interest Rate Swap Providers and the Covered Bond Swap Providers, and each a **Swap Provider**.

Swap Rate means in relation to a Covered Bond or Series of Covered Bonds, the exchange rate specified in the Covered Bond Swap Agreement relating to such Covered Bond or Series of Covered Bonds or, if the Covered Bond Swap Agreement has terminated, the applicable spot rate.

Swaps means the Interest Rate Swaps and the Covered Bond Swaps.

Tax Authority means any government, state, municipal, local, federal or other fiscal, revenue, customs or excise authority, body or official anywhere in the world.

Term Advance Notice means a term advance notice substantially in the form provided for in the Intercompany Loan Agreement.

Term Advances means advances made or to be made by the Intercompany Loan Provider to the Covered Bond Guarantor under the Intercompany Loan Agreement, and each a **Term Advance**.

Third Party Amounts means each of:

- (a) payments by a Debtor of any fees (including Early Repayment Charges) and other charges which are due to the Seller (but not, except to the extent included in paragraph (c) below, including interest payable on the Receivables);
- (b) any amount received from a Debtor for the express purpose of payment being made to a third party for the provision of a service (including giving insurance cover) to any of that Debtor or the Seller or the Covered Bond Guarantor, and
- (c) in relation to the acquisition of a Receivable, the Accrued Interest for the Receivable as at the related Acquisition Cut-Off Date,

which amounts, if received by the Covered Bond Guarantor, may be paid daily from monies on deposit in the GIC Account.

Title Documents in respect of a Receivable means:

- (a) the certificate or other indicia of title (if any) in respect of the Land the subject of the Mortgage;
- (b) the original or duplicate of any Related Security documents;
- (c) any valuation report obtained in connection with the Mortgage or any Related Security;
- (d) any deed of priority or its equivalent in writing entered into in connection with the Mortgage or any Related Security;
- (e) the Loan Agreement (if other than a Mortgage); and
- (f) all other documents required to evidence the Seller's or the Trustee's interest in the Land the subject of the Mortgage, and the Related Security,

and any amendment or replacement of the documents described in a sub-clause above and any such document which is entered into, and under which rights arise, after any assignment of the relevant Receivable by the Seller to the Trustee.

Title Perfection Event means those events described in “*Summary of the Principal Documents—Mortgage Sale Agreement—Transfer of title to the Covered Bond Guarantor*” in this Offering Memorandum.

Tranche means Covered Bonds which are identical in all respects (including as to listing).

Transaction Accounts means the GIC Account and such other accounts as may for the time being be in place with the prior consent of the Security Trustee and designated as such and **Transaction Account** shall denote any one of the Transaction Accounts.

Transaction Party means any person who is a party to a Program Document and **Transaction Parties** means some or all of them.

Transfer Certificate has the meaning given to it in Condition 2(e).

Transfer Date means the date on which the Seller, subject to the fulfilment of certain conditions, sells a New Receivable Portfolio to the Covered Bond Guarantor in accordance with the Mortgage Sale Agreement.

Trust means the trust known as the **ANZ Residential Covered Bond Trust** and, only if the context requires, each other Trust constituted under the Trust Deed (other than a Seller Trust).

Trust Accounts means the GIC Account, any other Transaction Account, the Seller Trust Trust Account, the Swap Collateral Cash Account or any other currency transaction account maintained under the Account Bank Agreement.

Trust Manager means ANZCCL or any other person acting as the manager of the Trust, and includes the Trustee when acting as the manager.

Trust Manager Default occurs if:

- (a) the Trust Manager fails to allocate amounts received in respect of the Receivables to the appropriate GIC Account or fails to instruct the Trustee to pay the amounts distributable to the Secured Creditors of a Trust within the time periods specified in a Program Document, and such failure is not remedied within 10 Business Days of notice delivered to the Trust Manager by the Trustee;
- (b) an Insolvency Event occurs in respect of the Trust Manager;
- (c) the Trust Manager fails to remedy a breach of its obligations under the Program Documents (not being a breach referred to in the preceding paragraphs of this clause) within 10 Business Days of written notice from the Trustee where such breach would have a Material Adverse Effect (in the reasonable opinion of the Trustee);
- (d) the Trust Manager loses, or fails to maintain any licence, permit or authorisation required by law to enter into and perform its material obligations under this deed or any Program Document to which it is a party and the relevant licence, permit or authorisation is not reinstated within 30 days of notice delivered to the Trust Manager by the Trustee; or
- (e) a representation or warranty made or repeated by the Trust Manager in a Program Document proves to have been incorrect in any material respect when made or repeated and, as a result, gives rise to an Adverse Rating Effect provided that no Trust Manager Default shall arise under this paragraph (e) unless:
 - (i) the Trustee first delivers a written notice to the Trust Manager in which:

- (A) the Trustee establishes that there has been a breach which has caused actual loss;
 - (B) the Trustee specifies the reasons why it believes that an Adverse Rating Effect has occurred;
 - (C) the Trustee specifies the quantum of the claim; and
 - (D) the damages claimed represent no more than the loss incurred as a result of the breach; and
- (ii) the Trust Manager does not either:
- (A) pay the damages specified in the notice to the Trustee within 10 Business Days (or such longer period as the Trustee may agree) of receipt by the Trust Manager of the notice; or
 - (B) appoint an independent expert as agreed between the Trust Manager and the Trustee, or failing such agreement, as approved by the President of the Victorian Law Society, to determine the merits of the notice and abide by that decision, which shall be final and binding, within 10 Business Days (or such longer period as the Trustee may agree) of such decision being handed down.

Trust Payment Date means each day which is 2 Local Business Days after a Determination Date.

Trust Payment Period means:

- (a) the period from (and including) the trust Transfer Date to (but excluding) the next Trust Payment Date;
- (b) thereafter, the period from (and including) a Trust Payment Date to (but excluding) the next Trust Payment Date; and
- (c) the period up to (and including) the Final Termination Date commencing (and including) on the Trust Payment Date immediately prior to the Final Termination Date.

Trust Presents means the Bond Trust Deed and the schedules thereto and any supplemental bond trust deed and schedules (if any), thereto, all as from time to time modified in accordance with the provisions therein contained.

Trust Terms Deed means Trust Terms Deed means the deed entitled “ANZ Covered Bond Trust Terms Deed”, dated October 31, 2011, between the Trust Manager and the Trustee and as amended in so far as it applies to the Trust as set out in the Supplemental Deed.

Trustee means Perpetual Corporate Trust Limited solely in its capacity as trustee of the Trust, or any other person acting as the trustee of the Trust, and includes the Trust Manager when acting as the trustee. Each reference to the Trustee (except where the reference is part of another defined term), is also to be read as a reference to the Covered Bond Guarantor.

Trustee Default occurs if:

- (a) an Insolvency Event occurs in respect of the Trustee in its personal capacity;
- (b) the Trustee merges or consolidates with another entity without the consent of the Trust Manager, such consent not to be unreasonably withheld;

- (c) there is a change in the effective control of the Trustee (other than a change which does not alter the status of the Trustee as a wholly owned subsidiary of Perpetual Limited ABN 86 000 431 827) which has not been approved by the Trust Manager, such approval not to be unreasonably withheld; or
- (d) the Trustee breaches any material obligation or duty imposed on the Trustee under the Program Documents and is not remedied within 10 Business Days of notice in writing from the Trust Manager requiring its remedy.

Unitholder means, in respect of a Trust, either a Residual Capital Unitholder or a Residual Income Unitholder.

US Paying Agent means Deutsche Bank Trust Company Americas Limited or a successor.

US Registrar means Deutsche Bank Trust Company Americas Limited or a successor.

Valuation Report means the valuation report or reports for mortgage purposes from an independent firm of professional valuers appointed by the Seller or from such other source allowed by the Servicing Procedures.

Vesting Date means, in respect of the Security Trust, the eightieth anniversary of the date of the Security Trust Deed.

Voting Secured Creditor means:

- (a) while any Covered Bond remains outstanding, the Bond Trustee (on behalf of the Covered Bondholders subject to and in accordance with the terms of the Bond Trust Deed); or
- (b) if there are no Covered Bonds outstanding, all other Secured Creditors.

Yield Shortfall means any yield shortfall as determined by the Yield Shortfall Test.

Yield Shortfall Test has the meaning given to it in “*Summary of the Principal Documents—Servicing Deed—Yield Shortfall Test*” in this Offering Memorandum.

Zero Coupon Covered Bonds means Covered Bonds which will be offered and sold at a discount to their nominal amount and which will not bear interest.

THE ISSUER

Australia and New Zealand Banking Group Limited

ANZ Centre Melbourne
Level 9, 833 Collins Street
Docklands VIC 3008
Australia

COVERED BOND GUARANTOR

Perpetual Corporate Trust Limited

Level 12
123 Pitt Street
Sydney NSW 2000
Australia

DEALERS

ANZ Securities, Inc.

277 Park Avenue, 31st Floor
New York NY 10172
United States of America

Citigroup Global Markets Inc.

388 Greenwich Street
New York NY 10013
United States of America

UBS Securities LLC

677 Washington Boulevard
Stamford CT 06901
United States of America

SECURITY TRUSTEE

P.T. Limited

Level 12
123 Pitt Street
Sydney NSW 2000
Australia

BOND TRUSTEE

DB Trustees (Hong Kong) Limited

Level 52 International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

ASSET MONITOR

KPMG

147 Collins Street
Melbourne VIC 3000
Australia

TRUST MANAGER

ANZ Capel Court Limited

Level 9
833 Collins Street
Docklands VIC 3008
Australia

PRINCIPAL PAYING AGENT

Deutsche Bank AG, Hong Kong Branch

Level 52
International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

US PAYING AGENT

Deutsche Bank Trust Company Americas

60 Wall Street, 27th Floor
New York NY 10005
United States of America

LEGAL ADVISERS

*To the Issuer
as to English Law*
Allen & Overy LLP
One Bishops Square
London E1 6AD
United Kingdom

*To the Issuer
as to Australian law*
King & Wood Mallesons
Level 30
Waterfront Place, 1 Eagle Street
Brisbane QLD 4000
Australia

To the Issuer as to United States Law
Sullivan & Cromwell
Level 32
101 Collins Street
Melbourne VIC 3000
Australia

*To the Covered Bond Guarantor and the Security Trustee
as to Australian law*
Ashurst Australia
Level 36, Grosvenor Place
225 George Street
Sydney NSW 2000
Australia

To the Bond Trustee as to English law
Clifford Chance LLP
10 Upper Bank Street
London E14 5JJ
United Kingdom

To the Dealers as to United States law
Sidley Austin LLP
787 Seventh Avenue
New York NY 10019
United States of America

To the Dealers as to English law
Clifford Chance LLP
10 Upper Bank Street
London E14 5JJ
United Kingdom

To the Trust Manager as to Australian law

King & Wood Mallesons
Level 30
Waterfront Place, 1 Eagle Street
Brisbane QLD 4000
Australia

FINAL TERMS

September 4, 2012

Australia and New Zealand Banking Group Limited

ABN 11 005 357 522

**Issue of US\$1,500,000,000 Global Covered Bonds due October 2015 (the “Covered Bonds”)
irrevocably and unconditionally guaranteed as to payment of principal and interest by
Perpetual Corporate Trust Limited as trustee of the ANZ Residential Covered Bond Trust under the
US\$20,000,000,000 Global Covered Bond Program**

The Offering Memorandum referred to below (as completed by this Final Terms) has been prepared on the basis that any offer of Covered Bonds will be issued under the Offering Memorandum within the United States to “qualified institution buyers” (as defined in Rule 144A) in reliance on Rule 144A or outside the United States in reliance on Regulation S.

The Covered Bonds and the Covered Bond Guarantee (as defined below) are being offered and sold without registration under the United States Securities Act of 1933, as amended (the **Securities Act**): (A) in the United States to “qualified institutional buyers” (**QIBs**) as defined in Rule 144A under the Securities Act (**Rule 144A**) in reliance upon the exemptions provided by Section 4(2) of the Securities Act and Rule 144A promulgated thereunder and (B) in offshore transactions to certain non-U.S. persons in reliance upon Regulation S under the Securities Act (**Regulation S**). Prospective purchasers are hereby notified that the seller of the Covered Bonds may be relying on an exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of certain restrictions on resales and transfers, see “*Notice to Purchasers*” and “*Subscription and Sale and Selling Restrictions (Conflicts of Interests)*” in the Offering Memorandum.

The Offering Memorandum referred to below (as completed by this Final Terms) has been prepared on the basis that any offer of Covered Bonds in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a **Relevant Member State**) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Covered Bonds. Accordingly, any person making or intending to make an offer in that Relevant Member State of the Covered Bonds may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorized, nor do they authorize, the making of any offer of Covered Bonds in any other circumstances.

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Offering Memorandum dated May 9, 2012 and the U.S. Investor Disclosure Update dated July 6, 2012 (collectively, the “Offering Memorandum”). Full information on the Issuer and the Covered Bond Guarantor and the offer of the Covered Bonds is only available on the basis of the combination of this Final Terms and the Offering Memorandum. Copies of the Offering Memorandum are available free of charge to the public at the specified office of the Principal Paying Agent.

1.	(a)	Issuer:	Australia and New Zealand Banking Group Limited
	(b)	Covered Bond Guarantor:	Perpetual Corporate Trust Limited (ABN 99 000 341 533) as trustee of the ANZ Residential Covered Bond

		Trust
	(c) Series Number:	2012-8
2.	Specified Currency or Currencies:	U.S. Dollar
3.	Aggregate Principal Amount of Covered Bonds:	US\$1,500,000,000
4.	Issue Price:	99.798% per cent of the Aggregate Principal Amount
5.	(a) Denominations:	US\$250,000 and integral multiples of US\$1,000 in excess thereof
	(b) Calculation Amount:	US\$1,000
6.	(a) Issue Date:	September 11, 2012
	(b) Interest Commencement Date:	September 11, 2012
7.	(a) Final Maturity Date:	October 6, 2015
	(b) Extended Due for Payment Date of Guaranteed Amounts corresponding to the Final Redemption Amount under the Covered Bond Guarantee:	October 6, 2016
8.	Interest Basis:	1.00 per cent per annum payable semi-annually in arrears from and including the Interest Commencement Date to but excluding the Final Maturity Date. If applicable (as to which see Item 15 below), 1-month USD LIBOR plus 0.709 per cent per annum payable on each Interest Payment Date from and including the Final Maturity Date to but excluding the earlier of (i) the date on which the Covered Bonds are redeemed in full or (ii) the Extended Due for Payment Date
9.	Redemption/Payment Basis:	Redemption at par
10.	Change of Interest Basis or Redemption/Payment Basis:	Applicable. See Item 8 above.
11.	Put/Call Options:	Not Applicable
12.	(a) Status of the Covered Bonds:	Senior
	(b) Status of the Covered Bond Guarantee	Senior
13.	Method of distribution:	Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. Fixed Rate Covered Bond provisions: Applicable from and including the Interest Commencement Date to but excluding the Final Maturity Date
- (a) Rate of Interest: 1.00 per cent per annum payable semi annually in arrears
- (b) Interest Payment Date(s): Semi-annually on 6 April and 6 October of each year, commencing on 6 April 2013 and ending on the Final Maturity Date (long first coupon)
- (c) Business Day Convention: Following Business Day Convention (unadjusted)
- (d) Additional Business Centre(s): Sydney, Melbourne, London and New York
- (e) Fixed Coupon Amount(s): US\$5.00 payable semi-annually (US\$10 per year) per Calculation Amount, beginning on 6 October 2013 and up to and including the Final Maturity Date
- (f) Broken Amount(s): Long First Coupon: US\$5.69 payable on 6 April 2013, per Calculation Amount
- (g) Day Count Fraction: 30/360, unadjusted
- (h) Other terms relating to the method of calculating interest for Fixed Rate Covered Bonds: Not Applicable
15. Floating Rate Covered Bond provisions: Applicable, if payment of the Final Redemption Amount under the Covered Bond Guarantee is deferred to the Extended Due for Payment Date in the circumstances described in the Offering Memorandum, from and including the Final Maturity Date to but excluding the earlier of (i) the date on which the Covered Bonds are redeemed in full and (ii) the Extended Due for Payment Date
- (a) Specified Period(s): If applicable, from and including the Final Maturity Date to but excluding the earlier of (i) the date on which the Covered Bonds are redeemed in full and (ii) the Extended Due for Payment Date
- (b) Interest Payment Date(s): Monthly on the 6th day of each month from, but

		excluding, the Final Maturity Date and to the earlier of (i) the date on which the Covered Bonds are redeemed in full (ii) and including, the Extended Due for Payment Date
(c)	Business Day Convention:	Modified Following Business Day Convention (adjusted)
(d)	Additional Business Centre(s):	Sydney, Melbourne, London and New York
(e)	Manner in which the Rate of Interest and Interest Amount are to be determined:	Screen Rate Determination
(f)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Covered Bond Paying Agent/Calculation Agent):	Not Applicable
(g)	Screen Rate Determination:	Applicable
(A)	Reference Rate:	One month USD LIBOR
(B)	Interest Determination Date(s):	Second London business day prior to the start of each Interest Period
(C)	Relevant Screen Page:	LIBOR01
(D)	Relevant Time:	11:00 a.m. London time
(E)	Relevant Financial Centre:	London
(h)	ISDA Determination:	Not Applicable
(i)	Margin(s):	+0.709 % per annum
(j)	Minimum Rate of Interest:	Not Applicable
(k)	Maximum Rate of Interest:	Not Applicable
(l)	Day Count Fraction:	Actual/360, adjusted
(m)	Fallback provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Covered Bonds, if different from those set out in the Terms and Conditions:	Not Applicable
(n)	Accrual Feature:	Not Applicable

- (o) Broken Amounts: Not Applicable
- 16. Zero Coupon Covered Bond provisions: Not Applicable
- 17. Variable Interest Covered Bond provisions: (other than Dual Currency Interest Covered Bonds): Not Applicable
- 18. Dual Currency Interest Covered Bond provisions: Not Applicable
- 19. Coupon Switch Option: Not Applicable

PROVISIONS RELATING TO REDEMPTION

- 20. Redemption at the option of the Issuer (Call): Not Applicable
- 21. Partial redemption (Call): Not Applicable
- 22. (a) Minimum Redemption Amount: Not Applicable.
(b) Maximum Redemption Amount: Not Applicable.
(c) Notice Period: Not Applicable.
- 23. Redemption at the option of the Covered Bondholders (Put): Not Applicable
- 24. Final Redemption Amount of each Covered Bond: US\$1,000 per Calculation Amount
- 25. Early Redemption for Tax reasons:
 - (a) Early Redemption Amount (Tax) of each Covered Bond: US\$1,000 per Calculation Amount
 - (b) Date after which changes in law, etc. entitle Issuer to redeem: Issue Date

GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS

- 26. (a) Form of Covered Bonds: Registered Covered Bonds:

Regulation S Global Covered Bond (US\$379,950,000 nominal amount) registered in the name of a nominee for DTC

Rule 144A Global Covered Bond (US\$1,120,050,000 nominal amount) registered in the name of a nominee for DTC

(b)	Talons for future Coupons to be attached to Definitive Covered Bonds:	No
(c)	Receipts to be attached to Instalment Covered Bonds which are Definitive Covered Bonds:	No
(d)	Definitive Covered Bonds to be in ICMA or successor's format:	No
-
27.	New Global Covered Bond:	Yes
28.	Additional Business Centre(s) or other special provisions relating to Payment Days:	Sydney, Melbourne, London and New York
29.	Details relating to Partly-Paid Covered Bonds: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Covered Bonds and interest due on late payment:	Not Applicable
30.	Details relating to Instalment Covered Bonds:	
	(a) Instalment Amount(s):	Not Applicable
	(b) Instalment Date(s):	Not Applicable
31.	Redenomination:	Not Applicable
32.	Notices:	Not Applicable
33.	Governing law:	England and Wales
34.	Other terms or special conditions:	Not Applicable

DISTRIBUTION

35. (a) If syndicated, names and addresses of Managers: Active Joint Lead Managers:
- Citigroup Global Markets Inc.
388 Greenwich Street
New York, New York 10013
- Morgan Stanley & Co. LLC
1585 Broadway, 4th Floor
New York, New York 10036
- ANZ Securities, Inc.
277 Park Ave.
New York, NY 10172
- (b) Date of Subscription Agreement: September 4, 2012
- (c) Stabilising Manager (if any): Not Applicable
36. If non-syndicated, name and address of Dealer: Not Applicable
37. U.S. Selling Restrictions: The Covered Bonds are being offered and sold without registration under the United States Securities Act of 1933, as amended (the **Securities Act**): (A) to investors reasonably believed to be “qualified institutional buyers” as defined in Rule 144A under the Securities Act (**Rule 144A**) in reliance upon the exemption provided by Rule 144A and (B) in offshore transactions to certain non-US persons in reliance upon Regulation S under the Securities Act. Prospective purchasers are hereby notified that the seller of the Covered Bonds may be relying on an exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of certain restrictions on resales and transfers, see “Subscription and Sale and Selling Restrictions (Conflicts of Interests)” in the Offering Memorandum.
38. Additional selling restrictions: Not Applicable
39. Additional U.S. Federal Tax Considerations: Not Applicable

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING:

Not Applicable

2. RATINGS:

Ratings:

The Covered Bonds to be issued have been rated:

Fitch Australia Pty Ltd: AAA

Moody's Investors Service Pty Limited: Aaa

A rating is not a recommendation by any rating organisation to buy, sell or hold Covered Bonds and may be subject to revision or withdrawal at any time by the assigning rating organisation.

Fitch Australia Pty Ltd and Moody's Investors Service Pty Ltd are not established in the European Union and have not applied for registration under Regulation (EC) No. 1060/2009 as amended by Regulation (EC) No. 513/2011 ("**CRA Regulation**"). The ratings have been endorsed by Moody's Investors Service Ltd and Fitch Ratings Ltd. in accordance with the CRA Regulation. Moody's Investors Service Ltd and Fitch Ratings Ltd. are established in the European Union and registered under the CRA Regulation. As such Moody's Investors Service Ltd and Fitch Ratings Ltd. are included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation.

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under Regulation (EU) No. 1060/2009 as amended by Regulation (EC) No. 513/2011 (the "**CRA Regulation**") unless the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused.

3. COVERED BOND SWAP:

(i)	Covered Bond Swap Provider:	Australia and New Zealand Banking Group Limited ANZ Centre Melbourne Level 9, 833 Collins Street, Docklands, Victoria, 3008
(ii)	Nature of Covered Bond Swap:	Forward starting
(iii)	Termination Date:	Notwithstanding any statement in the Offering Memorandum to the contrary, the termination date of the Covered Bond Swap for this Series is the earliest to occur of: (i) the Trust Payment Date that falls on or immediately following the Extended Due for Payment Date; (ii) the date on which all of the Series 2012-8 Covered Bonds have been repaid or redeemed in full; and (iii) the Termination Date (as defined in the Definitions Schedule) for the Trust.

4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE:

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

5. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES:

(i)	Reasons for the Offer:	General corporate purposes
(ii)	Estimated net proceeds:	US\$1,495,470,000
(iii)	Estimated total expenses:	US\$1,500,000

6. YIELD:

Indication of yield: 1.067%

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

7. OPERATIONAL INFORMATION:

(a)	ISIN Code:	US05252EAB92 (Rule 144A) US05252FAB67 (Regulation S)
	CUSIP:	05252EAB9 (Rule 144A)

- 05252FAB6 (Regulation S)
- (b) Common Codes: 082844295 (Rule 144A)
082801928 (Regulation S)
- (c) Any clearing system(s) other than DTC, Euroclear, Clearstream, Luxembourg and the relevant identification number(s): Not Applicable
- (d) Delivery: Delivery against payment
- (e) Name and address of initial Paying Agents in relation to the Covered Bonds (other than the Australian Registered Covered Bonds):
 Covered Bond Paying Agent:
 Deutsche Bank AG, Hong Kong Branch
 Level 52 International Commerce Centre
 1 Austin Road West
 Kowloon, Hong Kong
 US Covered Bond Paying Agent:
 Deutsche Bank Trust Company Americas
 Trust & Securities Services
 60 Wall Street, 27th Floor
 New York, New York 10005
- (f) Names and addresses of additional Paying Agent(s) (if any) in relation to the Covered Bonds (other than the Australian Registered Covered Bonds): Not Applicable
- (g) Name(s) and address(es) of the Australian Registrar in relation to the Australian Registered Covered Bonds: Not Applicable

Signed on behalf of the Issuer:

By:

Duly authorised



Rick Moscati
Group Treasurer

SCHEDULE TO THE FINAL TERMS

Certain information regarding the Receivables

The statistical and other information contained in these Final Terms has been compiled by reference to the Purchased Receivables as at July 31, 2012 (the Cut-off Date). Except as otherwise indicated, these tables have been prepared using the Principal Balance as at the Cut-off Date, which includes all principal and accrued interest for the Purchased Receivables as at the Cut-off Date and may no longer be a true reflection of the Purchased Receivables. The following information does not include any Receivables sold into the Portfolio since the Cut-off Date, including any sale in connection with this issuance and it does not reflect any redemption or sales out of the Portfolio since the Cut-off Date.

The characteristics of the Purchased Receivables as at the relevant Issue Date are not expected to differ materially from the characteristics of the Purchased Receivables as at the Cut-off Date, however, it should be noted that Receivables may be removed from the Purchased Receivables in the event that any such Receivables are repaid in full or do not comply with the terms of the Receivable Sale Agreement on the relevant Transfer Date. The Seller may also choose, in certain circumstances, to repurchase any of the Receivables in accordance with the terms of the Receivable Sale Agreement. Additionally, New Receivables may be sold into the Portfolio from time to time. Any such sales will be made in accordance with the Receivable Sale Agreement and subject to compliance with the Substitution Criteria and the Representations and Warranties. This information is provided for information purposes only.

The tables below show details of the Receivables included in the Portfolio, and stratify the Portfolio by reference to a Receivable. Columns stating percentage amounts may not add up to 100% due to rounding.

Pool Summary

Portfolio Cut-off Date	31 Jul 2012
Current Aggregate Principal Balance (AUD)	\$ 10,438,602,049
Number of Loans (Unconsolidated)	38,127
Number of Loans (Consolidated)	38,127
Average Loan Size (Consolidated)	\$ 273,785
Maximum Loan Balance (Consolidated)	\$ 1,990,473
Weighted Average Consolidated Current Loan to Value Ratio (LVR)	63.37%
Weighted Average Consolidated Current Indexed Loan to Value Ratio (LVR)	63.74%
Weighted Average Interest Rate	6.02%
Weighted Average Seasoning (Months)	15.84
Weighted Average Remaining Term (Months)	335.14

Mortgage Pool by Unconsolidated Original Loan to Value Ratio (LVR)

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
up to and including 25.0%	3,430	9.00%	\$ 283,226,814	2.71%
> 25.0% up to and including 30.0%	1,077	2.82%	\$ 149,180,219	1.43%
> 30.0% up to and including 35.0%	1,270	3.33%	\$ 214,700,666	2.06%
> 35.0% up to and including 40.0%	1,507	3.95%	\$ 293,184,151	2.81%
> 40.0% up to and including 45.0%	1,539	4.04%	\$ 326,560,815	3.13%
> 45.0% up to and including 50.0%	1,923	5.04%	\$ 447,423,550	4.29%
> 50.0% up to and including 55.0%	2,020	5.30%	\$ 518,633,748	4.97%
> 55.0% up to and including 60.0%	2,461	6.45%	\$ 682,242,450	6.54%
> 60.0% up to and including 65.0%	2,586	6.78%	\$ 760,376,203	7.28%
> 65.0% up to and including 70.0%	3,173	8.32%	\$ 1,004,036,667	9.62%
> 70.0% up to and including 75.0%	3,830	10.05%	\$ 1,241,532,319	11.89%
> 75.0% up to and including 80.0%	13,311	34.91%	\$ 4,517,504,448	43.28%
> 80.0% up to and including 85.0%				
> 85.0% up to and including 90.0%				
> 90.0% up to and including 95.0%				
> 95.0% up to and including 100.0%				
> 100.0%				
Total	38,127	100.00%	\$ 10,438,602,049	100.00%

Mortgage Pool by Consolidated Current Loan to Value Ratio (LVR)

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
up to and including 25.0%	4,550	11.93%	\$ 385,952,952	3.70%
> 25.0% up to and including 30.0%	1,315	3.45%	\$ 198,091,172	1.90%
> 30.0% up to and including 35.0%	1,391	3.65%	\$ 250,311,427	2.40%
> 35.0% up to and including 40.0%	1,676	4.40%	\$ 340,872,767	3.27%
> 40.0% up to and including 45.0%	1,765	4.63%	\$ 397,771,588	3.81%
> 45.0% up to and including 50.0%	2,108	5.53%	\$ 518,921,486	4.97%
> 50.0% up to and including 55.0%	2,253	5.91%	\$ 614,032,341	5.88%
> 55.0% up to and including 60.0%	2,737	7.18%	\$ 789,874,026	7.57%
> 60.0% up to and including 65.0%	2,874	7.54%	\$ 895,263,305	8.58%
> 65.0% up to and including 70.0%	3,454	9.06%	\$ 1,133,616,121	10.86%
> 70.0% up to and including 75.0%	4,308	11.30%	\$ 1,450,087,088	13.89%
> 75.0% up to and including 80.0%	9,696	25.43%	\$ 3,463,807,775	33.18%
> 80.0% up to and including 85.0%				
> 85.0% up to and including 90.0%				
> 90.0% up to and including 95.0%				
> 95.0% up to and including 100.0%				
> 100.0%				
Total	38,127	100.00%	\$ 10,438,602,049	100.00%

Mortgage Pool by Consolidated Current Indexed Loan to Value Ratio (LVR)*

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
up to and including 25.0%	4,737	12.42%	\$ 404,369,015	3.87%
> 25.0% up to and including 30.0%	1,326	3.48%	\$ 198,248,418	1.90%
> 30.0% up to and including 35.0%	1,465	3.84%	\$ 265,559,400	2.54%
> 35.0% up to and including 40.0%	1,648	4.32%	\$ 338,143,852	3.24%
> 40.0% up to and including 45.0%	1,806	4.74%	\$ 408,950,656	3.92%
> 45.0% up to and including 50.0%	2,027	5.32%	\$ 490,157,101	4.70%
> 50.0% up to and including 55.0%	2,295	6.02%	\$ 626,242,319	6.00%
> 55.0% up to and including 60.0%	2,578	6.76%	\$ 748,931,275	7.17%
> 60.0% up to and including 65.0%	2,903	7.61%	\$ 896,887,413	8.59%
> 65.0% up to and including 70.0%	3,467	9.09%	\$ 1,131,957,427	10.84%
> 70.0% up to and including 75.0%	4,301	11.28%	\$ 1,461,213,458	14.00%
> 75.0% up to and including 80.0%	6,179	16.21%	\$ 2,172,054,070	20.81%
> 80.0% up to and including 85.0%	2,897	7.60%	\$ 1,096,462,672	10.50%
> 85.0% up to and including 90.0%	470	1.23%	\$ 190,204,745	1.82%
> 90.0% up to and including 95.0%	28	0.07%	\$ 9,220,228	0.09%
> 95.0% up to and including 100.0%				
> 100.0%				
Total	38,127	100.00%	\$ 10,438,602,049	100.00%

* Based on quarterly data provided by RP Data using the hedonic index values as at the latest Property Index available to the Trust Manager on each Determination Date falling in March, June, September and December. For further information please refer to Schedule 2 of the Supplemental Deed, as described in the applicable disclosure document.

Mortgage Pool by Mortgage Loan Interest Rate

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
up to and including 6.00%	13,789	36.17%	\$ 5,059,414,524	48.47%
> 6.00% up to and including 6.25%	21,212	55.64%	\$ 4,897,877,824	46.92%
> 6.25% up to and including 6.50%	1,824	4.78%	\$ 356,264,598	3.41%
> 6.50% up to and including 6.75%	156	0.41%	\$ 25,319,086	0.24%
> 6.75% up to and including 7.00%	1,142	3.00%	\$ 98,990,593	0.95%
> 7.00% up to and including 7.25%	2	0.01%	\$ 541,592	0.01%
> 7.25% up to and including 7.50%				
> 7.50% up to and including 7.75%	2	0.01%	\$ 193,832	0.00%
> 7.75% up to and including 8.00%				
> 8.00% up to and including 8.25%				
> 8.25% up to and including 8.50%				
> 8.50%				
Total	38,127	100.00%	\$ 10,438,602,049	100.00%

Mortgage Pool by Interest Option

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
<= 1 Year Fixed	684	1.79%	\$ 172,390,554	1.65%
<= 2 Year Fixed	1,197	3.14%	\$ 309,699,974	2.97%
<= 3 Year Fixed	758	1.99%	\$ 191,231,324	1.83%
<= 4 Year Fixed	6	0.02%	\$ 1,123,341	0.01%
<= 5 Year Fixed	66	0.17%	\$ 12,514,891	0.12%
> 5 Year Fixed	2	0.01%	\$ 193,832	0.00%
Total Fixed Rate	2,713	7.12%	\$ 687,153,916	6.58%
Total Variable Rate	35,414	92.88%	\$ 9,751,448,132	93.42%
Total	38,127	100.00%	\$ 10,438,602,049	100.00%

Mortgage Pool by Consolidated Loan Balance

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
up to and including \$100,000	4,799	12.59%	\$ 298,009,879	2.85%
> \$100,000 up to and including \$200,000	8,916	23.39%	\$ 1,382,403,267	13.24%
> \$200,000 up to and including \$300,000	11,196	29.37%	\$ 2,811,515,816	26.93%
> \$300,000 up to and including \$400,000	6,952	18.23%	\$ 2,408,347,673	23.07%
> \$400,000 up to and including \$500,000	3,107	8.15%	\$ 1,386,467,425	13.28%
> \$500,000 up to and including \$600,000	1,520	3.99%	\$ 829,923,424	7.95%
> \$600,000 up to and including \$700,000	703	1.84%	\$ 455,451,381	4.36%
> \$700,000 up to and including \$800,000	370	0.97%	\$ 277,491,962	2.66%
> \$800,000 up to and including \$900,000	189	0.50%	\$ 160,394,649	1.54%
> \$900,000 up to and including \$1.00m	139	0.36%	\$ 132,295,392	1.27%
> \$1.00m up to and including \$1.25m	142	0.37%	\$ 156,701,322	1.50%
> \$1.25m up to and including \$1.50m	66	0.17%	\$ 91,039,397	0.87%
> \$1.50m up to and including \$1.75m	17	0.04%	\$ 27,772,143	0.27%
> \$1.75m up to and including \$2.00m	11	0.03%	\$ 20,788,318	0.20%
> \$2.00m				
Total	38,127	100.00%	\$ 10,438,602,049	100.00%

Mortgage Pool by Geographic Distribution

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
NSW / ACT	9,704	25.45%	\$ 2,943,265,378	28.20%
VIC	12,648	33.17%	\$ 3,533,363,058	33.85%
TAS	1,087	2.85%	\$ 185,611,910	1.78%
QLD	6,455	16.93%	\$ 1,607,307,508	15.40%
SA	2,736	7.18%	\$ 599,175,999	5.74%
WA	5,240	13.74%	\$ 1,498,287,669	14.35%
NT	257	0.67%	\$ 71,590,527	0.69%
Total	38,127	100.00%	\$ 10,438,602,049	100.00%

Mortgage Pool by Region

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
Metro	26,932	70.64%	\$ 8,144,639,939	78.02%
Non Metro	11,195	29.36%	\$ 2,293,962,110	21.98%
Total	38,127	100.00%	\$ 10,438,602,049	100.00%

Mortgage Pool by State and Region

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
NSW / ACT - Metro	6,760	17.73%	\$ 2,334,134,726	22.36%
NSW / ACT - Non Metro	2,944	7.72%	\$ 609,130,652	5.84%
VIC - Metro	9,977	26.17%	\$ 3,038,772,577	29.11%
VIC - Non Metro	2,671	7.01%	\$ 494,590,480	4.74%
TAS - Metro	571	1.50%	\$ 105,507,700	1.01%
TAS - Non Metro	516	1.35%	\$ 80,104,209	0.77%
QLD - Metro	2,871	7.53%	\$ 790,826,904	7.58%
QLD - Non Metro	3,584	9.40%	\$ 816,480,605	7.82%
SA - Metro	2,008	5.27%	\$ 478,861,453	4.59%
SA - Non Metro	728	1.91%	\$ 120,314,547	1.15%
WA - Metro	4,538	11.90%	\$ 1,336,584,406	12.80%
WA - Non Metro	702	1.84%	\$ 161,703,263	1.55%
NT - Metro	207	0.54%	\$ 59,952,172	0.57%
NT - Non Metro	50	0.13%	\$ 11,638,354	0.11%
Total	38,127	100.00%	\$ 10,438,602,049	100.00%

Mortgage Pool by Top 20 Postcodes*

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
3030 (Melb North West, VIC)	287	0.75%	\$ 81,103,623	0.78%
3977 (Frankston, VIC)	294	0.77%	\$ 68,468,996	0.66%
3029 (Melb North West, VIC)	267	0.70%	\$ 60,761,711	0.58%
6065 (Brand, WA)	180	0.47%	\$ 52,647,900	0.50%
6164 (Brand, WA)	185	0.49%	\$ 51,486,775	0.49%
2155 (Seven Hills, NSW)	140	0.37%	\$ 51,338,563	0.49%
6155 (Tangney, WA)	159	0.42%	\$ 43,037,143	0.41%
3064 (Melb North West, VIC)	175	0.46%	\$ 42,039,703	0.40%
3806 (Dandenong, VIC)	160	0.42%	\$ 41,635,819	0.40%
3023 (Footscray, VIC)	153	0.40%	\$ 40,312,889	0.39%
6018 (Stirling, WA)	89	0.23%	\$ 37,577,618	0.36%
3805 (Dandenong, VIC)	144	0.38%	\$ 35,095,204	0.34%
4740 (Central QLD, QLD)	132	0.35%	\$ 34,940,325	0.33%
3810 (Frankston, VIC)	150	0.39%	\$ 33,844,214	0.32%
3121 (Moorabbin, VIC)	86	0.23%	\$ 33,730,193	0.32%
3199 (Frankston, VIC)	132	0.35%	\$ 32,298,275	0.31%
3195 (Dandenong, VIC)	89	0.23%	\$ 32,240,372	0.31%
2026 (Waterloo, NSW)	60	0.16%	\$ 32,008,439	0.31%
6112 (Tangney, WA)	119	0.31%	\$ 31,309,249	0.30%
3037 (Hawthorn, VIC)	132	0.35%	\$ 30,882,149	0.30%
Total	3,133	8.22%	\$ 866,759,160	8.30%

*One postcode can correspond to multiple suburbs. The name assigned to a postcode in this table is based on the Barcode Sort Plan Area Name assigned under the Australia Post Barcode Sort Plan.

Mortgage Pool by Top 20 Statistical Subdivisions

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
20510 (Western Melbourne, VIC)	1,455	3.82%	\$ 417,922,126	4.00%
50515 (North Metropolitan, WA)	1,267	3.32%	\$ 384,202,413	3.68%
20505 (Inner Melbourne, VIC)	958	2.51%	\$ 376,827,578	3.61%
20565 (Southern Melbourne, VIC)	858	2.25%	\$ 343,173,856	3.29%
50520 (South West Metropolitan, WA)	1,122	2.94%	\$ 324,173,349	3.11%
20550 (Eastern Middle Melbourne, VIC)	853	2.24%	\$ 295,185,566	2.83%
10505 (Inner Sydney, NSW)	712	1.87%	\$ 288,792,190	2.77%
10515 (St George-Sutherland, NSW)	769	2.02%	\$ 270,556,167	2.59%
20580 (South Eastern Outer Melbourne, VIC)	1,119	2.93%	\$ 267,630,998	2.56%
50510 (East Metropolitan, WA)	855	2.24%	\$ 230,912,251	2.21%
10540 (Central Western Sydney, NSW)	734	1.93%	\$ 215,607,060	2.07%
50525 (South East Metropolitan, WA)	767	2.01%	\$ 202,831,633	1.94%
20530 (Northern Middle Melbourne, VIC)	614	1.61%	\$ 201,387,815	1.93%
10555 (Lower Northern Sydney, NSW)	446	1.17%	\$ 200,867,248	1.92%
10560 (Central Northern Sydney, NSW)	435	1.14%	\$ 188,037,975	1.80%
20545 (Boroondara City, VIC)	365	0.96%	\$ 181,195,415	1.74%
10565 (Northern Beaches, NSW)	369	0.97%	\$ 175,061,910	1.68%
20555 (Eastern Outer Melbourne, VIC)	625	1.64%	\$ 165,515,277	1.59%
50505 (Central Metropolitan, WA)	359	0.94%	\$ 154,339,741	1.48%
30507 (Northwest Outer Brisbane, QLD)	564	1.48%	\$ 148,707,741	1.42%
Total	15,246	39.99%	\$ 5,032,928,311	48.21%

Mortgage Pool by Payment Type

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
P&I	31,036	81.40%	\$ 8,050,997,517	77.13%
Interest Only	7,091	18.60%	\$ 2,387,604,532	22.87%
Total	38,127	100.00%	\$ 10,438,602,049	100.00%

Mortgage Pool by Documentation Type

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
Full Doc Loans	38,127	100.00%	\$ 10,438,602,049	100.00%
Low Doc Loans				
No Doc Loans				
Total	38,127	100.00%	\$ 10,438,602,049	100.00%

Mortgage Pool by Remaining Interest Only Period

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
Amortising Loans	31,036	81.40%	\$ 8,050,997,517	77.13%
Interest Only Loans : > 0 up to and including 1 years	737	1.93%	\$ 253,460,504	2.43%
Interest Only Loans : > 1 up to and including 2 years	994	2.61%	\$ 330,553,636	3.17%
Interest Only Loans : > 2 up to and including 3 years	1,426	3.74%	\$ 466,431,290	4.47%
Interest Only Loans : > 3 up to and including 4 years	1,742	4.57%	\$ 608,405,053	5.83%
Interest Only Loans : > 4 up to and including 5 years	1,251	3.28%	\$ 421,093,178	4.03%
Interest Only Loans : > 5 up to and including 6 years	9	0.02%	\$ 3,958,502	0.04%
Interest Only Loans : > 6 up to and including 7 years	89	0.23%	\$ 26,784,443	0.26%
Interest Only Loans : > 7 up to and including 8 years	267	0.70%	\$ 89,898,007	0.86%
Interest Only Loans : > 8 up to and including 9 years	366	0.96%	\$ 120,217,058	1.15%
Interest Only Loans : > 9 up to and including 10 years	210	0.55%	\$ 66,802,860	0.64%
Total	38,127	100.00%	\$ 10,438,602,049	100.00%

Mortgage Pool by Occupancy Status

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
Owner Occupied (Full Recourse)	29,904	78.43%	\$ 8,083,317,051	77.44%
Residential Investment (Full Recourse)	8,223	21.57%	\$ 2,355,284,998	22.56%
Residential Investment (Limited Recourse)				
Total	38,127	100.00%	\$ 10,438,602,049	100.00%

Mortgage Pool by Loan Purpose

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
Alterations to existing dwelling	733	1.92%	\$ 130,083,500	1.25%
Business / Commercial / Investment				
Construction of a dwelling (construction completed)	1,474	3.87%	\$ 424,094,263	4.06%
Purchase of established dwelling	10,732	28.15%	\$ 3,270,838,694	31.33%
Purchase of new erected dwelling	809	2.12%	\$ 225,299,519	2.16%
Refinancing existing debt from another lender	6,895	18.08%	\$ 1,931,529,468	18.50%
Refinancing existing debt with ANZ	10,427	27.35%	\$ 2,644,892,212	25.34%
Other	7,057	18.51%	\$ 1,811,864,392	17.36%
Total	38,127	100.00%	\$ 10,438,602,049	100.00%

Mortgage Pool by Loan Seasoning

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
up to and including 3 months	824	2.16%	\$ 211,132,844	2.02%
> 3 up to and including 6 months	5,175	13.57%	\$ 1,283,262,599	12.29%
> 6 up to and including 9 months	7,726	20.26%	\$ 1,994,558,909	19.11%
> 9 up to and including 12 months	4,695	12.31%	\$ 1,335,078,827	12.79%
> 12 up to and including 15 months	2,927	7.68%	\$ 864,957,155	8.29%
> 15 up to and including 18 months	2,728	7.16%	\$ 774,252,414	7.42%
> 18 up to and including 21 months	3,823	10.03%	\$ 1,105,465,029	10.59%
> 21 up to and including 24 months	3,369	8.84%	\$ 979,295,473	9.38%
> 24 up to and including 27 months	2,967	7.78%	\$ 869,314,788	8.33%
> 27 up to and including 30 months	1,029	2.70%	\$ 290,663,149	2.78%
> 30 up to and including 33 months	880	2.31%	\$ 240,089,041	2.30%
> 33 up to and including 36 months	664	1.74%	\$ 169,892,454	1.63%
> 36 up to and including 48 months	1,320	3.46%	\$ 320,639,369	3.07%
> 48 up to and including 60 months				
> 60 up to and including 72 months				
> 72 up to and including 84 months				
> 84 up to and including 96 months				
> 96 up to and including 108 months				
> 108 up to and including 120 months				
> 120 months				
Total	38,127	100.00%	\$ 10,438,602,049	100.00%

Mortgage Pool by Remaining Tenor

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
up to and including 1 year				
> 1 up to and including 2 years	3	0.01%	\$ 82,272	0.00%
> 2 up to and including 3 years	16	0.04%	\$ 656,950	0.01%
> 3 up to and including 4 years	40	0.10%	\$ 1,885,492	0.02%
> 4 up to and including 5 years	112	0.29%	\$ 3,946,692	0.04%
> 5 up to and including 6 years	38	0.10%	\$ 1,874,717	0.02%
> 6 up to and including 7 years	73	0.19%	\$ 3,655,639	0.04%
> 7 up to and including 8 years	59	0.15%	\$ 3,349,259	0.03%
> 8 up to and including 9 years	135	0.35%	\$ 9,495,299	0.09%
> 9 up to and including 10 years	362	0.95%	\$ 21,157,398	0.20%
> 10 up to and including 15 years	574	1.51%	\$ 67,421,556	0.65%
> 15 up to and including 20 years	701	1.84%	\$ 112,366,817	1.08%
> 20 up to and including 25 years	2,506	6.57%	\$ 564,660,958	5.41%
> 25 up to and including 30 years	33,508	87.89%	\$ 9,648,049,001	92.43%
> 30 years				
Total	38,127	100.00%	\$ 10,438,602,049	100.00%

Mortgage Pool by Delinquencies

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
Current (0 days)	37,506	98.37%	\$ 10,259,714,523	98.29%
> 0 days up to and including 30 days	551	1.45%	\$ 157,690,784	1.51%
> 30 days up to and including 60 days	50	0.13%	\$ 16,034,024	0.15%
> 60 days up to and including 90 days	20	0.05%	\$ 5,162,719	0.05%
> 90 days up to and including 120 days				
> 120 days up to and including 150 days				
> 150 days up to and including 180 days				
> 180 days				
Total	38,127	100.00%	\$ 10,438,602,049	100.00%

Mortgage Pool by Remaining Term on Fixed Rate Period

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
Variable Rate Loans	35,414	92.88%	\$ 9,751,448,132	93.42%
Fixed Rate Loans : > 0 up to and including 3 months	173	0.45%	\$ 41,818,922	0.40%
Fixed Rate Loans : > 3 up to and including 6 months	301	0.79%	\$ 76,587,195	0.73%
Fixed Rate Loans : > 6 up to and including 9 months	205	0.54%	\$ 52,665,118	0.50%
Fixed Rate Loans : > 9 up to and including 12 months	5	0.01%	\$ 1,319,320	0.01%
Fixed Rate Loans : > 12 up to and including 15 months	141	0.37%	\$ 32,823,582	0.31%
Fixed Rate Loans : > 15 up to and including 18 months	450	1.18%	\$ 111,646,204	1.07%
Fixed Rate Loans : > 18 up to and including 21 months	603	1.58%	\$ 164,378,489	1.57%
Fixed Rate Loans : > 21 up to and including 24 months	3	0.01%	\$ 851,699	0.01%
Fixed Rate Loans : > 24 up to and including 27 months	287	0.75%	\$ 70,640,980	0.68%
Fixed Rate Loans : > 27 up to and including 30 months	166	0.44%	\$ 40,098,991	0.38%
Fixed Rate Loans : > 30 up to and including 33 months	301	0.79%	\$ 79,494,889	0.76%
Fixed Rate Loans : > 33 up to and including 36 months	4	0.01%	\$ 996,464	0.01%
Fixed Rate Loans : > 36 up to and including 48 months	6	0.02%	\$ 1,123,341	0.01%
Fixed Rate Loans : > 48 up to and including 60 months	66	0.17%	\$ 12,514,891	0.12%
Fixed Rate Loans : > 60 months	2	0.01%	\$ 193,832	0.00%
Total	38,127	100.00%	\$ 10,438,602,049	100.00%

Mortgage Pool by Payment Frequency

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
Weekly	8,489	22.27%	\$ 1,944,579,548	18.63%
Fortnightly	13,126	34.43%	\$ 3,201,681,567	30.67%
Monthly	16,512	43.31%	\$ 5,292,340,934	50.70%
Other				
Total	38,127	100.00%	\$ 10,438,602,049	100.00%

FINAL TERMS

September 4, 2012

Australia and New Zealand Banking Group Limited

ABN 11 005 357 522

**Issue of US\$750,000,000 Global Covered Bonds due October 2015 (the "Covered Bonds")
irrevocably and unconditionally guaranteed as to payment of principal and interest by
Perpetual Corporate Trust Limited as trustee of the ANZ Residential Covered Bond Trust under the
US\$20,000,000,000 Global Covered Bond Program**

The Offering Memorandum referred to below (as completed by this Final Terms) has been prepared on the basis that any offer of Covered Bonds will be issued under the Offering Memorandum within the United States to "qualified institution buyers" (as defined in Rule 144A) in reliance on Rule 144A or outside the United States in reliance on Regulation S.

The Covered Bonds and the Covered Bond Guarantee (as defined below) are being offered and sold without registration under the United States Securities Act of 1933, as amended (the **Securities Act**): (A) in the United States to "qualified institutional buyers" (**QIBs**) as defined in Rule 144A under the Securities Act (**Rule 144A**) in reliance upon the exemptions provided by Section 4(2) of the Securities Act and Rule 144A promulgated thereunder and (B) in offshore transactions to certain non-U.S. persons in reliance upon Regulation S under the Securities Act (**Regulation S**). Prospective purchasers are hereby notified that the seller of the Covered Bonds may be relying on an exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of certain restrictions on resales and transfers, see "Notice to Purchasers" and "Subscription and Sale and Selling Restrictions (Conflicts of Interests)" in the Offering Memorandum.

The Offering Memorandum referred to below (as completed by this Final Terms) has been prepared on the basis that any offer of Covered Bonds in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a **Relevant Member State**) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Covered Bonds. Accordingly, any person making or intending to make an offer in that Relevant Member State of the Covered Bonds may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorized, nor do they authorize, the making of any offer of Covered Bonds in any other circumstances.

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Offering Memorandum dated May 9, 2012 and the U.S. Investor Disclosure Update dated July 6, 2012 (collectively, the "Offering Memorandum"). Full information on the Issuer and the Covered Bond Guarantor and the offer of the Covered Bonds is only available on the basis of the combination of this Final Terms and the Offering Memorandum. Copies of the Offering Memorandum are available free of charge to the public at the specified office of the Principal Paying Agent.

1.	(a)	Issuer:	Australia and New Zealand Banking Group Limited
	(b)	Covered Bond Guarantor:	Perpetual Corporate Trust Limited (ABN 99 000 341 533) as trustee of the ANZ Residential Covered Bond

		Trust
	(c) Series Number:	2012-9
2.	Specified Currency or Currencies:	U.S. Dollar
3.	Aggregate Principal Amount of Covered Bonds:	US\$750,000,000
4.	Issue Price:	100.00% per cent of the Aggregate Principal Amount
5.	(a) Denominations:	US\$250,000 and integral multiples of US\$1,000 in excess thereof
	(b) Calculation Amount:	US\$1,000
6.	(a) Issue Date:	September 11, 2012
	(b) Interest Commencement Date:	September 11, 2012
7.	(a) Final Maturity Date:	October 6, 2015
	(b) Extended Due for Payment Date of Guaranteed Amounts corresponding to the Final Redemption Amount under the Covered Bond Guarantee:	October 6, 2016
8.	Interest Basis:	1. 3-month USD LIBOR plus 0.61 per cent per annum payable on each Interest Payment Date from and including the Interest Commencement Date to but excluding the Final Maturity Date. 2. If applicable (as to which see Item 15 below), 1-month USD LIBOR plus 0.709 per cent per annum payable on each Interest Payment Date from and including the Final Maturity Date to but excluding the earlier of (i) the date on which the Covered Bonds are redeemed in full or (ii) the Extended Due for Payment Date
9.	Redemption/Payment Basis:	Redemption at par
10.	Change of Interest Basis or Redemption/Payment Basis:	Applicable. See Item 8 above.
11.	Put/Call Options:	Not Applicable
12.	(a) Status of the Covered Bonds:	Senior
	(b) Status of the Covered Bond Guarantee	Senior
13.	Method of distribution:	Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. Fixed Rate Covered Bond provisions: Not Applicable
15. Floating Rate Covered Bond provisions: Applicable
- (a) Specified Period(s):
1. From and including the Interest Commencement date to but excluding the Final Maturity Date (the “Initial Period”)
 2. If applicable, if payment of the Final Redemption Amount under the Covered Bond Guarantee is deferred to the Extended Due for Payment Date in the circumstances described in the Offering Memorandum, from and including the Final Maturity Date to but excluding the earlier of (i) the date on which the Covered Bonds are redeemed in full and (ii) the Extended Due for Payment Date (the “Extension Period”)
- (b) Interest Payment Date(s):
1. Initial Period: Quarterly on the 6th day of each January, April, July and October, commencing on January 6, 2013, and ending on and including the Final Maturity Date (long first coupon using a rate interpolated between 3-month and 4-month USD LIBOR)
 2. Extension Period: Monthly on the 6th day of each month from, but excluding, the Final Maturity Date and to the earlier of (i) the date on which the Covered Bonds are redeemed in full (ii) and including, the Extended Due for Payment Date
- (c) Business Day Convention: Modified Following Business Day Convention (adjusted)
- (d) Additional Business Centre(s): Sydney, Melbourne, London and New York
- (e) Manner in which the Rate of Interest and Interest Amount are to be determined: Screen Rate Determination
- (f) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Covered Bond Paying Agent/Calculation Agent): Not Applicable

(g)	Screen Rate Determination:	Applicable
(A)	Reference Rate:	1. Initial Period: Three month USD LIBOR (long first coupon using rate interpolated between 3-month and 4-month USD LIBOR) 2. Extension Period: One month USD LIBOR
(B)	Interest Determination Date(s):	Second London business day prior to the start of each Interest Period
(C)	Relevant Screen Page:	LIBOR01
(D)	Relevant Time:	11:00 a.m. London time
(E)	Relevant Financial Centre:	London
(h)	ISDA Determination:	Not Applicable
(i)	Margin(s):	1. Initial Period: + 0.61% per annum 2. Extension Period: + 0.709% per annum
(j)	Minimum Rate of Interest:	Not Applicable
(k)	Maximum Rate of Interest:	Not Applicable
(l)	Day Count Fraction:	Actual/360, adjusted
(m)	Fallback provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Covered Bonds, if different from those set out in the Terms and Conditions:	Not Applicable
(n)	Accrual Feature:	Not Applicable
(o)	Broken Amounts:	Not Applicable
16.	Zero Coupon Covered Bond provisions:	Not Applicable
17.	Variable Interest Covered Bond provisions: (other than Dual Currency Interest Covered Bonds):	Not Applicable
18.	Dual Currency Interest Covered Bond provisions:	Not Applicable

19. Coupon Switch Option: Not Applicable

PROVISIONS RELATING TO REDEMPTION

20. Redemption at the option of the Issuer (Call): Not Applicable
21. Partial redemption (Call): Not Applicable
22. (a) Minimum Redemption Amount: Not Applicable.
(b) Maximum Redemption Amount: Not Applicable.
(c) Notice Period: Not Applicable.
23. Redemption at the option of the Covered Bondholders (Put): Not Applicable
24. Final Redemption Amount of each Covered Bond: US\$1,000 per Calculation Amount
25. Early Redemption for Tax reasons:
(a) Early Redemption Amount (Tax) of each Covered Bond: US\$1,000 per Calculation Amount
(b) Date after which changes in law, etc. entitle Issuer to redeem: Issue Date

GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS

26. (a) Form of Covered Bonds: Registered Covered Bonds:

Regulation S Global Covered Bond (US\$259,000,000 nominal amount) registered in the name of a nominee for DTC

Rule 144A Global Covered Bond (US\$491,000,000 nominal amount) registered in the name of a nominee for DTC
- (b) Talons for future Coupons to be attached to Definitive Covered Bonds: No

- (c) Receipts to be attached to Instalment Covered Bonds which are Definitive Covered Bonds: No
- (d) Definitive Covered Bonds to be in ICMA or successor's format: No
27. New Global Covered Bond: Yes
28. Additional Business Centre(s) or other special provisions relating to Payment Days: Sydney, Melbourne, London and New York
29. Details relating to Partly-Paid Covered Bonds: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Covered Bonds and interest due on late payment: Not Applicable
30. Details relating to Instalment Covered Bonds:
- (a) Instalment Amount(s): Not Applicable
- (b) Instalment Date(s): Not Applicable
31. Redenomination: Not Applicable
32. Notices: Not Applicable
33. Governing law: England and Wales
34. Other terms or special conditions: Not Applicable

DISTRIBUTION

35. (a) If syndicated, names and addresses of Managers: Active Joint Lead Managers:
- Citigroup Global Markets Inc.
388 Greenwich Street
New York, New York 10013
- Morgan Stanley & Co. LLC
1585 Broadway, 4th Floor
New York, New York 10036
- ANZ Securities, Inc.

277 Park Ave.
New York, NY 10172

- (b) Date of Subscription Agreement: September 4, 2012
- (c) Stabilising Manager (if any): Not Applicable
36. If non-syndicated, name and address of Dealer: Not Applicable
37. U.S. Selling Restrictions: The Covered Bonds are being offered and sold without registration under the United States Securities Act of 1933, as amended (the **Securities Act**): (A) to investors reasonably believed to be “qualified institutional buyers” as defined in Rule 144A under the Securities Act (**Rule 144A**) in reliance upon the exemption provided by Rule 144A and (B) in offshore transactions to certain non-US persons in reliance upon Regulation S under the Securities Act. Prospective purchasers are hereby notified that the seller of the Covered Bonds may be relying on an exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of certain restrictions on resales and transfers, see “Subscription and Sale and Selling Restrictions (Conflicts of Interests)” in the Offering Memorandum.
38. Additional selling restrictions: Not Applicable
39. Additional U.S. Federal Tax Considerations: Not Applicable

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING:

Not Applicable

2. RATINGS:

Ratings:

The Covered Bonds to be issued have been rated:

Fitch Australia Pty Ltd: AAA

Moody's Investors Service Pty Limited: Aaa

A rating is not a recommendation by any rating organisation to buy, sell or hold Covered Bonds and may be subject to revision or withdrawal at any time by the assigning rating organisation.

Fitch Australia Pty Ltd and Moody's Investors Service Pty Ltd are not established in the European Union and have not applied for registration under Regulation (EC) No. 1060/2009 as amended by Regulation (EC) No. 513/2011 ("**CRA Regulation**"). The ratings have been endorsed by Moody's Investors Service Ltd and Fitch Ratings Ltd. in accordance with the CRA Regulation. Moody's Investors Service Ltd and Fitch Ratings Ltd. are established in the European Union and registered under the CRA Regulation. As such Moody's Investors Service Ltd and Fitch Ratings Ltd. are included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation.

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under Regulation (EU) No. 1060/2009 as amended by Regulation (EC) No. 513/2011 (the "**CRA Regulation**") unless the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused.

3. COVERED BOND SWAP:

(i)	Covered Bond Swap Provider:	Australia and New Zealand Banking Group Limited ANZ Centre Melbourne Level 9, 833 Collins Street, Docklands, Victoria, 3008
(ii)	Nature of Covered Bond Swap:	Forward starting
(iii)	Termination Date:	Notwithstanding any statement in the Offering Memorandum to the contrary, the termination date of the Covered Bond Swap for this Series is the earliest to occur of: (i) the Trust Payment Date that falls on or immediately following the Extended Due for Payment Date; (ii) the date on which all of the Series 2012-9 Covered Bonds have been repaid or redeemed in full; and (iii) the Termination Date (as defined in the Definitions Schedule) for the Trust.

4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE:

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

5. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES:

(i)	Reasons for the Offer:	General corporate purposes
(ii)	Estimated net proceeds:	US\$749,250,000
(iii)	Estimated total expenses:	US\$750,000

6. YIELD:

Indication of yield:	Not Applicable

7. OPERATIONAL INFORMATION:

(a)	ISIN Code:	US05252EAC75 (Rule 144A) US05252FAC41 (Regulation S)
	CUSIP:	05252EAC7 (Rule 144A) 05252FAC4 (Regulation S)
(b)	Common Codes:	082843710 (Rule 144A) 082830413 (Regulation S)

(c)	Any clearing system(s) other than DTC, Euroclear, Clearstream, Luxembourg and the relevant identification number(s):	Not Applicable
(d)	Delivery:	Delivery against payment
(e)	Name and address of initial Paying Agents in relation to the Covered Bonds (other than the Australian Registered Covered Bonds):	Covered Bond Paying Agent: Deutsche Bank AG, Hong Kong Branch Level 52 International Commerce Centre 1 Austin Road West Kowloon, Hong Kong US Covered Bond Paying Agent: Deutsche Bank Trust Company Americas Trust & Securities Services 60 Wall Street, 27th Floor New York, New York 10005
(f)	Names and addresses of additional Paying Agent(s) (if any) in relation to the Covered Bonds (other than the Australian Registered Covered Bonds):	Not Applicable
(g)	Name(s) and address(es) of the Australian Registrar in relation to the Australian Registered Covered Bonds:	Not Applicable

Signed on behalf of the Issuer:

By:



Duly authorised

Rick Moscati
Group Treasurer

SCHEDULE TO THE FINAL TERMS

Certain information regarding the Receivables

The statistical and other information contained in these Final Terms has been compiled by reference to the Purchased Receivables as at July 31, 2012 (the Cut-off Date). Except as otherwise indicated, these tables have been prepared using the Principal Balance as at the Cut-off Date, which includes all principal and accrued interest for the Purchased Receivables as at the Cut-off Date and may no longer be a true reflection of the Purchased Receivables. The following information does not include any Receivables sold into the Portfolio since the Cut-off Date, including any sale in connection with this issuance and it does not reflect any redemption or sales out of the Portfolio since the Cut-off Date.

The characteristics of the Purchased Receivables as at the relevant Issue Date are not expected to differ materially from the characteristics of the Purchased Receivables as at the Cut-off Date, however, it should be noted that Receivables may be removed from the Purchased Receivables in the event that any such Receivables are repaid in full or do not comply with the terms of the Receivable Sale Agreement on the relevant Transfer Date. The Seller may also choose, in certain circumstances, to repurchase any of the Receivables in accordance with the terms of the Receivable Sale Agreement. Additionally, New Receivables may be sold into the Portfolio from time to time. Any such sales will be made in accordance with the Receivable Sale Agreement and subject to compliance with the Substitution Criteria and the Representations and Warranties. This information is provided for information purposes only.

The tables below show details of the Receivables included in the Portfolio, and stratify the Portfolio by reference to a Receivable. Columns stating percentage amounts may not add up to 100% due to rounding.

Pool Summary

Portfolio Cut-off Date	31 Jul 2012
Current Aggregate Principal Balance (AUD)	\$ 10,438,602,049
Number of Loans (Unconsolidated)	38,127
Number of Loans (Consolidated)	38,127
Average Loan Size (Consolidated)	\$ 273,785
Maximum Loan Balance (Consolidated)	\$ 1,990,473
Weighted Average Consolidated Current Loan to Value Ratio (LVR)	63.37%
Weighted Average Consolidated Current Indexed Loan to Value Ratio (LVR)	63.74%
Weighted Average Interest Rate	6.02%
Weighted Average Seasoning (Months)	15.84
Weighted Average Remaining Term (Months)	335.14

Mortgage Pool by Unconsolidated Original Loan to Value Ratio (LVR)

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
up to and including 25.0%	3,430	9.00%	\$ 283,226,814	2.71%
> 25.0% up to and including 30.0%	1,077	2.82%	\$ 149,180,219	1.43%
> 30.0% up to and including 35.0%	1,270	3.33%	\$ 214,700,666	2.06%
> 35.0% up to and including 40.0%	1,507	3.95%	\$ 293,184,151	2.81%
> 40.0% up to and including 45.0%	1,539	4.04%	\$ 326,560,815	3.13%
> 45.0% up to and including 50.0%	1,923	5.04%	\$ 447,423,550	4.29%
> 50.0% up to and including 55.0%	2,020	5.30%	\$ 518,633,748	4.97%
> 55.0% up to and including 60.0%	2,461	6.45%	\$ 682,242,450	6.54%
> 60.0% up to and including 65.0%	2,586	6.78%	\$ 760,376,203	7.28%
> 65.0% up to and including 70.0%	3,173	8.32%	\$ 1,004,036,667	9.62%
> 70.0% up to and including 75.0%	3,830	10.05%	\$ 1,241,532,319	11.89%
> 75.0% up to and including 80.0%	13,311	34.91%	\$ 4,517,504,448	43.28%
> 80.0% up to and including 85.0%				
> 85.0% up to and including 90.0%				
> 90.0% up to and including 95.0%				
> 95.0% up to and including 100.0%				
> 100.0%				
Total	38,127	100.00%	\$ 10,438,602,049	100.00%

Mortgage Pool by Consolidated Current Loan to Value Ratio (LVR)

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
up to and including 25.0%	4,550	11.93%	\$ 385,952,952	3.70%
> 25.0% up to and including 30.0%	1,315	3.45%	\$ 198,091,172	1.90%
> 30.0% up to and including 35.0%	1,391	3.65%	\$ 250,311,427	2.40%
> 35.0% up to and including 40.0%	1,676	4.40%	\$ 340,872,767	3.27%
> 40.0% up to and including 45.0%	1,765	4.63%	\$ 397,771,588	3.81%
> 45.0% up to and including 50.0%	2,108	5.53%	\$ 518,921,486	4.97%
> 50.0% up to and including 55.0%	2,253	5.91%	\$ 614,032,341	5.88%
> 55.0% up to and including 60.0%	2,737	7.18%	\$ 789,874,026	7.57%
> 60.0% up to and including 65.0%	2,874	7.54%	\$ 895,263,305	8.58%
> 65.0% up to and including 70.0%	3,454	9.06%	\$ 1,133,616,121	10.86%
> 70.0% up to and including 75.0%	4,308	11.30%	\$ 1,450,087,088	13.89%
> 75.0% up to and including 80.0%	9,696	25.43%	\$ 3,463,807,775	33.18%
> 80.0% up to and including 85.0%				
> 85.0% up to and including 90.0%				
> 90.0% up to and including 95.0%				
> 95.0% up to and including 100.0%				
> 100.0%				
Total	38,127	100.00%	\$ 10,438,602,049	100.00%

Mortgage Pool by Consolidated Current Indexed Loan to Value Ratio (LVR)*

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
up to and including 25.0%	4,737	12.42%	\$ 404,369,015	3.87%
> 25.0% up to and including 30.0%	1,326	3.48%	\$ 198,248,418	1.90%
> 30.0% up to and including 35.0%	1,465	3.84%	\$ 265,559,400	2.54%
> 35.0% up to and including 40.0%	1,648	4.32%	\$ 338,143,852	3.24%
> 40.0% up to and including 45.0%	1,806	4.74%	\$ 408,950,656	3.92%
> 45.0% up to and including 50.0%	2,027	5.32%	\$ 490,157,101	4.70%
> 50.0% up to and including 55.0%	2,295	6.02%	\$ 626,242,319	6.00%
> 55.0% up to and including 60.0%	2,578	6.76%	\$ 748,931,275	7.17%
> 60.0% up to and including 65.0%	2,903	7.61%	\$ 896,887,413	8.59%
> 65.0% up to and including 70.0%	3,467	9.09%	\$ 1,131,957,427	10.84%
> 70.0% up to and including 75.0%	4,301	11.28%	\$ 1,461,213,458	14.00%
> 75.0% up to and including 80.0%	6,179	16.21%	\$ 2,172,054,070	20.81%
> 80.0% up to and including 85.0%	2,897	7.60%	\$ 1,096,462,672	10.50%
> 85.0% up to and including 90.0%	470	1.23%	\$ 190,204,745	1.82%
> 90.0% up to and including 95.0%	28	0.07%	\$ 9,220,228	0.09%
> 95.0% up to and including 100.0%				
> 100.0%				
Total	38,127	100.00%	\$ 10,438,602,049	100.00%

* Based on quarterly data provided by RP Data using the hedonic index values as at the latest Property Index available to the Trust Manager on each Determination Date falling in March, June, September and December. For further information please refer to Schedule 2 of the Supplemental Deed, as described in the applicable disclosure document.

Mortgage Pool by Mortgage Loan Interest Rate

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
up to and including 6.00%	13,789	36.17%	\$ 5,059,414,524	48.47%
> 6.00% up to and including 6.25%	21,212	55.64%	\$ 4,897,877,824	46.92%
> 6.25% up to and including 6.50%	1,824	4.78%	\$ 356,264,598	3.41%
> 6.50% up to and including 6.75%	156	0.41%	\$ 25,319,086	0.24%
> 6.75% up to and including 7.00%	1,142	3.00%	\$ 98,990,593	0.95%
> 7.00% up to and including 7.25%	2	0.01%	\$ 541,592	0.01%
> 7.25% up to and including 7.50%				
> 7.50% up to and including 7.75%	2	0.01%	\$ 193,832	0.00%
> 7.75% up to and including 8.00%				
> 8.00% up to and including 8.25%				
> 8.25% up to and including 8.50%				
> 8.50%				
Total	38,127	100.00%	\$ 10,438,602,049	100.00%

Mortgage Pool by Interest Option

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
<= 1 Year Fixed	684	1.79%	\$ 172,390,554	1.65%
<= 2 Year Fixed	1,197	3.14%	\$ 309,699,974	2.97%
<= 3 Year Fixed	758	1.99%	\$ 191,231,324	1.83%
<= 4 Year Fixed	6	0.02%	\$ 1,123,341	0.01%
<= 5 Year Fixed	66	0.17%	\$ 12,514,891	0.12%
> 5 Year Fixed	2	0.01%	\$ 193,832	0.00%
Total Fixed Rate	2,713	7.12%	\$ 687,153,916	6.58%
Total Variable Rate	35,414	92.88%	\$ 9,751,448,132	93.42%
Total	38,127	100.00%	\$ 10,438,602,049	100.00%

Mortgage Pool by Consolidated Loan Balance

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
up to and including \$100,000	4,799	12.59%	\$ 298,009,879	2.85%
> \$100,000 up to and including \$200,000	8,916	23.39%	\$ 1,382,403,267	13.24%
> \$200,000 up to and including \$300,000	11,196	29.37%	\$ 2,811,515,816	26.93%
> \$300,000 up to and including \$400,000	6,952	18.23%	\$ 2,408,347,673	23.07%
> \$400,000 up to and including \$500,000	3,107	8.15%	\$ 1,386,467,425	13.28%
> \$500,000 up to and including \$600,000	1,520	3.99%	\$ 829,923,424	7.95%
> \$600,000 up to and including \$700,000	703	1.84%	\$ 455,451,381	4.36%
> \$700,000 up to and including \$800,000	370	0.97%	\$ 277,491,962	2.66%
> \$800,000 up to and including \$900,000	189	0.50%	\$ 160,394,649	1.54%
> \$900,000 up to and including \$1.00m	139	0.36%	\$ 132,295,392	1.27%
> \$1.00m up to and including \$1.25m	142	0.37%	\$ 156,701,322	1.50%
> \$1.25m up to and including \$1.50m	66	0.17%	\$ 91,039,397	0.87%
> \$1.50m up to and including \$1.75m	17	0.04%	\$ 27,772,143	0.27%
> \$1.75m up to and including \$2.00m	11	0.03%	\$ 20,788,318	0.20%
> \$2.00m				
Total	38,127	100.00%	\$ 10,438,602,049	100.00%

Mortgage Pool by Geographic Distribution

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
NSW / ACT	9,704	25.45%	\$ 2,943,265,378	28.20%
VIC	12,648	33.17%	\$ 3,533,363,058	33.85%
TAS	1,087	2.85%	\$ 185,611,910	1.78%
QLD	6,455	16.93%	\$ 1,607,307,508	15.40%
SA	2,736	7.18%	\$ 599,175,999	5.74%
WA	5,240	13.74%	\$ 1,498,287,669	14.35%
NT	257	0.67%	\$ 71,590,527	0.69%
Total	38,127	100.00%	\$ 10,438,602,049	100.00%

Mortgage Pool by Region

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
Metro	26,932	70.64%	\$ 8,144,639,939	78.02%
Non Metro	11,195	29.36%	\$ 2,293,962,110	21.98%
Total	38,127	100.00%	\$ 10,438,602,049	100.00%

Mortgage Pool by State and Region

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
NSW / ACT - Metro	6,760	17.73%	\$ 2,334,134,726	22.36%
NSW / ACT - Non Metro	2,944	7.72%	\$ 609,130,652	5.84%
VIC - Metro	9,977	26.17%	\$ 3,038,772,577	29.11%
VIC - Non Metro	2,671	7.01%	\$ 494,590,480	4.74%
TAS - Metro	571	1.50%	\$ 105,507,700	1.01%
TAS - Non Metro	516	1.35%	\$ 80,104,209	0.77%
QLD - Metro	2,871	7.53%	\$ 790,826,904	7.58%
QLD - Non Metro	3,584	9.40%	\$ 816,480,605	7.82%
SA - Metro	2,008	5.27%	\$ 478,861,453	4.59%
SA - Non Metro	728	1.91%	\$ 120,314,547	1.15%
WA - Metro	4,538	11.90%	\$ 1,336,584,406	12.80%
WA - Non Metro	702	1.84%	\$ 161,703,263	1.55%
NT - Metro	207	0.54%	\$ 59,952,172	0.57%
NT - Non Metro	50	0.13%	\$ 11,638,354	0.11%
Total	38,127	100.00%	\$ 10,438,602,049	100.00%

Mortgage Pool by Top 20 Postcodes*

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
3030 (Melb North West, VIC)	287	0.75%	\$ 81,103,623	0.78%
3977 (Frankston, VIC)	294	0.77%	\$ 68,468,996	0.66%
3029 (Melb North West, VIC)	267	0.70%	\$ 60,761,711	0.58%
6065 (Brand, WA)	180	0.47%	\$ 52,647,900	0.50%
6164 (Brand, WA)	185	0.49%	\$ 51,486,775	0.49%
2155 (Seven Hills, NSW)	140	0.37%	\$ 51,338,563	0.49%
6155 (Tangney, WA)	159	0.42%	\$ 43,037,143	0.41%
3064 (Melb North West, VIC)	175	0.46%	\$ 42,039,703	0.40%
3806 (Dandenong, VIC)	160	0.42%	\$ 41,635,819	0.40%
3023 (Footscray, VIC)	153	0.40%	\$ 40,312,889	0.39%
6018 (Stirling, WA)	89	0.23%	\$ 37,577,618	0.36%
3805 (Dandenong, VIC)	144	0.38%	\$ 35,095,204	0.34%
4740 (Central QLD, QLD)	132	0.35%	\$ 34,940,325	0.33%
3810 (Frankston, VIC)	150	0.39%	\$ 33,844,214	0.32%
3121 (Moorabbin, VIC)	86	0.23%	\$ 33,730,193	0.32%
3199 (Frankston, VIC)	132	0.35%	\$ 32,298,275	0.31%
3195 (Dandenong, VIC)	89	0.23%	\$ 32,240,372	0.31%
2026 (Waterloo, NSW)	60	0.16%	\$ 32,008,439	0.31%
6112 (Tangney, WA)	119	0.31%	\$ 31,309,249	0.30%
3037 (Hawthorn, VIC)	132	0.35%	\$ 30,882,149	0.30%
Total	3,133	8.22%	\$ 866,759,160	8.30%

*One postcode can correspond to multiple suburbs. The name assigned to a postcode in this table is based on the Barcode Sort Plan Area Name assigned under the Australia Post Barcode Sort Plan.

Mortgage Pool by Top 20 Statistical Subdivisions

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
20510 (Western Melbourne, VIC)	1,455	3.82%	\$ 417,922,126	4.00%
50515 (North Metropolitan, WA)	1,267	3.32%	\$ 384,202,413	3.68%
20505 (Inner Melbourne, VIC)	958	2.51%	\$ 376,827,578	3.61%
20565 (Southern Melbourne, VIC)	858	2.25%	\$ 343,173,856	3.29%
50520 (South West Metropolitan, WA)	1,122	2.94%	\$ 324,173,349	3.11%
20550 (Eastern Middle Melbourne, VIC)	853	2.24%	\$ 295,185,566	2.83%
10505 (Inner Sydney, NSW)	712	1.87%	\$ 288,792,190	2.77%
10515 (St George-Sutherland, NSW)	769	2.02%	\$ 270,556,167	2.59%
20580 (South Eastern Outer Melbourne, VIC)	1,119	2.93%	\$ 267,630,998	2.56%
50510 (East Metropolitan, WA)	855	2.24%	\$ 230,912,251	2.21%
10540 (Central Western Sydney, NSW)	734	1.93%	\$ 215,607,060	2.07%
50525 (South East Metropolitan, WA)	767	2.01%	\$ 202,831,633	1.94%
20530 (Northern Middle Melbourne, VIC)	614	1.61%	\$ 201,387,815	1.93%
10555 (Lower Northern Sydney, NSW)	446	1.17%	\$ 200,867,248	1.92%
10560 (Central Northern Sydney, NSW)	435	1.14%	\$ 188,037,975	1.80%
20545 (Boroondara City, VIC)	365	0.96%	\$ 181,195,415	1.74%
10565 (Northern Beaches, NSW)	369	0.97%	\$ 175,061,910	1.68%
20555 (Eastern Outer Melbourne, VIC)	625	1.64%	\$ 165,515,277	1.59%
50505 (Central Metropolitan, WA)	359	0.94%	\$ 154,339,741	1.48%
30507 (Northwest Outer Brisbane, QLD)	564	1.48%	\$ 148,707,741	1.42%
Total	15,246	39.99%	\$ 5,032,928,311	48.21%

Mortgage Pool by Payment Type

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
P&I	31,036	81.40%	\$ 8,050,997,517	77.13%
Interest Only	7,091	18.60%	\$ 2,387,604,532	22.87%
Total	38,127	100.00%	\$ 10,438,602,049	100.00%

Mortgage Pool by Documentation Type

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
Full Doc Loans	38,127	100.00%	\$ 10,438,602,049	100.00%
Low Doc Loans				
No Doc Loans				
Total	38,127	100.00%	\$ 10,438,602,049	100.00%

Mortgage Pool by Remaining Interest Only Period

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
Amortising Loans	31,036	81.40%	\$ 8,050,997,517	77.13%
Interest Only Loans : > 0 up to and including 1 years	737	1.93%	\$ 253,460,504	2.43%
Interest Only Loans : > 1 up to and including 2 years	994	2.61%	\$ 330,553,636	3.17%
Interest Only Loans : > 2 up to and including 3 years	1,426	3.74%	\$ 466,431,290	4.47%
Interest Only Loans : > 3 up to and including 4 years	1,742	4.57%	\$ 608,405,053	5.83%
Interest Only Loans : > 4 up to and including 5 years	1,251	3.28%	\$ 421,093,178	4.03%
Interest Only Loans : > 5 up to and including 6 years	9	0.02%	\$ 3,958,502	0.04%
Interest Only Loans : > 6 up to and including 7 years	89	0.23%	\$ 26,784,443	0.26%
Interest Only Loans : > 7 up to and including 8 years	267	0.70%	\$ 89,898,007	0.86%
Interest Only Loans : > 8 up to and including 9 years	366	0.96%	\$ 120,217,058	1.15%
Interest Only Loans : > 9 up to and including 10 years	210	0.55%	\$ 66,802,860	0.64%
Total	38,127	100.00%	\$ 10,438,602,049	100.00%

Mortgage Pool by Occupancy Status

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
Owner Occupied (Full Recourse)	29,904	78.43%	\$ 8,083,317,051	77.44%
Residential Investment (Full Recourse)	8,223	21.57%	\$ 2,355,284,998	22.56%
Residential Investment (Limited Recourse)				
Total	38,127	100.00%	\$ 10,438,602,049	100.00%

Mortgage Pool by Loan Purpose

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
Alterations to existing dwelling	733	1.92%	\$ 130,083,500	1.25%
Business / Commercial / Investment				
Construction of a dwelling (construction completed)	1,474	3.87%	\$ 424,094,263	4.06%
Purchase of established dwelling	10,732	28.15%	\$ 3,270,838,694	31.33%
Purchase of new erected dwelling	809	2.12%	\$ 225,299,519	2.16%
Refinancing existing debt from another lender	6,895	18.08%	\$ 1,931,529,468	18.50%
Refinancing existing debt with ANZ	10,427	27.35%	\$ 2,644,892,212	25.34%
Other	7,057	18.51%	\$ 1,811,864,392	17.36%
Total	38,127	100.00%	\$ 10,438,602,049	100.00%

Mortgage Pool by Loan Seasoning

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
up to and including 3 months	824	2.16%	\$ 211,132,844	2.02%
> 3 up to and including 6 months	5,175	13.57%	\$ 1,283,262,599	12.29%
> 6 up to and including 9 months	7,726	20.26%	\$ 1,994,558,909	19.11%
> 9 up to and including 12 months	4,695	12.31%	\$ 1,335,078,827	12.79%
> 12 up to and including 15 months	2,927	7.68%	\$ 864,957,155	8.29%
> 15 up to and including 18 months	2,728	7.16%	\$ 774,252,414	7.42%
> 18 up to and including 21 months	3,823	10.03%	\$ 1,105,465,029	10.59%
> 21 up to and including 24 months	3,369	8.84%	\$ 979,295,473	9.38%
> 24 up to and including 27 months	2,967	7.78%	\$ 869,314,788	8.33%
> 27 up to and including 30 months	1,029	2.70%	\$ 290,663,149	2.78%
> 30 up to and including 33 months	880	2.31%	\$ 240,089,041	2.30%
> 33 up to and including 36 months	664	1.74%	\$ 169,892,454	1.63%
> 36 up to and including 48 months	1,320	3.46%	\$ 320,639,369	3.07%
> 48 up to and including 60 months				
> 60 up to and including 72 months				
> 72 up to and including 84 months				
> 84 up to and including 96 months				
> 96 up to and including 108 months				
> 108 up to and including 120 months				
> 120 months				
Total	38,127	100.00%	\$ 10,438,602,049	100.00%

Mortgage Pool by Remaining Tenor

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
up to and including 1 year				
> 1 up to and including 2 years	3	0.01%	\$ 82,272	0.00%
> 2 up to and including 3 years	16	0.04%	\$ 656,950	0.01%
> 3 up to and including 4 years	40	0.10%	\$ 1,885,492	0.02%
> 4 up to and including 5 years	112	0.29%	\$ 3,946,692	0.04%
> 5 up to and including 6 years	38	0.10%	\$ 1,874,717	0.02%
> 6 up to and including 7 years	73	0.19%	\$ 3,655,639	0.04%
> 7 up to and including 8 years	59	0.15%	\$ 3,349,259	0.03%
> 8 up to and including 9 years	135	0.35%	\$ 9,495,299	0.09%
> 9 up to and including 10 years	362	0.95%	\$ 21,157,398	0.20%
> 10 up to and including 15 years	574	1.51%	\$ 67,421,556	0.65%
> 15 up to and including 20 years	701	1.84%	\$ 112,366,817	1.08%
> 20 up to and including 25 years	2,506	6.57%	\$ 564,660,958	5.41%
> 25 up to and including 30 years	33,508	87.89%	\$ 9,648,049,001	92.43%
> 30 years				
Total	38,127	100.00%	\$ 10,438,602,049	100.00%

Mortgage Pool by Delinquencies

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
Current (0 days)	37,506	98.37%	\$ 10,259,714,523	98.29%
> 0 days up to and including 30 days	551	1.45%	\$ 157,690,784	1.51%
> 30 days up to and including 60 days	50	0.13%	\$ 16,034,024	0.15%
> 60 days up to and including 90 days	20	0.05%	\$ 5,162,719	0.05%
> 90 days up to and including 120 days				
> 120 days up to and including 150 days				
> 150 days up to and including 180 days				
> 180 days				
Total	38,127	100.00%	\$ 10,438,602,049	100.00%

Mortgage Pool by Remaining Term on Fixed Rate Period

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
Variable Rate Loans	35,414	92.88%	\$ 9,751,448,132	93.42%
Fixed Rate Loans : > 0 up to and including 3 months	173	0.45%	\$ 41,818,922	0.40%
Fixed Rate Loans : > 3 up to and including 6 months	301	0.79%	\$ 76,587,195	0.73%
Fixed Rate Loans : > 6 up to and including 9 months	205	0.54%	\$ 52,665,118	0.50%
Fixed Rate Loans : > 9 up to and including 12 months	5	0.01%	\$ 1,319,320	0.01%
Fixed Rate Loans : > 12 up to and including 15 months	141	0.37%	\$ 32,823,582	0.31%
Fixed Rate Loans : > 15 up to and including 18 months	450	1.18%	\$ 111,646,204	1.07%
Fixed Rate Loans : > 18 up to and including 21 months	603	1.58%	\$ 164,378,489	1.57%
Fixed Rate Loans : > 21 up to and including 24 months	3	0.01%	\$ 851,699	0.01%
Fixed Rate Loans : > 24 up to and including 27 months	287	0.75%	\$ 70,640,980	0.68%
Fixed Rate Loans : > 27 up to and including 30 months	166	0.44%	\$ 40,098,991	0.38%
Fixed Rate Loans : > 30 up to and including 33 months	301	0.79%	\$ 79,494,889	0.76%
Fixed Rate Loans : > 33 up to and including 36 months	4	0.01%	\$ 996,464	0.01%
Fixed Rate Loans : > 36 up to and including 48 months	6	0.02%	\$ 1,123,341	0.01%
Fixed Rate Loans : > 48 up to and including 60 months	66	0.17%	\$ 12,514,891	0.12%
Fixed Rate Loans : > 60 months	2	0.01%	\$ 193,832	0.00%
Total	38,127	100.00%	\$ 10,438,602,049	100.00%

Mortgage Pool by Payment Frequency

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
Weekly	8,489	22.27%	\$ 1,944,579,548	18.63%
Fortnightly	13,126	34.43%	\$ 3,201,681,567	30.67%
Monthly	16,512	43.31%	\$ 5,292,340,934	50.70%
Other				
Total	38,127	100.00%	\$ 10,438,602,049	100.00%

EXECUTION COPY

BOND TRUST DEED

DATED 14 NOVEMBER 2011

**AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED
(AUSTRALIAN BUSINESS NUMBER 11 005 357 522)
as Issuer**

and

**PERPETUAL CORPORATE TRUST LIMITED
(AUSTRALIAN BUSINESS NUMBER 99 000 341 533)
AS TRUSTEE OF THE ANZ RESIDENTIAL COVERED BOND TRUST
as Covered Bond Guarantor**

and

**ANZ CAPEL COURT LIMITED
(AUSTRALIAN BUSINESS NUMBER 30 004 768 807)
as Trust Manager**

and

**DB TRUSTEES (HONG KONG) LIMITED
as Bond Trustee**

US\$20,000,000,000 ANZ Covered Bond Programme

ALLEN & OVERY

Allen & Overy

0097265-0000003 ICM:12017496.15

CONTENTS

Clause	Page
1. Definitions and Interpretation.....	1
2. Amount and Issue of the Covered Bonds	4
3. Forms of the Covered Bonds	8
4. Fees, Duties and Taxes.....	12
5. Covenant of Compliance	13
6. Cancellation of Covered Bonds and Records	13
7. Covered Bond Guarantee	14
8. Payments under the Covered Bond Guarantee	19
9. Non-Payment	20
10. Proceedings, Action and Indemnification	20
11. Application of Monies.....	21
12. Notice of Payments	22
13. Investment by Bond Trustee.....	23
14. Partial Payments	24
15. Covenants by the Issuer, the Covered Bond Guarantor and the Trust Manager	24
16. Remuneration and Indemnification of Bond Trustee	29
17. Supplement to Trustee Acts.....	31
18. Bond Trustee's Liability	39
19. Bond Trustee Contracting with the Issuer and the Covered Bond Guarantor	39
20. Waiver, Authorisation and Determination.....	40
21. Modification	41
22. Substitution.....	43
23. Breach	46
24. Holder of Bearer Definitive Covered Bond assumed to be Receiptholder and Couponholder.....	46
25. No Notice to Receiptholders or Couponholders	46
26. Exchange Rate Indemnity.....	46
27. New Bond Trustee	47
28. Separate and Co-Trustees	47
29. Bond Trustee's Retirement and Removal	48
30. Bond Trustee's Powers to be Additional	48
31. Notices.....	48
32. Limited Recourse	49
33. Limitation of Liability of the Trust Manager.....	50
34. Governing Law	51
35. Submission to Jurisdiction.....	51
36. Contracts (Rights of Third Parties) Act 1999	52
37. Counterparts	52

Schedule	Page
1. Terms and Conditions of the Covered Bonds	53
2. Forms of Global and Definitive Covered Bonds, Receipts, Coupons and Talons	111
Part 1 Form of Temporary Bearer Global Covered Bond.....	111
Part 2 Form of Permanent Bearer Global Covered Bond	124
Part 3 Form of Bearer Definitive Covered Bond	135
Part 4 Form of Receipt	140
Part 5 Form of Coupon	141
Part 6 Form of Talon	143
Part 7 Form of Registered Global Covered Bond	145
Part 8 Form of Registered Definitive Covered Bond	157
3. Form of Notice to Pay	165
4. Provisions for Meetings of Covered Bondholders	166

Signatories..... **Error! Bookmark not defined.**

THIS BOND TRUST DEED is made on 14 November 2011
BETWEEN:

- (1) **AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED (ANZBGL)** (Australian Business Number 11 005 357 522) as issuer of the Covered Bonds (in such capacity, the **Issuer**);
- (2) **PERPETUAL CORPORATE TRUST LIMITED** (Australian Business Number 99 000 341 533), as trustee of the ANZ Residential Covered Bond Trust (in such capacity, the **Covered Bond Guarantor**);
- (3) **ANZ CAPEL COURT LIMITED** (Australian Business Number 30 004 768 807) as manager of the Trust (the **Trust Manager**); and
- (4) **DB TRUSTEES (HONG KONG) LIMITED**, having its registered office at Level 52 International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong, in its capacity as the Bond Trustee for the Covered Bondholders, the Receiptholders and the Couponholders (the **Bond Trustee** which expression shall, wherever the context so admits, include such company and all other persons or companies for the time being the bond trustee or bond trustees under the Trust Presents (as defined below)).

WHEREAS:

- (A) By resolutions of the board of directors of the Issuer on 22-23 October 2002, the Issuer is authorised to establish a Programme pursuant to which it may from time to time issue Covered Bonds as set out herein. Covered Bonds up to a maximum nominal amount (calculated in accordance with Clause 3 (Conditions of Issue; Update of Legal Opinions) of the Programme Agreement) from time to time outstanding of US\$20,000,000,000 (subject to increase as provided in the Programme Agreement) (the **Programme Limit**) may be issued pursuant to the Programme.
- (B) The Covered Bond Guarantor has agreed to guarantee all Covered Bonds issued under the said Programme and certain other amounts payable by the Issuer under the Trust Presents in the circumstances described herein.
- (C) The Bond Trustee has agreed to act as bond trustee of the Trust Presents for the benefit of the Covered Bondholders, the Receiptholders and the Couponholders upon and subject to the terms and conditions of the Trust Presents.

NOW THIS BOND TRUST DEED WITNESSES AND IT IS AGREED AND DECLARED as follows:

1. DEFINITIONS AND INTERPRETATION

- 1.1 (a) All references in the Trust Presents to principal and/or principal amount and/or interest in respect of the Covered Bonds or to any monies payable by the Issuer or the Covered Bond Guarantor under the Trust Presents shall, unless the context otherwise requires, be construed in accordance with Condition 6(i) (Payments - Interpretation of principal and interest).
- (b) All references in the Trust Presents to any action, remedy or method of proceeding for the enforcement of the rights of creditors shall be deemed to include, in respect of any jurisdiction other than England, references to such action, remedy or method of proceeding for the enforcement of the rights of creditors available and reasonably appropriate in such jurisdiction as shall most nearly approximate to such action, remedy or method of proceeding described or referred to in the Trust Presents.

- (c) All references in the Trust Presents to Euroclear and/or Clearstream, Luxembourg and/or Austraclear and/or DTC shall, whenever the context so permits (but not in the case of any NGCB or Global Covered Bond held under the New Safekeeping Structure (**NSS**)), be deemed to include references to any additional or alternative clearing system as is approved by the Issuer, the relevant Principal Paying Agent and the Bond Trustee or as may otherwise be specified in the applicable Final Terms.
- (d) Unless the context otherwise requires words or expressions used in the Trust Presents and relating to or in respect of the Bond Trustee shall bear the same meanings as in the Companies Act 1985 to the extent amended, repealed or superseded by the Companies Act 2006 (and in each case any regulations made pursuant to the relevant Act).
- (e) All references in the Trust Presents to the **records** of Euroclear, Clearstream, Luxembourg, Austraclear or DTC or to any additional or alternative clearing system referred to in Clause 1.1(c) above shall be to the records that each of Euroclear, Clearstream, Luxembourg, Austraclear or DTC or that additional or alternative clearing system, as applicable, holds for its customers which reflect the amount of such customers' interest in the Covered Bonds.
- (f) In this Bond Trust Deed references to Schedules, Clauses, paragraphs and sub-paragraphs shall be construed as references to the Schedules to this Bond Trust Deed and to the Clauses, paragraphs and sub-paragraphs of this Bond Trust Deed respectively.
- (g) A reference in these Trust Presents or the Programme Documents to a **direction** or **directs** or **directed in writing** in respect of the holders of at least 25 per cent. in aggregate Principal Amount Outstanding of the Covered Bonds shall (except in relation to any matter which the Conditions or the Programme Documents contemplate may be sanctioned or directed by a Programme Resolution) mean:
 - (i) in relation to a matter which, in the opinion of the Bond Trustee affects the Covered Bonds of only one Series, a single direction of the holders of at least 25 per cent. in aggregate Principal Amount Outstanding of the Covered Bonds of that Series then outstanding;
 - (ii) in relation to a matter which, in the opinion of the Bond Trustee affects the Covered Bonds of more than one Series but does not give rise to a conflict of interest between the holders of Covered Bonds of any of the Series so affected, a single direction of the holders of at least 25 per cent. in aggregate Principal Amount Outstanding of the Covered Bonds of all the Series so affected then outstanding; and
 - (iii) in relation to a matter which, in the opinion of the Bond Trustee affects the Covered Bonds of more than one Series and gives or may give rise to a conflict of interest between the holders of the Covered Bonds of one Series or group of Series so affected and the holders of the Covered Bonds of another Series or group of Series so affected, directions of the holders of at least 25 per cent. in aggregate Principal Amount Outstanding of each Series or group of Series so affected then outstanding,

and, in each case for this purpose, if the nominal amount of the Covered Bonds is not denominated in Australian Dollars, the Principal Amount Outstanding to be considered as if it were converted into Australian Dollars at the relevant **Swap Rate**.
- (h) The **Trust Presents** means this Bond Trust Deed and the Schedules and any bond trust deed supplemental hereto and the schedules (if any), thereto, all as from time to time modified in accordance with the provisions herein or therein contained.

- (i) A reference to "**approval not to be unreasonably withheld or delayed**" or like references shall mean, when used in this Bond Trust Deed, in relation to the Bond Trustee that, in determining whether to give consent, the Bond Trustee shall have regard to the interests of Covered Bondholders and any determination as to whether or not its approval is unreasonably withheld or delayed shall be made on that basis.
- 1.2 The ANZ residential covered bond trust definitions schedule made between, *inter alios*, the parties to this Bond Trust Deed on 31 October 2011 (as the same may be amended, varied and/or supplemented from time to time with the consent of the parties thereto) (the **Definitions Schedule**) is expressly and specifically incorporated into this Bond Trust Deed and, accordingly, the expressions defined in the Definitions Schedule (as so amended, varied and/or supplemented) shall, except where the context otherwise requires and save where otherwise defined herein, have the same meanings in this Bond Trust Deed, including the recitals hereto and this Bond Trust Deed shall be construed in accordance with the interpretation provisions set out in Clause 2 (Interpretation and Construction) of the Definitions Schedule. In the event of any inconsistency between the Definitions Schedule and the Trust Presents, the Trust Presents shall prevail.
- 1.3 To the extent not defined in the Trust Presents or the Definitions Schedule capitalised terms shall have the meanings given to them in the Conditions.
- 1.4 All references in the Trust Presents to the relevant currency shall be construed as references to the currency in which payments in respect of the Covered Bonds, Receipts and/or Coupons of the relevant Series are to be made as indicated in the applicable Final Terms.
- 1.5 All references in the Trust Presents to Covered Bonds having a listing or being listed, and all related references, shall, in relation to the London Stock Exchange, be construed to mean that such Covered Bonds have been admitted to the Official List by the UK Listing Authority and admitted to trading on the London Stock Exchange Regulated Markets and all references in the Trust Presents to listing and listed shall include references to quotation and quoted respectively.
- 1.6 All references in the Trust Presents to the (a) relevant **Principal Paying Agent** shall mean, in relation to a Tranche or Series of Covered Bonds, the Covered Bond Paying Agent or, in the case of Australian Registered Covered Bonds, the Issuer (or such other party appointed pursuant to the terms of these Trust Presents), or such other paying agent as the Final Terms for that Tranche or Series may specify, (b) **Registrar** shall mean, in relation to a Tranche or Series of Registered Covered Bonds, the Luxembourg Registrar or, in the case of Australian Registered Covered Bonds, the Australian Registrar, or such other registrar as the Final Terms for that Tranche or Series may specify, (c) **Transfer Agent** shall mean, in relation to a Tranche or Series of Covered Bonds, the Transfer Agent or such other transfer agent as the Final Terms for that Tranche or Series may specify and (d) **Exchange Agent** shall mean, in relation to a Tranche or Series of Covered Bonds, the Exchange Agent or such other transfer agent as the Final Terms for that Tranche or Series may specify.
- 1.7 Save for the purposes of the proviso to the definition of **outstanding** (other than in relation to any Australian Registered Covered Bond), the Bond Trustee shall rely on the records of Euroclear and Clearstream, Luxembourg and DTC and of any additional or alternative clearing system referred to in Clause 1.1(c) above in relation to any determination of the principal amount outstanding of each Global Covered Bond.
- 1.8 Save for the purposes of the proviso to the definition of outstanding, in relation to any Australian Registered Covered Bond, the Bond Trustee shall rely on the Register maintained by the relevant Registrar for the determination of the principal amount outstanding of each Australian Registered Covered Bond.

2. AMOUNT AND ISSUE OF THE COVERED BONDS

2.1 Amount of the Covered Bonds, Final Terms and Legal Opinions

The Covered Bonds will be issued in Series in an aggregate nominal amount from time to time outstanding not exceeding the Programme Limit from time to time and for the purpose of determining such aggregate nominal amount Clause 3 (Conditions of Issue) of the Programme Agreement shall apply.

In the case of all Covered Bonds, by not later than 2.00 p.m. (London time) on the second Business Day preceding each proposed Issue Date (or such later time and day as the Issuer and the Bond Trustee may agree from time to time), the Issuer shall:

- (a) deliver or cause to be delivered to the Bond Trustee a copy of the applicable Final Terms (with any amendments to the *pro forma* Final Terms upon which the applicable Final Terms were based being brought to the attention of the Bond Trustee) and drafts of all (if any) legal opinions (such legal opinions being given only upon the issuance of the applicable Final Terms) to be given in relation to the relevant issue; and
- (b) notify the Bond Trustee in writing without delay of the relevant Issue Date and the nominal amount of the Covered Bonds to be issued.

Upon the issue of the relevant Covered Bonds (other than Australian Registered Covered Bonds), such Covered Bonds shall become constituted by the Trust Presents without further formality. The Australian Registered Covered Bonds shall be constituted by, and issued in accordance with, the Deed Poll.

On or before the first issue of Covered Bonds occurring, after each anniversary of this Bond Trust Deed and on such other occasions as the Bond Trustee so requests (on the basis that the Bond Trustee considers it necessary in view of a change (or proposed change) in English law or Australian law materially affecting the Issuer or the Covered Bond Guarantor (as the case may be), the Trust Presents, the Programme Agreement, the Principal Agency Agreement or the Deed of Charge of which the Bond Trustee is aware or the Bond Trustee has other reasonable grounds which shall not include the mere lapse of time), the Issuer (at the cost of the Issuer, and in relation to such issues to the extent they affect the Issuer) or, as the case may be, the Trust Manager (at the cost of the Issuer, and in relation to such issues to the extent they affect the Issuer) will procure that further legal opinion(s) (relating, if applicable, to any such change or proposed change) in such form and with such content as the Bond Trustee may reasonably require from the legal advisers specified in the Programme Agreement or such other legal advisers as the Bond Trustee approves is/are delivered to the Bond Trustee. Whenever such a request is made with respect to any Covered Bonds to be issued, the receipt of such opinion(s) in a form satisfactory to the Bond Trustee shall be a further condition precedent to the issue of those Covered Bonds.

2.2 Covenant to repay principal and to pay interest

The Issuer covenants with the Bond Trustee that it shall, as and when the Covered Bonds of any Series or any of them or any instalment of principal in respect thereof becomes due to be redeemed, or on such earlier date as the same or any part thereof may become due and repayable thereunder, in accordance with, and subject to, the Conditions, unconditionally pay or procure to be paid to or to the order of the Bond Trustee in the relevant currency in immediately available funds the Principal Amount Outstanding in respect of the Covered Bonds of such Series or any of them (as the case may be) or the amount of such instalment becoming due for redemption on that date and (except in the case of Zero Coupon Covered Bonds) shall in the meantime and until redemption in full of the

Covered Bonds of such Series (both before and after any decree, judgment or other order of a court of competent jurisdiction) unconditionally pay or procure to be paid to or to the order of the Bond Trustee as aforesaid interest (which shall accrue from day to day) on the Principal Amount Outstanding of the Covered Bonds outstanding of such Series at rates and/or in amounts calculated from time to time in accordance with, or specified in, and on the dates provided for in, the Conditions (subject to Clause 2.4 below); PROVIDED THAT:

- (a) subject to Clause 2.3(a)(ii), except for Excess Proceeds, every payment (whether by the Issuer or the Covered Bond Guarantor) of principal or interest or other sum due in respect of the Covered Bonds made to or to the order of the relevant Principal Paying Agent in the manner provided in the relevant Agency Agreement or (in the case of the Australian Registered Covered Bonds) direct to the Covered Bondholders shall be in satisfaction *pro tanto* of the relevant covenant by the Issuer contained in this Clause 2.2 (Covenant to repay principal and to pay interest) or the Covered Bond Guarantor under the Covered Bond Guarantee in relation to the Covered Bonds of such Series except to the extent that there is a default in the subsequent payment thereof in accordance with the Conditions to the relevant Covered Bondholders, Receiptholders or Couponholders (as the case may be);
- (b) every payment of Excess Proceeds in accordance with the Conditions and Clause 11.2 (Application of Monies) to or to the order of the Bond Trustee shall be in satisfaction (for the benefit of the Issuer only and not the Covered Bond Guarantor) *pro tanto* of the relevant covenant by the Issuer in this Clause 2.2 (Covenant to repay principal and to pay interest) in respect of the Excess Proceeds which are due and payable in relation to the Covered Bonds of such Series, subject to restitution of the same if such Excess Proceeds shall be required to be repaid by the Covered Bond Guarantor (but, as provided in Clause 11.2 (Application of Monies), the Issuer shall be deemed not to be discharged of such obligations for the purposes of the subrogation rights of the Covered Bond Guarantor contemplated by Clause 7.8 (Covered Bond Guarantee) and shall not reduce or discharge any obligations of the Covered Bond Guarantor);
- (c) in the case of any payment of principal which is not made to the Bond Trustee or the relevant Principal Paying Agent or (in the case of Australian Registered Covered Bonds) direct to the Covered Bondholders on or before the due date or which is made on or after accelerated maturity following an Issuer Event of Default or Covered Bond Guarantor Event of Default, interest shall continue to accrue on the Principal Amount Outstanding of the relevant Covered Bonds (except in the case of Zero Coupon Covered Bonds to which the provisions of Condition 5(k) (Redemption and Purchase - Late payment on Zero Coupon Covered Bonds) shall apply) (both before and after any decree, judgment or other order of a court of competent jurisdiction) at the rates aforesaid up to and including the date on which the whole of such Principal Amount Outstanding, together with an amount equal to the interest which has accrued and is to accrue pursuant to this proviso up to and including that date, has been received by the Bond Trustee or the relevant Principal Paying Agent or (in the case of Australian Registered Covered Bonds) direct to the Covered Bondholders and notice to that effect has been given to the Covered Bondholders in accordance with Condition 14 (Notices) except to the extent that there is failure on its subsequent payment to relevant Covered Bondholders under the Conditions;
- (d) in any case where payment of the whole or any part of the Principal Amount Outstanding of any Covered Bond is improperly withheld or refused upon due presentation thereof (other than in circumstances contemplated by Clause 2.2(c) (above)) interest shall accrue on the Principal Amount Outstanding of such Covered Bond (except in the case of Zero Coupon Covered Bonds to which the provisions of Condition 5(k) (Redemption and Purchase - Late payment on Zero Coupon Covered Bonds) shall apply) payment of which has been so

withheld or refused (both before and after any decree, judgment or other order of a court of competent jurisdiction) at the rates aforesaid from the date of such withholding or refusal until the date on which, upon further presentation of the relevant Covered Bond, payment of the full amount (including interest as aforesaid) in the relevant currency payable in respect of such Covered Bond is made or (if earlier) the seventh day after notice is given to the relevant Covered Bondholder(s) (whether individually or in accordance with Condition 14 (Notices)) that the full amount (including interest as aforesaid) in the relevant currency in respect of such Covered Bond is available for payment, PROVIDED THAT, upon further presentation thereof being duly made, such payment is made;

- (e) if any payments of interest or principal are required to be made by the Covered Bond Guarantor on a date that is also an Interest Payment Date, then the validity of the Issuer's obligation to pay interest or repay principal, as the case may be, shall not be affected by any delay in the distribution by the Covered Bond Guarantor of Available Revenue Receipts under the Guarantee Allocations; and
- (f) for the avoidance of doubt, nothing in this Clause 2.2 shall require the Issuer to make a payment in respect of the Australian Registered Covered Bonds to the extent such payment has already been made by the Issuer pursuant to the Deed Poll.

The Bond Trustee will hold the benefit of this covenant in this Clause 2 and the benefit of the covenants set out in the Deed Poll in favour of the Covered Bondholders of the Australian Registered Covered Bonds on trust for the Covered Bondholders, the Receiptholders and the Couponholders and itself in accordance with the Trust Presents.

2.3 Bond Trustee's requirements regarding Paying Agents etc.

- (a) At any time after an Issuer Event of Default or Potential Issuer Event of Default shall have occurred or the Bond Trustee shall have received any money from the Issuer or the Covered Bond Guarantor (save where Clause 2.3(b) below applies) which it proposes to pay under Clause 11 (Application of Monies) to the relevant Covered Bondholders, Receiptholders and/or Couponholders, the Bond Trustee may:
 - (i) by notice in writing to the Issuer, the Covered Bond Guarantor, the relevant Principal Paying Agent, the other Paying Agents, the Registrars, the Exchange Agent and/or the Transfer Agents require the relevant Principal Paying Agent, the other relevant Paying Agents, the relevant Registrar, the Exchange Agent, the Transfer Agents and/or such other party appointed to act as paying agent in relation to the Australian Registered Covered Bonds pursuant to the terms of these Trust Presents and pursuant to the relevant Agency Agreements:
 - (A) to act thereafter, until otherwise instructed by the Bond Trustee, as relevant Principal Paying Agent, Paying Agent, Registrar, Exchange Agent and/or Transfer Agent respectively of the Bond Trustee under the terms of the Trust Presents *mutatis mutandis* on the terms provided in the relevant Agency Agreements (save that the Bond Trustee's liability under any provisions thereof for the indemnification, remuneration and payment of out-of-pocket expenses of the relevant Principal Paying Agent, any other Paying Agent, the relevant Registrar, the Exchange Agent and the Transfer Agents shall be limited to the amounts for the time being held by the Bond Trustee on the trusts of the Trust Presents relating to the Covered Bonds of the relevant Series and the related Receipts, Coupons and Talons available for such purpose) and thereafter to hold all Covered Bonds, Receipts, Coupons and Talons

and all sums, documents and records held by them in respect of Covered Bonds, Receipts, Coupons and Talons on behalf of the Bond Trustee; or

- (B) to deliver up all Covered Bonds, Receipts, Coupons and Talons and all sums, documents and records held by them in respect of the Covered Bonds, Receipts, Coupons and Talons to the Bond Trustee or as the Bond Trustee may direct in such notice provided that such notice shall be deemed not to apply to any documents or records which the relevant Principal Paying Agent, any other relevant Paying Agent, the relevant Registrar, the Exchange Agent and/or Transfer Agents is obliged not to release by any law or regulation; and/or
 - (ii) by notice in writing to the Issuer and the Covered Bond Guarantor require each of them to make all subsequent payments in respect of the Covered Bonds, Receipts and Coupons to or to the order of the Bond Trustee and not to the relevant Principal Paying Agent and with effect from the issue of any such notice to the Issuer and the Covered Bond Guarantor and until such notice is withdrawn, Clause 2.2(a) (Covenant to repay principal and to pay interest) shall cease to have effect in respect of the Issuer and the Covered Bond Guarantor.
- (b) At any time after a Covered Bond Guarantor Event of Default or Potential Covered Bond Guarantor Event of Default shall have occurred or the Bond Trustee shall have received any money from the Covered Bond Guarantor which it proposes to pay under Clause 11 (Application of Monies) to the relevant Covered Bondholders, Receiptholders and/or Couponholders, the Bond Trustee may:
- (i) by notice in writing to the Issuer, the Covered Bond Guarantor, the relevant Principal Paying Agent, the other Paying Agents, the Registrars, the Exchange Agent and/or the Transfer Agents require the relevant Principal Paying Agent, the other Paying Agents, the relevant Registrar, the Exchange Agent and/or the Transfer Agents pursuant to the relevant Agency Agreements:
 - (A) to act thereafter, until otherwise instructed by the Bond Trustee, as Principal Paying Agent, Paying Agent, Registrar, Exchange Agent and/or Transfer Agent respectively of the Bond Trustee under the terms of the Trust Presents *mutatis mutandis* on the terms provided in the relevant Agency Agreements (save that the Bond Trustee's liability under any provisions thereof for the indemnification, remuneration and payment of out-of pocket expenses of the relevant Principal Paying Agent, relevant Paying Agent, relevant Registrar, Exchange Agent and the Transfer Agents shall be limited to the amounts for the time being held by the Bond Trustee on the trusts of the Trust Presents relating to the Covered Bonds of the relevant Series and available for such purpose) and thereafter to hold all Covered Bonds, Receipts, Coupons and talons and all sums, documents and records held by them in respect of Covered Bonds, Receipts, Coupons and Talons on behalf of the Bond Trustee; or
 - (B) to deliver up all Covered Bonds, Receipts, Coupons and Talons and all sums, documents and records held by them in respect of the Covered Bonds, Receipts, Coupons and Talons to the Bond Trustee or as the Bond Trustee shall direct in such notice provided that such notice shall be deemed not to apply to any documents or records which the relevant Principal Paying Agent, any other relevant Paying Agent, the relevant Registrar, the Exchange Agent and/or the Transfer Agents is obliged not to release by any law or regulation; and/or
 - (ii) by notice in writing to the Covered Bond Guarantor require it to make all subsequent payments in respect of the Covered Bonds, Receipts and Coupons to or to the order of the Bond Trustee and not to relevant the Principal Paying Agent and with effect from the issue

of any such notice to the Covered Bond Guarantor and until such notice is withdrawn Clause 2.2(a) (Covenant to repay principal and to pay interest) shall cease to have effect.

- 2.4 If the Floating Rate Covered Bonds or Index Linked Interest Covered Bonds of any Series become immediately due and repayable following an Issuer Event of Default or a Covered Bond Guarantor Event of Default the rate and/or amount of interest payable in respect of them will be calculated by the relevant Principal Paying Agent at the same intervals as if such Covered Bonds had not become due and repayable, the first of such periods which will commence on the expiry of the Interest Period during which the Covered Bonds of the relevant Series become so due and repayable *mutatis mutandis* in accordance with the provisions of Condition 4 (Interest and other Calculations), except that the rates of interest need not be published.

2.5 Currency of payments

All payments of any amounts due in respect of, under and in connection with the Trust Presents and the Covered Bonds of any Series to the relevant Covered Bondholders, Receiptholders and Couponholders shall be made in the relevant currency all in accordance with the Conditions.

2.6 Further Covered Bonds

The Issuer shall be at liberty from time to time (but subject always to the provisions of the Trust Presents) without the consent of the Covered Bondholders, Receiptholders or Couponholders to create and issue further Covered Bonds (whether in bearer or registered form) 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 shall be consolidated and form a single Series with the outstanding Covered Bonds of such Series.

2.7 Separate Series

The Covered Bonds of each Series shall form a separate Series of Covered Bonds and accordingly, except in relation to those provisions of the Trust Presents which refer to the Covered Bonds or Covered Bondholders of any Series, the Covered Bonds or Covered Bondholders of the relevant one or more Series or the Covered Bonds or Covered Bondholders of all Series and subject as provided in paragraph 22 of Schedule 4 and unless for any purpose the Bond Trustee in its absolute discretion shall otherwise determine, the provisions of this Bond Trust Deed shall apply *mutatis mutandis* separately and independently to the Covered Bonds of each Series. The expressions Covered Bonds, Covered Bondholders, Receipts, Receiptholders, Coupons, Couponholders and Talons shall be construed accordingly.

3. FORMS OF THE COVERED BONDS

3.1 Bearer Global Covered Bonds

- (a) Each Tranche of Bearer Covered Bonds will initially be represented by a single Temporary Bearer Global Covered Bond or a single Permanent Bearer Global Covered Bond, as indicated in the applicable Final Terms. Each Temporary Bearer Global Covered Bond shall be exchangeable, upon a request as described therein, for either Bearer Definitive Covered Bonds together with, where applicable, Receipts and (except in the case of Zero Coupon Covered Bonds) Coupons and, where applicable, Talons attached, or a Permanent Bearer Global Covered Bond in each case in accordance with the provisions of such Temporary Bearer Global Covered Bond. Each Permanent Bearer Global Covered Bond shall be exchangeable for Definitive Covered Bonds together with, where applicable, Receipts and (except in the case of Zero Coupon Covered Bonds) Coupons and, where

applicable, Talons attached, in accordance with the provisions of such Permanent Bearer Global Covered Bond. All Bearer Global Covered Bonds shall be prepared, completed and delivered to a common depositary (in the case of a CGCB) or a common safekeeper (in the case of a NGCB) for Euroclear and Clearstream, Luxembourg in accordance with the provisions of the Programme Agreement or to another appropriate depositary as may be approved by the Bond Trustee in accordance with any other agreement between the Issuer and the relevant Dealer(s) and, in each case, the Principal Agency Agreement.

- (b) Each Temporary Bearer Global Covered Bond shall be printed or typed in the form or substantially in the form set out in Part 1 of Schedule 2 (Form of Temporary Bearer Global Covered Bond) and may be a facsimile. Each Temporary Bearer Global Covered Bond shall have annexed thereto a copy of the applicable Final Terms and shall be signed manually or in facsimile by an Authorised Officer of the Issuer on behalf of the Issuer and shall be authenticated by or on behalf of the relevant Principal Paying Agent and shall, in the case of a Eurosystem-eligible NGCB, be effectuated by the common safekeeper acting on the instructions of the relevant Principal Paying Agent. Each Temporary Bearer Global Covered Bond so executed and authenticated shall be binding and valid obligations of the Issuer and the Covered Bond Guarantee in respect thereof shall be binding and valid obligations of the Covered Bond Guarantor and title to such Temporary Bearer Global Covered Bond shall pass by delivery.
- (c) Each Permanent Bearer Global Covered Bond shall be printed or typed in the form or substantially in the form set out in Part 2 of Schedule 2 (Form of Permanent Bearer Global Covered Bond) and may be a facsimile. Each Permanent Bearer Global Covered Bond shall have annexed thereto a copy of the applicable Final Terms and shall be signed manually or in facsimile by an Authorised Officer of the Issuer on behalf of the Issuer and shall be authenticated by or on behalf of the relevant Principal Paying Agent and shall, in the case of a Eurosystem-eligible NGCB, be effectuated by the common safekeeper acting on the instructions of the relevant Principal Paying Agent. Each Permanent Bearer Global Covered Bond so executed and authenticated shall be binding and valid obligations of the Issuer and the Covered Bond Guarantee in respect thereof shall be binding and valid obligations of the Covered Bond Guarantor and title to such Permanent Bearer Global Covered Bond shall pass by delivery.

3.2 Registered Global Covered Bonds

- (a) Unless otherwise set forth in the applicable Final Terms, Registered Global Covered Bonds of a Series that are initially offered and sold in the United States in reliance on Rule 144A under the Securities Act as provided in the Programme Agreement shall be represented by a Rule 144A Global Covered Bond and Registered Global Covered Bonds of a Series that are initially offered and sold in offshore transactions in reliance on Regulation S under the Securities Act as provided in the Programme Agreement shall be represented by a Regulation S Global Covered Bond. The Registered Global Covered Bonds shall be (i) (in respect of the Rule 144A Global Covered Bonds) deposited with a custodian for, and registered in the name of a nominee of, DTC or (ii) (in respect of the Regulation S Global Covered Bonds) deposited with, and registered in the name of, a common depositary or where such registered Global Covered Bonds are to be held under the NSS, a common safekeeper, as the case may be, for Euroclear and Clearstream, Luxembourg or (iii) (in respect of the Australian Registered Covered Bonds) registered in the name of Austraclear Limited as depositary of Austraclear. Beneficial interests in the Registered Global Covered Bonds will be shown on, and exchanges and transfers thereof will be effected only through, records maintained by DTC and its participants, Austraclear, Euroclear and Clearstream, Luxembourg (as applicable). Until the expiration of the Distribution Compliance Period, beneficial interests in any Regulation S Global Covered Bond may be held only by or through agent members of Euroclear, Clearstream, Luxembourg, and/or Austraclear unless delivery is made in the form of a beneficial interest in a Rule 144A Global Covered Bond of the same Series in accordance with the certification requirements

described in the Principal Agency Agreement. Title to the Registered Global Covered Bonds will pass upon registration of transfers in accordance with the provisions of the relevant Agency Agreement.

- (b) Registered Covered Bonds represented by the Registered Global Covered Bonds shall be exchangeable and transferable only in accordance with, and subject to, the provisions of the Registered Global Covered Bonds and the relevant Agency Agreements and the rules and operating procedures for the time being of DTC, Austraclear, Euroclear and Clearstream, Luxembourg (as applicable), including the requirement that all Registered Definitive Covered Bonds issued in exchange for a Rule 144A Global Covered Bond shall bear a legend in the same form *mutatis mutandis* as that set out on the Rule 144A Global Covered Bond.
- (c) Each Registered Global Covered Bond shall be printed or typed in the form or substantially in the form set out in Part 7 of Schedule 2 (Form of Registered Global Covered Bond) and may be a facsimile. Each Registered Global Covered Bond shall have annexed thereto a copy of the applicable Final Terms and shall be signed manually or in facsimile by an Authorised Officer of the Issuer on behalf of the Issuer and shall be authenticated by or on behalf of the Registrar, and in the case of a Registered Global Covered Bond held under the NSS, effectuated by the common safekeeper. Each Registered Global Covered Bond so executed and authenticated shall be binding and valid obligations of the Issuer) and the Covered Bond Guarantee in respect thereof shall be binding and valid obligations of the Covered Bond Guarantor.

3.3 Bearer Definitive Covered Bonds and Registered Definitive Covered Bonds

- (a) The Bearer Definitive Covered Bonds, Receipts, Coupons and Talons shall be in bearer form and will be issued in the respective forms or substantially in the respective forms set out in Part 3, Part 4, Part 5 and Part 6, respectively, of Schedule 2 (Forms of Global and Definitive Covered Bonds, Receipts, Coupons and Talons). The Bearer Definitive Covered Bonds, the Receipts, the Coupons and the Talons shall be serially numbered and, if listed or quoted, shall be security printed in accordance with the requirements (if any) from time to time of the relevant Stock Exchange (if any). The relevant Conditions may be incorporated by reference into such Bearer Definitive Covered Bonds or, if not so permitted by the relevant Stock Exchange (if any), the Bearer Definitive Covered Bonds shall be endorsed with or have attached thereto the relevant Conditions, and, in either such case, the Bearer Definitive Covered Bonds shall have endorsed thereon or attached thereto a copy of the applicable Final Terms (or the relevant provisions thereof). Title to the Bearer Definitive Covered Bonds, the Receipts, the Coupons and the Talons shall pass by delivery.
- (b) The Registered Definitive Covered Bonds shall be in registered form and shall be issued in the form or substantially in the form set out in Part 8 of Schedule 2 (Form of Registered Definitive Covered Bond), shall be serially numbered, shall be endorsed with a legend substantially in the same form *mutatis mutandis* as that set out on the Rule 144A Global Covered Bond and a Form of Transfer and, if listed or quoted, shall be security printed in accordance with the requirements (if any) from time to time of the relevant Stock Exchange (if any). The Conditions may be incorporated by reference (where applicable to the Trust Presents) into such Registered Definitive Covered Bonds or, if not so permitted by the relevant Stock Exchange (if any), the Registered Definitive Covered Bonds shall be endorsed with or have attached thereto the relevant Conditions and, in either such case, the Registered Definitive Covered Bonds shall have endorsed thereon or attached thereto a copy of the applicable Final Terms (or the relevant provisions thereof). Title to the Registered Definitive Covered Bonds shall pass upon the registration of transfers in the Register kept by the Registrar in respect thereof in accordance with the provisions of the relevant Agency Agreement and the Trust Presents.

- (c) The Definitive Covered Bonds shall be signed manually or in facsimile by an Authorised Officer of the Issuer on behalf of the Issuer and shall be authenticated by or on behalf of the relevant Principal Paying Agent (in the case of the Bearer Definitive Covered Bonds) or the Registrar (in the case of Registered Definitive Covered Bonds). The Definitive Covered Bonds so executed and authenticated, and the Receipts, the Coupons and Talons, upon execution and authentication of the relevant Bearer Definitive Covered Bonds, shall be binding and valid obligations of the Issuer and the Covered Bond Guarantor. The Receipts, the Coupons and the Talons shall not be signed. No Definitive Covered Bond and none of the Receipts, Coupons or Talons appertaining to a Bearer Definitive Covered Bond shall be binding or valid until the relevant Definitive Covered Bond shall have been executed and authenticated as aforesaid.

3.4 Australian Registered Covered Bonds

- (a) Australian Registered Covered Bonds will be issued in registered uncertificated form, evidenced by entry in the Australian Register.
- (b) If any Australian Registered Covered Bonds are to be held in the Austraclear System, the rights of a person holding an interest in those Australian Registered Covered Bonds are subject to the regulations of Austraclear in force from time to time.

3.5 Facsimile signatures

The Issuer may use the facsimile signature of any person who at the date such signature is affixed to a Covered Bond and is duly authorised by the Issuer notwithstanding that at the time of issue of any of the Covered Bonds such person may have ceased for any reason to be the holder of such office or be so authorised.

3.6 Persons to be treated as Covered Bondholders

Except as ordered by a court of competent jurisdiction or as required by law, the Issuer, the Covered Bond Guarantor, the Bond Trustee, the Covered Bond Paying Agent, the Australian Paying Agent, the other Paying Agents, the Luxembourg Registrar, the Australian Registrar, the Exchange Agent and/or the Transfer Agents (notwithstanding any notice to the contrary and whether or not it is overdue and notwithstanding any notation of ownership or writing thereon or notice of any previous loss or theft thereof) may:

- (a) (i) for the purpose of making payment thereon or on account thereof deem and treat the bearer of any Bearer Global Covered Bond, Bearer Definitive Covered Bond, Receipt, Coupon or Talon and the registered holder of any Registered Definitive Covered Bond; and
- (ii) for the purpose of making payment thereon or on account thereof (and, with respect to a Registered Global Covered Bond held through DTC, voting, giving consents and making requests pursuant to the Trust Presents) deem and treat the registered holder of any Registered Global Covered Bond or Australian Registered Covered Bond,

as the absolute owner thereof and of all rights thereunder free from all encumbrances, and shall not be required to obtain proof of such ownership or as to the identity of the bearer or, as the case may be, registered holder; and

- (b) for all other purposes deem and treat:

- (i) the bearer of any Bearer Definitive Covered Bond, Receipt, Coupon or Talon and the registered holder of any Registered Definitive Covered Bond; and
- (ii) each person for the time being shown in the records of Euroclear or Clearstream, Luxembourg or, as the case may be, DTC or Austraclear, or such other additional or alternative clearing system approved by the Issuer, the Bond Trustee and the relevant Principal Paying Agent, as having a particular nominal amount of any Registered Global Covered Bond or Australian Registered Covered Bond credited to his securities account,

as the absolute owner thereof free from all encumbrances and shall not be required to obtain either (a) proof of such ownership, other than, in the case of any person for the time being so shown in such records, a certificate or letter of confirmation signed on behalf of Euroclear, Clearstream, Luxembourg or DTC or Austraclear (as the case may be) or any other form of record (including any certificate or other document which may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's Cedcom system) in accordance with its usual procedures and in which the holder of a particular nominal amount of the Covered Bonds is clearly identified together with the amount of such holding) made by any of them or (b) proof of the identity of the bearer of any Bearer Global Covered Bond, Bearer Definitive Covered Bond, Receipt, Coupon or Talon or the registered holder of any Registered Global Covered Bond, Australian Registered Covered Bond or Registered Definitive Covered Bond.

3.7 Certificates of Euroclear and Clearstream, Luxembourg, DTC and Austraclear

Without prejudice to the provisions of Clause 17(ee) (Supplement to Trustee Acts) the Issuer, the Covered Bond Guarantor and the Bond Trustee may call for and, in the absence of manifest error, shall be at liberty to accept and place full reliance on as sufficient evidence thereof a certificate or letter of confirmation issued on behalf of Euroclear, Clearstream, Luxembourg, DTC or Austraclear or any form of record (including any certificate or other document which may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's Cedcom system) in accordance with its usual procedures and in which the holder of a particular nominal amount of the Covered Bonds is clearly identified together with the amount of such holding) made by any of them or such other form of evidence and/or information and/or certification as it shall, in its absolute discretion, think fit to the effect that at any particular time or throughout any particular period any particular person is, was, or will be, shown in its records as the holder of a particular nominal amount of Covered Bonds represented by a Global Covered Bond and, if it does so rely, such letter of confirmation, form of record, evidence, information or certification shall be conclusive and binding on all concerned.

4. FEES, DUTIES AND TAXES

The Issuer shall pay all stamp duties and other similar duties or taxes (if any) payable in the United Kingdom or Australia or any other jurisdiction on or arising out of or in consequence of:

- (a) the constitution and issue of the Covered Bonds, the Receipts, the Coupons and the Talons and the creation of the Charge;
- (b) the initial delivery of the Covered Bonds to the relevant Principal Paying Agent and by the relevant Principal Paying Agent to the persons entitled thereto;

- (c) any action taken by the Bond Trustee (or any Covered Bondholder or Couponholder where permitted under the Trust Presents so to do) to enforce the provisions of the Covered Bonds, the Coupons or the Trust Presents; and
- (d) the execution of the Trust Presents.

If in consequence of an Issuer Event of Default, the Bond Trustee (or any Covered Bondholder, the Receiptholder or the Couponholder where permitted under the Trust Presents so to do) shall take any proceedings against the Issuer in any jurisdiction and for the purposes of any such proceedings the Trust Presents or any Covered Bonds, Receipts, Coupons or Talons are taken into any such jurisdiction and any stamp duties or other duties or taxes become payable thereon in any such jurisdiction, the Issuer shall pay (or reimburse the person making payment of) such stamp duties or other duties or taxes (including penalties).

5. COVENANT OF COMPLIANCE

Each of the Issuer, the Covered Bond Guarantor and the Bond Trustee covenants that it will comply with and perform and observe all the provisions of the Trust Presents and the other Programme Documents which are expressed to be binding on it. The Conditions shall be binding on the Issuer, the Covered Bond Guarantor, the Bond Trustee, the Covered Bondholders, the Receiptholders and the Couponholders. The Bond Trustee shall be entitled to enforce the obligations of the Issuer and the Covered Bond Guarantor under the Covered Bonds, the Receipts and the Coupons as if the same were set out and contained in this Bond Trust Deed, which shall be read and construed as one document with the Covered Bonds, the Receipts and the Coupons. The Bond Trustee shall hold the benefit of this covenant upon trust for itself and the Covered Bondholders, the Receiptholders and the Couponholders according to its and their respective interests.

6. CANCELLATION OF COVERED BONDS AND RECORDS

- 6.1 The Issuer shall procure that all Covered Bonds issued by it and which are (a) redeemed or (b) purchased by or on behalf of the Issuer or any of its subsidiaries or the Covered Bond Guarantor and surrendered for cancellation or (c) which, being mutilated or defaced, have been surrendered and replaced pursuant to Condition 12 (Replacement of Covered Bonds, Receipts, Coupons and Talons and Exchange of Talons); (d) exchanged as provided in the Trust Presents (together in each case, in the case of Bearer Definitive Covered Bonds, with all unmatured Receipts and Coupons attached thereto or delivered therewith), and, in the case of Bearer Definitive Covered Bonds, all relative Receipts and Coupons paid in accordance with the relevant Conditions or which, being mutilated or defaced, have been surrendered and replaced pursuant to Condition 12 (Replacement of Covered Bonds, Receipts, Coupons and Talons and Exchange of Talons) of the Conditions, shall forthwith be cancelled by or on behalf of the Issuer and a certificate stating:

- (a) the aggregate principal amount of Covered Bonds which have been redeemed and the amounts paid in respect thereof and the aggregate amounts in respect of Receipts and Coupons which have been paid;
- (b) the serial numbers of such Covered Bonds in definitive form distinguishing between Bearer Covered Bonds and Registered Covered Bonds;
- (c) the total numbers (where applicable, of each denomination) by maturity date of such Receipts and Coupons;
- (d) the aggregate amount of interest paid (and the due dates of such payments) on Global Covered Bonds;

- (e) the aggregate nominal amount of Covered Bonds (if any) which have been purchased by or on behalf of the Issuer or any of its subsidiaries or the Covered Bond Guarantor and cancelled and the serial numbers of such Covered Bonds in definitive form and, in the case of Bearer Definitive Covered Bonds, the total number (where applicable, of each denomination) by maturity date of the Receipts, Coupons and Talons attached thereto or surrendered therewith;
- (f) the aggregate nominal amounts of Covered Bonds and Receipts and the aggregate amounts in respect of Coupons which have been so exchanged or surrendered and replaced and the serial numbers of such Covered Bonds in definitive form and the total number (where applicable, of each denomination) by maturity date of such Coupons and Receipts;
- (g) the total number (where applicable, of each denomination) by maturity date of the unmatured Coupons missing from Bearer Definitive Covered Bonds bearing interest at a fixed rate which have been redeemed or exchanged or surrendered and replaced and the serial numbers of the Bearer Definitive Covered Bonds to which such missing unmatured Coupons appertained; and
- (h) the total number (where applicable, of each denomination) by maturity date of Talons which have been exchanged for further Coupons or Receipts,

shall be given to the Bond Trustee by or on behalf of the Issuer as soon as possible and in any event within four months after the date of such redemption, purchase, payment, exchange or replacement (as the case may be). The Bond Trustee may accept such certificate as conclusive evidence of redemption, purchase or replacement *pro tanto* of the Covered Bonds or payment of principal or interest (as the case may be) thereon or exchange of the relative Talons respectively and of cancellation of the relative Covered Bonds, Receipts and Coupons.

- 6.2 Subject to the paragraph below, the Issuer shall procure (a) that the Covered Bond Paying Agent shall keep a full and complete record of all Covered Bonds, Receipts, Coupons and Talons issued by it and of their redemption or purchase by or on behalf of the Issuer or any of its subsidiaries or the Covered Bond Guarantor, any cancellation or any payment or exchange (as the case may be) and of all replacement covered bonds, receipts, coupons or talons issued in substitution for lost, stolen, mutilated, defaced or destroyed Covered Bonds, Receipts, Coupons or Talons (b) that the relevant Principal Paying Agent shall in respect of the Coupons of each maturity retain (in the case of Coupons other than Talons) until the expiry of six years from the Relevant Date in respect of such Coupons and (in the case of Talons) indefinitely either all paid or exchanged Coupons of that maturity or a list of the serial numbers of Coupons of that maturity still remaining unpaid or unexchanged and (c) that such records and copies thereof shall be made available to the Bond Trustee at all reasonable times.

Notwithstanding the foregoing, the Issuer shall not be required to procure the keeping of a record of serial numbers and maturity dates of Receipts and Coupons except as regards unmatured Coupons not attached to or surrendered with Bearer Definitive Covered Bonds presented for redemption or purchased and presented for cancellation, matured Coupons that remain unpaid, Receipts and Coupons in place of which replacement Receipts and Coupons have been issued and replacement Receipts and Coupons.

7. COVERED BOND GUARANTEE

- 7.1 In consideration of the Term Advances and Demand Loan Advances to be made by the Issuer to the Covered Bond Guarantor pursuant to the Intercompany Loan Agreement and the Demand Loan Agreement, the Issuer's undertakings in clauses 7.4 and 7.5 of the Intercompany Loan Agreement

and clause 9.4 of the Demand Loan Agreement and the payment of any Excess Proceeds to the Covered Bond Guarantor pursuant to clause 11.2 (Application of Monies) of this Bond Trust Deed, the Covered Bond Guarantor, as principal obligor irrevocably and unconditionally guarantees to the Bond Trustee, for the benefit of the Covered Bondholders, the prompt performance by the Issuer of its obligations to pay amounts equal to the Guaranteed Amounts, as and when the same become Due for Payment.

7.2 The Covered Bond Guarantor shall, as principal obligor:

- (a) following the occurrence of an Issuer Event of Default and the service by the Bond Trustee of (i) an Issuer Acceleration Notice on the Issuer (copied to the Covered Bond Guarantor) and (ii) a Notice to Pay on the Covered Bond Guarantor (copied to the Trust Manager), pay or procure to be paid on each Scheduled Payment Date (or on such later date provided for in Clause 8.2 (Payments under the Covered Bond Guarantee)) (in the manner described in Clause 8.1 (Payments under the Covered Bond Guarantee)) irrevocably and unconditionally to or to the order of the Bond Trustee (for the benefit of the Covered Bondholders), an amount equal to those Guaranteed Amounts which shall have become Due for Payment in accordance with the terms of the Trust Presents (or which would have become Due for Payment but for any variation, release or discharge of the Guaranteed Amounts), but which have not been paid by the Issuer to the relevant Covered Bondholder, Receiptholders and/or Couponholders on the relevant date for payment provided that no Notice will be served on the Covered Bond Guarantor until an Issuer Acceleration Notice has been served by the Bond Trustee on the Issuer and
- (b) following the occurrence of a Covered Bond Guarantor Event of Default and the service by the Bond Trustee of a Covered Bond Guarantee Acceleration Notice on the Issuer and the Covered Bond Guarantor (copied to the Trust Manager and the Security Trustee), in respect of the Covered Bonds of each Series which shall have become immediately due and repayable (or which would have become immediately due and payable but for any variation, release or discharge of the Guaranteed Amounts), pay or procure to be paid to or to the order of the Bond Trustee (for the benefit of itself and the Covered Bondholders) in the manner described in clause 8.1 (Payments under the Covered Bond Guarantee), the Guaranteed Amounts,

(the **Covered Bond Guarantee**).

Notwithstanding any provision of any Programme Document (including without limitation this Bond Trust Deed) to the contrary, the Covered Bond Guarantor will only be required to make payment or procure a payment to be made under the Covered Bond Guarantee to the extent that the Covered Bond Guarantor is required to make such payment in accordance with the Guarantee Allocations.

7.3 In relation to the Covered Bonds of each Series, the Covered Bond Guarantee:

- (a) is a continuing guarantee;
- (b) extends to the ultimate balance of the Guaranteed Amounts due to be paid or which would have been due to be paid by the Issuer on the relevant Original Due for Payment Date in accordance with the terms of the Trust Presents, the Covered Bonds, the Receipts or the Coupons, regardless of any intermediate payment or discharge in whole or in part of any Guaranteed Amounts due to be paid on the relevant Scheduled Payment Date;
- (c) shall not be discharged except by complete performance of the obligations in the Trust Presents, is additional to, and not instead of, any security or other guarantee or indemnity at

any time existing in favour of any person (whether from the Covered Bond Guarantor or otherwise);

(d) shall remain in force until all monies payable by the Covered Bond Guarantor pursuant to the terms of the Covered Bond Guarantee shall have been paid; and

(e) is a guarantee of payment not collection.

7.4 The Covered Bond Guarantor shall not in respect of any payment due to be made pursuant to the Trust Presents be released from its obligations under or pursuant to the Trust Presents in any circumstances (notwithstanding anything which but for this provision would release or the Covered Bond Guarantor or would affect their liability under or pursuant to the Trust Presents in respect of such payment) except upon the receipt by or for the account of the Bond Trustee of the full amount of such payment from the Issuer or the Covered Bond Guarantor, as applicable, in the currency, at the place and in the manner provided for in the Trust Presents PROVIDED THAT (except in the case of Excess Proceeds) every payment of principal, premium or interest in respect of the Covered Bonds, Receipts and/or Coupons made to the relevant Principal Paying Agent in the manner provided in the relevant Agency Agreement shall be in satisfaction *pro tanto* of the liability of the Covered Bond Guarantor under the Trust Presents and shall be deemed for the purpose of this Clause 7.4 (Covered Bond Guarantee) to have been paid to the order of the Bond Trustee, except to the extent that the subsequent payment thereof to the Covered Bondholders, the Receiptholders or the Couponholders in accordance with the Conditions is not made.

7.5 If any discharge (whether in respect of the obligations of the Covered Bond Guarantor under the Covered Bond Guarantee or any security for those obligations or otherwise) or arrangement is made in whole or in part on the faith of any payment, security or other disposition received by the Bond Trustee, the relevant Principal Paying Agent or any Covered Bondholder, Receiptholder or Couponholder and such discharge or arrangement and such payment, security or other disposition (as the case may be) is avoided or set aside in whole or in part under any laws relating to the bankruptcy, sequestration, liquidation, insolvency, administration, corporate reorganisation or other such similar event of the Issuer or the Covered Bond Guarantor, such payment or arrangement will not be considered as having discharged the relevant liability of the Covered Bond Guarantor under the Covered Bond Guarantee (or any corresponding obligation of the Issuer) in respect thereof and that liability or obligation will continue or be reinstated as if the discharge or arrangement had not occurred and the Covered Bond Guarantor shall indemnify the Bond Trustee and the Covered Bondholders, Receiptholders and/or Couponholders (as the case may be) in respect thereof.

7.6 Without prejudice to the generality of the foregoing provisions of this Clause 7 (Covered Bond Guarantee), the Covered Bond Guarantor agrees that its obligations under the Trust Presents shall be as if it were principal debtor and not merely as surety or guarantor and shall be absolute and (following service of an Issuer Acceleration Notice and Notice to Pay or a Covered Bond Guarantee Acceleration Notice) unconditional, irrespective of, and unaffected by, any invalidity, irregularity, illegality or unenforceability of, or defect in, any provisions of the Trust Presents or any other Programme Document, or the absence of any action to enforce the same or the waiver, modification or consent by the Bond Trustee, any of the Covered Bondholders, Receiptholders or Couponholders in respect of any provisions of the same or the obtaining of any judgment or decree against the Issuer or any action to enforce the same or any other circumstances which might otherwise constitute a legal or equitable discharge or defence of a guarantor. Accordingly, the validity of the Covered Bond Guarantee shall not be affected by any invalidity, irregularity or unenforceability of all or any of the obligations of the Issuer under the Trust Presents or any other Programme Document and the Covered Bond Guarantee shall not be discharged nor shall the liability of the Covered Bond Guarantor under the Trust Presents be affected by any act, thing or omission or means whatsoever whereby its liability would not have been discharged if it had been the principal debtor.

- 7.7 The liability of the Covered Bond Guarantor under the Covered Bond Guarantee shall not be lessened, affected, impaired or discharged by:
- (a) any time, waiver or indulgence granted to the Issuer by the Bond Trustee, any of the Covered Bondholders, the Receiptholders or Couponholders;
 - (b) any dealings or transactions between the Issuer and the Bond Trustee, any of the Covered Bondholders, Receiptholders or Couponholders whether or not the Covered Bond Guarantor shall be a party to or cognisant of the same;
 - (c) the dissolution of the Issuer or any change in the status, functions, control or ownership of the Issuer or any consolidation, merger, conveyance or transfer by the Issuer;
 - (d) any composition or arrangement between the Issuer and its creditors or the release or variation of the obligations of the Issuer pursuant to such composition or arrangement;
 - (e) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, the Issuer or any other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
 - (f) any incapacity or lack of powers, authority or legal personality of the Issuer or any other person;
 - (g) any variation (however fundamental) or replacement of the Trust Presents, the Covered Bonds, the Receipts or the Coupons;
 - (h) any other guarantee or security now or subsequently held by any Secured Creditor, and the Covered Bond Guarantee is in addition to any such guarantee or security; or
 - (i) any postponement, discharge, reduction, non-provability or other similar circumstance affecting any obligation of the Issuer under the Trust Presents or any other Programme Document resulting from any insolvency, liquidation or dissolution proceedings or from any law, regulation or order so that each such obligation shall for the purposes of the Covered Bond Guarantor's obligations under the Covered Bond Guarantee be construed as if there were no such circumstance.
- 7.8 Subject to its obligation to deliver a Notice to Pay to the Covered Bond Guarantor (copied to the Trust Manager) in respect of the Covered Bond Guarantee, the Bond Trustee may determine from time to time whether it will enforce the Covered Bond Guarantee, which it is entitled to enforce without making any demand or taking any proceedings against the Issuer. Subject to the provisions of this Clause 7 (Covered Bond Guarantee) with regard to the service of a Notice to Pay on the Covered Bond Guarantor (copied to the Trust Manager), the Covered Bond Guarantor hereby waives any right to require proceedings first against the Issuer with respect to the Trust Presents, the Covered Bonds, Receipts or Coupons, diligence, presentment, demand of payment, filing of claims with a court in the event of dissolution, liquidation, merger or bankruptcy of the Issuer, protest or notice and all demands whatsoever.
- 7.9 To the extent that the Covered Bond Guarantor makes, or there is made on its behalf (without limiting its obligations at law), a payment under the Covered Bond Guarantee, the Issuer will on such payment being made, become indebted to the Covered Bond Guarantor for an amount equal to such payment in accordance with the Intercompany Loan Agreement. Until all amounts which may

be or become payable by the Issuer under the Trust Presents, the Covered Bonds, Receipts or Coupons have been irrevocably paid in full, the Covered Bond Guarantor hereby waives (without limiting its obligations at law) irrevocably and unconditionally:

- (a) all rights of subrogation, indemnity, contribution or otherwise (arising under common law, equity, statute or otherwise whatsoever) which it might otherwise have against the Issuer by virtue of any payment made by the Covered Bond Guarantor pursuant to the Covered Bond Guarantee; and
- (b) all rights to claim, rank, prove or vote as creditor of the Issuer or its estate in competition with the Bond Trustee (on behalf of the Covered Bondholders) or to claim a right of set-off,

subject always to the rights of the Covered Bond Guarantor to set-off amounts owing by the Issuer to the Covered Bond Guarantor in respect of amounts paid by the Covered Bond Guarantor under the Covered Bond Guarantee against any amounts repayable by the Covered Bond Guarantor to the Issuer under the terms of the Intercompany Loan Agreement and the Demand Loan Agreement, which shall remain unaffected.

If notwithstanding the foregoing, upon the bankruptcy, insolvency, administration or liquidation of the Issuer, any payment or distribution of assets of the Issuer of any kind or character, whether in cash, property or securities, shall be received by the Covered Bond Guarantor or if the Covered Bond Guarantor is able to exercise any set-off rights against the Issuer (other than under the Intercompany Loan Agreement or the Demand Loan Agreement) before payment in full of all amounts payable under the Trust Presents shall have been made to the Covered Bondholders, the Receiptholders and the Couponholders, such payment and/or an amount equal to the amount so set-off shall be received by the Covered Bond Guarantor and shall be held by the Covered Bond Guarantor on trust to pay the same over immediately to the Bond Trustee for application in or towards the payment of all amounts which are due and payable but which remain unpaid by the Covered Bond Guarantor under the Trust Presents.

- 7.10 Any amounts from time to time received by the Bond Trustee under the Covered Bond Guarantee shall be applied by the Bond Trustee in accordance with the provisions of Clauses 11.1 and 11.1A (Application of Monies) PROVIDED THAT any Excess Proceeds received by the Bond Trustee shall be applied by the Bond Trustee in accordance with the provisions of Clause 11.2 (Application of Monies).
- 7.11 As a separate, independent, alternative and primary obligation, the Covered Bond Guarantor unconditionally and irrevocably agrees that (following the service by the Bond Trustee of an Issuer Acceleration Notice on the Issuer (copied to the Covered Bond Guarantor) and the service by the Bond Trustee of a Notice to Pay on the Covered Bond Guarantor (copied to the Trust Manager)) should any amount which, although expressed to be a Guaranteed Amount, for any reason (including without limitation any provisions of these Trust Presents or the Programme Documents being or becoming void, voidable or unenforceable for any reason and whether or not now existing and whether or not now known or becoming known to the Issuer, the Covered Bond Guarantor, the Bond Trustee or any Covered Bondholder) is not recoverable from the Covered Bond Guarantor on the basis of a guarantee such amount will nevertheless be recoverable from the Covered Bond Guarantor on the basis of a full indemnity and will be paid by it to the Bond Trustee on demand provided that the Covered Bond Guarantor's obligation hereunder shall in no circumstances exceed the relevant Guaranteed Amount.

8. PAYMENTS UNDER THE COVERED BOND GUARANTEE

- 8.1 Where the Issuer has determined prior to an Interest Payment Date that on such Interest Payment Date or such other date in respect of which any principal or interest in relation to the Covered Bonds is due and payable by the Issuer (other than pursuant to Condition 9 (Events of Default and Enforcement)) (the **Due Date**) that it shall not have sufficient funds to meet the amount of such interest and/or principal due and payable on such Interest Payment Date or Due Date (the difference being the **Shortfall**), it shall notify the Bond Trustee in writing (copied to the Covered Bond Guarantor and the Trust Manager), no later than close of business on the fifth Business Day before such Interest Payment Date or Due Date of the Shortfall amount in relation to the Covered Bonds which is due and payable by the Issuer. Following the occurrence of an Issuer Event of Default and service by the Bond Trustee of an Issuer Acceleration Notice on the Issuer (copied to the Covered Bond Guarantor) pursuant to Condition 9(a) (Events of Default and Enforcement - Issuer Events of Default), the Bond Trustee shall promptly deliver a Notice to Pay to the Covered Bond Guarantor (copied to the Trust Manager) requiring the Covered Bond Guarantor to pay the Guaranteed Amounts as and when the same are Due for Payment in accordance with the terms of the Covered Bond Guarantee and the Trust Presents.
- 8.2 Following the service by the Bond Trustee of an Issuer Acceleration Notice on the Issuer (copied to the Covered Bond Guarantor) and the service by the Bond Trustee of a Notice to Pay on the Covered Bond Guarantor (copied to the Trust Manager) but prior to a Covered Bond Guarantor Event of Default and service by the Bond Trustee of a Covered Bond Guarantee Acceleration Notice on the Issuer and the Covered Bond Guarantor (copied to the Trust Manager and the Security Trustee), the Covered Bond Guarantor shall pay the Guaranteed Amounts pursuant to the Covered Bond Guarantee in accordance with the Guarantee Allocations by 12 noon (local time in the relevant financial centre of the payment or, in the case of a payment in euro, London time) on the Original Due for Payment Date or, if applicable, the Extended Due for Payment Date on which the relevant Guaranteed Amount is Due for Payment.
- 8.3 The Trust Manager shall instruct the Covered Bond Guarantor to pay (or to procure the payment of) all sums payable under the Covered Bond Guarantee to the relevant Principal Paying Agent subject always to the provisions of Clause 2.3 (Bond Trustee's requirements regarding Paying Agents etc). For the avoidance of doubt, any discharge of the Issuer as a result of the payment of Excess Proceeds to the Bond Trustee shall be disregarded for the purposes of determining the amounts to be paid by the Covered Bond Guarantor under the Covered Bond Guarantee.
- 8.4 At least one Business Day before the date on which the Covered Bond Guarantor is obliged to make a payment under the Covered Bond Guarantee, the Trust Manager shall notify or procure the notification of the relevant Principal Paying Agent of the irrevocable instructions to the Account Bank through which payment to the relevant Principal Paying Agent is to be made.
- 8.5 All payments of Guaranteed Amounts by or on behalf of the Covered Bond Guarantor shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessment or other governmental charges of whatever nature, unless the withholding or deduction is required by law or regulation or administrative practice of any jurisdiction. If any such withholding or deduction is required, the Covered Bond Guarantor shall pay the Guaranteed Amounts net of such withholding or deduction and shall account to the appropriate Tax Authority for the amount required to be withheld or deducted. The Covered Bond Guarantor shall not be obliged to pay any additional amount to the Bond Trustee or any holder of Covered Bonds, Receipts and/or Coupons in respect of the amount of such withholding or deduction. Any additional amounts in respect of the amount of such withholding or deduction shall be paid to the Bond Trustee or any holder of Covered Bonds, Receipts and/or Coupons in accordance with Condition 7 (Taxation).

- 8.6 The Issuer shall not be discharged from its obligations under the Covered Bonds, Receipts or Coupons and the Trust Presents by any payment made by the Covered Bond Guarantor under the Covered Bond Guarantee provided that this Clause 8.6 (Payments under the Covered Bond Guarantee) shall operate only for the purpose of the subrogation rights of the Covered Bond Guarantor contemplated by Clause 7 (Covered Bond Guarantee).
- 8.7 Except in relation to Excess Proceeds, any payment made by the Covered Bond Guarantor to the Covered Bondholders, Receiptholders or the Couponholders in respect of the Covered Bonds, Receipts or Coupons may be made in accordance with the Conditions and the Agency Agreements, and any payments so made shall be a good discharge *pro tanto* of the relative covenant by the Covered Bond Guarantor contained in Clauses 7 (Covered Bond Guarantee) or 8 (Payments under the Covered Bond Guarantee) (as the case may be) save to the extent that there is default in the subsequent payment thereof in accordance with the Trust Presents to the relevant Covered Bondholders, Receiptholders or Couponholders (as the case may be).

9. NON-PAYMENT

- 9.1 Proof that as regards any specified Covered Bond, Receipt or Coupon, the Issuer or, as the case may be, the Covered Bond Guarantor has made default in paying any amount due in respect of such Covered Bond, Receipt or Coupon shall (unless the contrary be proved) be sufficient evidence that the same default has been made as regards all other Covered Bonds, Receipts or Coupons (as the case may be) in respect of which the relevant amount is due and payable.
- 9.2 References in the provisos in Clauses 2.2(c) and 2.2(d) (Covenant to repay principal and to pay interest) and any provisions of any trust deed supplemental to the Trust Presents corresponding to the provisos in Clauses 2.2(c) and 2.2(d) (Covenant to repay principal and to pay interest) to the rates aforesaid shall, in the event of the Covered Bonds having become due and repayable, with effect from the expiry of the Interest Period during which such Covered Bonds become due and repayable, be construed as references to rates of interest calculated *mutatis mutandis* in accordance with the Conditions except that no notices need be published in respect thereof.

10. PROCEEDINGS, ACTION AND INDEMNIFICATION

- 10.1 The Bond Trustee may:
- (a) at any time after the occurrence of an Issuer Event of Default and the service of an Issuer Acceleration Notice (in the case of the Issuer) or, if earlier, following the occurrence of a Covered Bond Guarantor Event of Default and the service of a Covered Bond Guarantee Acceleration Notice (in the case of the Covered Bond Guarantor), at its discretion and without further notice, take such proceedings or other action or step as it may think fit against or in relation to the Issuer or, as the case may be, the Covered Bond Guarantor and/or any other person as it may think fit to enforce the provisions of the Bond Trust Deed, the Covered Bonds, the Receipts and the Coupons or any other Programme Document; and
 - (b) at any time after the service of a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer (copied to the Trust Manager and the Security Trustee), give a direction or instruction to the Security Trustee to take such actions, steps or proceedings against the Covered Bond Guarantor and/or any other person as it may think fit to enforce the provisions of the Deed of Charge or any other Programme Document and may, at any time after the Charge has become enforceable, direct the Security Trustee to take such steps as it may think fit to enforce the Charge. Following the service of a Covered Bond Guarantee Acceleration Notice on the Issuer and the Covered Bond Guarantor (with a

copy to the Trust Manager and the Security Trustee), the Bond Trustee must provide a copy of such notice to the Security Trustee.

- 10.2 The Bond Trustee shall not be bound to take, or give any direction to the Security Trustee to take, any such proceedings, steps or actions in relation to this Bond Trust Deed, the Covered Bond Guarantee, the Covered Bonds, the Receipts, the Coupons or any other Programme Document as referred to in Clause 10.1 or give any notice pursuant to Conditions 9(a) or 9(b) (Events of Default and Enforcement) unless (a) directed to do so by an Extraordinary Resolution of the Covered Bondholders of all Series, then outstanding (with the Covered Bonds of all Series taken together as a single Series and converted into Australian Dollars at the relevant Swap Rate) or (b) requested to do so in writing by the holders of not less than 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) and in either case then only if it shall be indemnified and/or secured and/or prefunded to its satisfaction.
- 10.3 Subject as provided in Clauses 10.1 and 10.2 above and clauses 7.21 and 7.22 of the Security Trust Deed, the Bond Trustee shall not be bound to take, or to give any direction to the Security Trustee to take, any other action under or in connection with the Trust Presents, the Covered Bonds, the Receipt or the Coupons or any other Programme Document unless (a) directed to do so by Extraordinary Resolution of the Covered Bondholders of the relevant one or more Series (as determined in accordance with the provisions of paragraph 22 of Schedule 4) or (b) requested to do so in writing by the holders of not less than 25 per cent. of the Principal Amount Outstanding of the Covered Bonds then outstanding of the relevant one or more Series (as determined in accordance with the provisions of paragraph 22 of Schedule 4) and in either case then only if it shall be indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing.
- 10.4 Only the Bond Trustee may enforce the provisions of the Trust Presents. No Covered Bondholder, Receiptholder or Couponholder shall be entitled to proceed directly against the Issuer or the Covered Bond Guarantor to enforce the performance of any of the provisions of the Trust Presents or to directly enforce the provisions of any other Programme Document unless the Bond Trustee having become bound as aforesaid to so proceed fails to do so within a reasonable time and such failure is continuing, in which event any Covered Bondholder, Receiptholder or Couponholder may, on giving an indemnity and/or prefunding and/or security satisfactory to the Bond Trustee, in the name of the Bond Trustee (but not otherwise) himself 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, Receipts and Coupons and/or the Bond Trust Deed).
- 10.5 In exercising any of its powers, trust authorities and discretions the Bond Trustee shall only have regard to the interests of the Covered Bondholders of all Series equally and shall not have regard to the interests of any other Secured Creditor.

11. APPLICATION OF MONIES

- 11.1 Subject to Clause 11.2 below, all monies received by the Bond Trustee under the Trust Presents from the Issuer pursuant to Clause 2.2 (Covenant to repay principal and to pay interest) in respect of a payment of principal or interest to the Covered Bondholders shall, unless and to the extent attributable to a particular Series of the Covered Bonds, be apportioned *pari passu* and rateably between each Series of the Covered Bonds, and to the extent attributable to a particular Series of the Covered Bonds or which are apportioned to such Series as aforesaid, shall be applied:

- (a) *First:* to the extent not already paid or provided for under the Pre-acceleration Revenue Allocations or the Guarantee Allocations, as applicable, in payment or satisfaction of all amounts then due and unpaid under Clause 16 (Remuneration and Indemnification of Bond Trustee) to the Bond Trustee and/or any Appointee;
- (b) *Secondly:* in or towards payment *pari passu* and rateably of all principal and interest then due and unpaid in respect of the Covered Bonds of that Series;
- (c) *Thirdly:* in or towards payment *pari passu* and rateably of all principal and interest then due and unpaid in respect of the Covered Bonds of each other Series; and
- (d) *Fourthly:* in payment of the balance (if any) to the Issuer.

11.1A After service of Notice to Pay on the Covered Bond Guarantor (copied to the Trust Manager) or after the service of a Covered Bond Guarantee Acceleration Notice on the Issuer and the Covered Bond Guarantor (copied to the Trust Manager and the Security Trustee) or the enforcement of the Charge, all monies received by the Bond Trustee under the Trust Presents from (or on behalf of) the Covered Bond Guarantor pursuant to Clause 7 (Covered Bond Guarantee) in respect of a payment of Guaranteed Amounts to the Covered Bondholders, shall be applied to make payments to the Covered Bondholders subject to and in accordance with the Guarantee Allocations or, as applicable, the Post-enforcement Allocations.

11.2 Following the occurrence of an Issuer Event of Default and the delivery of an Issuer Acceleration Notice and Notice to Pay, any Excess Proceeds which are received by the Bond Trustee from the Issuer or any receiver, liquidator, administrator, or other similar official appointed in relation to the Issuer, and are then held by it or under its control shall be paid by the Bond Trustee on behalf of the Covered Bondholders of the relevant Series to the Covered Bond Guarantor, as soon as practicable, and shall be held by the Covered Bond Guarantor in the GIC Account and the Excess Proceeds shall thereafter form part of the Secured Property and shall be used by the Covered Bond Guarantor in the same manner as all other monies from time to time standing to the credit of the GIC Account pursuant to the Deed of Charge and the Supplemental Deed. Any Excess Proceeds received by the Bond Trustee and held by it or under its control shall discharge *pro tanto* the obligations of the Issuer in respect of the Covered Bonds, Receipts and Coupons (as applicable and to the extent of the amount so received and subject to restitution of the same if such Excess Proceeds shall be required to be repaid by the Covered Bond Guarantor) (but the Issuer shall be deemed not to have discharged such obligations for the purposes of subrogation rights of the Covered Bond Guarantor contemplated by Clause 7.9 (Covered Bond Guarantee)). However, the obligations of the Covered Bond Guarantor under the Covered Bond Guarantee are (following service of an Issuer Acceleration Notice and Notice to Pay or if earlier, service of a Covered Bond Guarantee Acceleration Notice) unconditional and irrevocable and the receipt by, or on behalf of, the Bond Trustee of any Excess Proceeds shall not reduce or discharge any such obligations.

11.3 By subscribing for Covered Bond(s), each Covered Bondholder shall be deemed to have irrevocably directed the Bond Trustee to pay the Excess Proceeds to the Covered Bond Guarantor in the manner as described above.

11.4 For the avoidance of doubt, any payments by the Covered Bond Guarantor to the Covered Bondholders out of the Excess Proceeds, shall reduce the Guaranteed Amounts *pro tanto*.

12. NOTICE OF PAYMENTS

The Bond Trustee (at the expense and cost of the Issuer or the Covered Bond Guarantor) shall give notice to the relevant Covered Bondholders in accordance with Condition 14 (Notices) of the day

fixed for any payment to them under Clauses 11.1 or 11.1A (Application of Monies). Such payment may be made in accordance with Condition 6 (Payments) and any payment so made shall be a good discharge to the Bond Trustee.

13. INVESTMENT BY BOND TRUSTEE

- 13.1 Except in relation to any Excess Proceeds, the Bond Trustee may at its absolute discretion and pending payment as provided for in the Trust Presents, invest monies at any time available for the payment of principal and interest on the Covered Bonds of any Series, in some or one of the Authorised Investments for such periods as it may consider expedient with power from time to time at the like discretion to vary such investments and to accumulate such investments and the resulting interest and other income derived therefrom. The accumulated investments shall be applied under Clause 11 (Application of Monies). All interest and other income deriving from such investments shall be applied first in payment or satisfaction of all amounts then due and unpaid under Clause 16 (Remuneration and Indemnification of Bond Trustee) to the Bond Trustee and/or any Appointee and otherwise held for the benefit of and paid to the Covered Bondholders of such Series or the related Receipholders and/or Couponholders, as the case may be.
- 13.2 For the purpose of Clause 13.1, **Authorised Investments** means Australian Dollar demand or time deposits, certificates of deposit and short-term debt obligations (including commercial paper) (which may include deposits into any account which earns a rate of interest related to the Bank Bill Rate) provided that in all cases such investments have a maturity date of 30 days or less and mature on or before the next following Determination Date and the short-term unsecured, unguaranteed and unsubordinated debt obligations of the issuing or guaranteeing entity or the entity with which the demand or time deposits are made (being a bank) are rated at least "P-1" by Moody's and "F1+" by Fitch or which are otherwise acceptable to the Designated Rating Agencies (if they are notified in advance) to maintain the then current rating of the Covered Bonds.
- 13.3 Except in relation to any Excess Proceeds, any monies which under the trusts of the Trust Presents may be invested by the Bond Trustee may be invested in the name or under the control of the Bond Trustee in any investments or other assets in any part of the world whether or not they produce income or by placing the same on deposit in the name or under the control of the Bond Trustee at such bank or other financial institution and in such currency as the Bond Trustee may think fit. If that bank or institution is the Bond Trustee or a Subsidiary, holding or associated company of the Bond Trustee, it need only account for an amount of interest equal to the amount of interest which would, at then current rates, be payable by it on such a deposit to an independent customer. The Bond Trustee may at any time vary any such investments for or into other investments or convert any monies so deposited into any other currency and shall not be responsible for any loss resulting from any such investments or deposits, whether due to depreciation in value, fluctuations in exchange rates or otherwise.
- 13.4 Notwithstanding anything in this Bond Trust Deed to the contrary, the Bond Trustee may not do, or be authorised or required to do, anything which might constitute a regulated activity for the purpose of the FSMA, unless it is authorised under the FSMA to do so.

In respect of any of the duties and/or responsibilities to be performed by the Bond Trustee, the Bond Trustee shall have the discretion at any time (i) to delegate any of the functions which fall to be performed by an authorised person under the FSMA to any agent or person which has the necessary authorisations and licences and (ii) to apply for authorisation under the FSMA and perform any or all such functions itself if, in its absolute discretion, it considers it necessary, desirable or appropriate to do so.

14. PARTIAL PAYMENTS

- 14.1 Upon any payment under Clauses 11.1 or 11.1A (Application of Monies) (other than payment in full against surrender of a Covered Bond, Receipt or Coupon) the Covered Bond, Receipt or Coupon in respect of which such payment is made shall be produced to the Bond Trustee, the relevant Registrar or the relevant Paying Agent by or through whom such payment is made and (except in the case of a NGCB) the Bond Trustee shall or shall cause the relevant Registrar or, as the case may be, the relevant Paying Agent to enface thereon a memorandum of the amount and the date of payment but the Bond Trustee may in any particular case or generally in relation to Registered Covered Bonds dispense with such production and enfacement upon such indemnity being given to the Bond Trustee and the Issuer as such parties shall think sufficient.
- 14.2 This Clause 14 shall not apply to Australian Registered Covered Bonds.

15. COVENANTS BY THE ISSUER, THE COVERED BOND GUARANTOR AND THE TRUST MANAGER

- 15.1 The Issuer hereby covenants with the Bond Trustee that, so long as any of the Covered Bonds remains outstanding, it will:
- (a) at all times maintain a Covered Bond Paying Agent, US Covered Bond Paying Agent, Paying Agents (other than the Australian Paying Agent), a Luxembourg Registrar, an Exchange Agent and a Transfer Agent and, so long as any of the Australian Registered Covered Bonds remain outstanding, an Australian Registrar, each with specified offices in accordance with the Conditions and at all times maintain any other agents required by the Conditions;
 - (b) upon becoming aware of such occurrence, give notice in writing to the Bond Trustee of the occurrence of (a) any Issuer Event of Default or Potential Issuer Event of Default or (ii) Covered Bond Guarantor Event of Default or Potential Covered Bond Guarantor Event of Default (as applicable) without waiting for the Bond Trustee to take any further action;
 - (c) give or procure to be given to the Bond Trustee (within a time reasonable in the Bond Trustee's opinion) such opinions, certificates, information and evidence as it shall reasonably require for the purpose of the discharge or exercise of the duties, powers, trusts, authorities and discretions vested in it under the Trust Presents or by operation of law provided always that the foregoing shall not oblige the Issuer to give any information non-disclosure of which is required by any applicable law;
 - (d) (A) as soon as practicable after the issue or publication of any document referred to below (other than those described in (B)); and (B) in the case of audited annual and interim accounts, within 14 days of publication of such audited annual and interim accounts in respect of each financial year commencing with the financial year ending 30 September 2011 and in any event not later than 180 days after the end of each such financial year, (where a copy of any such document can be viewed on any relevant website) provide notice to the Bond Trustee of the issue or publication of every balance sheet, profit and loss account, audited annual and interim account, report, circular and notice of general meeting and every other document issued or sent to its shareholders together with any of the foregoing, and every document issued or sent to holders of securities other than its shareholders (including the Covered Bondholders), in each case which is material to the interests of the Covered Bondholders, together with the details of the relevant website where a copy of such document may be viewed and (where a copy of any such document cannot be so viewed) send to the Bond Trustee an electronic copy of such document;

- (e) so far as permitted by law at all times execute all such further documents and do all such further acts and things as may be necessary at any time or times in the reasonable opinion of the Bond Trustee to give effect to the terms and conditions of the Trust Presents;
- (f) procure that the relevant Principal Paying Agent notifies the Bond Trustee forthwith in the event that it does not, on or before the due date for payment in respect of the Covered Bonds or any of them or in respect of the Receipts (if any) and/or the Coupons (if any), receive unconditionally in the manner provided by the relevant Agency Agreement the full amount of the monies payable on such due date on all such Covered Bonds, Receipts or, as the case may be, all such Coupons;
- (g) furnish from time to time any and all documents, instructions, information and undertakings that may be necessary in order to obtain (in the case of Covered Bonds which are to be listed on the London Stock Exchange) the admission of the Covered Bonds to listing and trading on the London Stock Exchange and use all reasonable endeavours to maintain such listing so long as any of the Covered Bonds remains outstanding PROVIDED ALWAYS that if the Issuer is unable to maintain such listing and/or trading having used all reasonable endeavours or if the maintenance of such listing and/or trading becomes in the opinion of the Issuer unduly onerous on the Issuer, the Issuer may procure the listing, trading and/or quotation of the Covered Bonds on some listing authority, stock exchange and/or quotation system acceptable to the Bond Trustee and the provisions of this sub-clause 15.1(g) shall be deemed to apply to such new listing, trading and/or quotation;
- (h) observe and comply with its obligations under the Agency Agreements, and use all reasonable endeavours to procure that the Paying Agents, the Registrars, the Exchange Agent and the Transfer Agents observe and comply with and perform all their respective obligations under the Agency Agreements and not modify or amend the same without the prior consent in writing of the Bond Trustee;
- (i) send to the Bond Trustee, not less than 14 days prior to which any such notice is to be given by the Issuer, for the Bond Trustee's prior approval (such approval not to be unreasonably withheld or delayed) a copy of the form of any notice to be given by the Issuer to the Covered Bondholders in accordance with Condition 14 (Notices) and, upon publication, two copies of such notice, such notice being in the form approved by the Bond Trustee (such approval not to be unreasonably withheld or delayed) and unless so expressed, not to constitute approval for the purposes of section 21 of the FSMA of a communication within the meaning of section 21);
- (j) send or procure to be sent to the Bond Trustee (a) within 14 days after demand by the Bond Trustee therefor and (b) (without the necessity for any such demand) within 14 days of publication of its audited annual accounts in respect of each financial year commencing with the financial year ending 30 September 2011, a certificate signed by an Authorised Officer of the Issuer certifying that, to the best of its knowledge, information and belief, (A) during the period between the date as of which the last certificate was given (or, in case of the first such certificate, the date hereof) and the date as of which such certificate is given, the Issuer has complied with its obligations under the Trust Presents and the other Programme Documents or (if such is not the case) giving details of the circumstances of such non-compliance and (B) without prejudice to the generality of this sub-clause 15.1(j) or sub-clause 15.1(b) above, there did not exist as at a date not more than seven days prior to the date of delivery of the certificate, any Issuer Event of Default or Potential Issuer Event of Default or, if any Issuer Event of Default or Potential Issuer Event of Default exists, giving details of the same;

- (k) give prior notice to the Bond Trustee of any proposed redemption pursuant to Condition 5(b) (Redemption and Purchases – Redemption for Taxation Reasons), 5(c) (Redemption and Purchases – Redemption at the option of the Issuer (Issuer Call) or Condition 5(e) (Redemption due to illegality), and, if it shall have given notice to the relevant Covered Bondholders in accordance with the Conditions of its intention, duly proceed to redeem any relevant Covered Bonds accordingly;
- (l) in the event of the unconditional payment to the relevant Principal Paying Agent or the Bond Trustee (in any case) of any sum due in respect of principal, redemption amount, premium (if any) and/or interest on the Covered Bonds of such Series or any of them being made after the due date for payment thereof, forthwith give or procure the relevant Principal Paying Agent to give notice to the Covered Bondholders of such Series in accordance with Condition 14 (Notices), that such payment has been made;
- (m) if while any of the Covered Bonds remains outstanding payments by the Issuer shall become subject generally to the taxing jurisdiction of any territory or any authority or political sub-division therein or thereof having power to tax other than or in addition to the Tax Jurisdiction or any political sub-division thereof or by any authority therein or thereof having power to tax, unless the Bond Trustee otherwise agrees, the Issuer shall give to the Bond Trustee notice immediately upon becoming aware thereof and, as soon as practicable thereafter, an undertaking or covenant in form and substance and manner satisfactory to the Bond Trustee in terms corresponding to the relevant Condition 7 (Taxation) and not modify or amend the same without the prior consent in writing of the Bond Trustee; with the substitution for (or, as the case may be, addition to) the references therein to the Tax Jurisdiction or any political sub-division thereof or by any authority therein or thereof having power to tax of references to that other or additional territory or any authority or political sub-division therein or thereof having power to tax to whose taxing jurisdiction the Issuer shall have become subject as aforesaid and, where such undertaking or covenant is provided, references in Condition 5(b) (Redemption and Purchase - Redemption for Taxation Reasons) to the Tax Jurisdiction or any political sub-division thereof or by any authority therein or thereof having power to tax shall be deemed to be amended accordingly;
- (n) give or procure that there be given notice to the Covered Bondholders in accordance with the Conditions of any appointment (other than the initial appointment), resignation or removal of any Principal Paying Agent, any Registrar, Exchange Agent, Transfer Agent or other Paying Agent as shown on the Covered Bonds or so published in accordance with the Conditions as soon as practicable after having obtained the written approval of the Bond Trustee thereto (other than in relation to the assumption by Austraclear of paying agent duties in accordance with the Australian Agency Agreement in respect of the Australian Registered Covered Bonds) and in any event within 14 days after such event taking effect and within 30 days of notice received from the relevant Principal Paying Agent, relevant Registrar, Exchange Agent, Transfer Agents or other Paying Agent of a change in its specified office, give notice to the Bond Trustee and to the Covered Bondholders of such change provided always that so long as any of the Covered Bonds remains outstanding in the case of the termination of the appointment of the Calculation Agent, the Exchange Agent or any Registrar or so long as any of the Covered Bonds, Receipts or Coupons remains liable to prescription in the case of the termination of the appointment of any Principal Paying Agent no such termination shall take effect until a new Principal Paying Agent, Exchange Agent, Registrar or Calculation Agent (as the case may be) has been appointed on terms previously approved in writing by the Bond Trustee and notice of such appointment has been given to the Covered Bondholders in accordance with Condition 14 (Notices);

- (o) in order to enable the Bond Trustee to ascertain the Principal Amount Outstanding of Covered Bonds of each Series for the time being outstanding (other than for the purpose of ascertaining the amount of Covered Bonds of each Series for the time being outstanding for the purpose of the Programme Limit), deliver to the Bond Trustee forthwith after being so requested in writing by the Bond Trustee a certificate in writing signed by an Authorised Officer of the Issuer setting out the total numbers and Principal Amount Outstanding of the Covered Bonds of each Series which up to and including the date of such certificate are held by or for the account of or the benefit of the Issuer, any Subsidiary or holding company of the Issuer or any other Subsidiary of any such holding company, in each case held by them as beneficial owner, and the Principal Amount Outstanding of the Covered Bonds of each Series purchased which have been cancelled;
- (p) use all reasonable endeavours to procure that Euroclear and/or Clearstream, Luxembourg and/or Austraclear and/or DTC (as the case may be) issue(s) any record, certificate or other document requested by the Bond Trustee under Clause 17(ee) (Supplement to Trustee Acts) or otherwise as soon as practicable after such request;
- (q) notify or cause the Bond Trustee to be notified promptly upon the occurrence of a breach of the Asset Coverage Test or the Pre-Maturity Test or the Amortisation Test;
- (r) without prejudice to the provisions of Clause 2.1 (Amount of the Covered Bonds, Final Terms and Legal Opinions) hereof, procure the delivery of legal opinions addressed to the Bond Trustee dated the date of such delivery, in form and content acceptable to the Bond Trustee from the Issuer's or the Covered Bond Guarantor's counsel on the date of any amendment to this Bond Trust Deed; and
- (s) notify the Bond Trustee promptly of any change in the ratings assigned by the Designated Rating Agencies to the Covered Bonds or any Series of Covered Bonds.

15.2 The Covered Bond Guarantor hereby covenants with the Bond Trustee that, so long as any of the Covered Bonds remains outstanding, it will:

- (a) at all times maintain (i) a Covered Bond Paying Agent and Paying Agent in accordance with clauses 2.1 and 2.2 of the Principal Agency Agreement and (ii) an Exchange Agent in accordance with clause 2.5 of the Principal Agency Agreement;
- (b) upon becoming aware of such occurrence, give notice in writing to the Bond Trustee of the occurrence of any Covered Bond Guarantor Event of Default or Potential Covered Bond Guarantor Event of Default (as applicable) without waiting for the Bond Trustee to take any further action;
- (c) observe and comply with its obligations under the Agency Agreements, and use all reasonable endeavours to procure that the Paying Agents, the Registrars, the Exchange Agent and the Transfer Agents observe and comply with and perform all their respective obligations under the Agency Agreements and not modify or amend the same without the prior consent in writing of the Bondholders other than in accordance with the terms of these Trusts Presents;
- (d) send to the Bond Trustee, not less than 14 days prior to which any such notice is to be given by the Covered Bond Guarantor, for the Bond Trustee's prior approval (such approval not to be unreasonably withheld or delayed) a copy of the form of any notice to be given by the Covered Bond Guarantor to the Covered Bondholders in accordance with Condition 14 (Notices) and, upon publication, two copies of such notice, such notice being in the form

approved by the Bond Trustee (such approval not to be unreasonably withheld or delayed); and

- (e) in order to enable the Bond Trustee to ascertain the Principal Amount Outstanding of Covered Bonds of each Series for the time being outstanding (other than for the purpose of ascertaining the amount of Covered Bonds of each Series for the time being outstanding for the purpose of the Programme Limit), deliver to the Bond Trustee forthwith after being so requested in writing by the Bond Trustee a certificate in writing signed by an Authorised Officer of the Covered Bond Guarantor setting out the total numbers and Principal Amount Outstanding of the Covered Bonds of each Series which up to and including the date of such certificate are held by or for the account of or the benefit of the Covered Bond Guarantor, any Subsidiary or holding company of the Covered Bond Guarantor or any other Subsidiary of any such holding company, in each case held by them as beneficial owner, and the Principal Amount Outstanding of the Covered Bonds of each Series purchased which have been cancelled.

15.3 The Trust Manager hereby covenants with the Bond Trustee that, so long as any of the Covered Bonds remains outstanding, it will:

- (a) at all times keep proper books of account in relation to the Trust, and permit to the extent permitted by applicable law the Bond Trustee and any persons appointed by the Bond Trustee to whom the Issuer or the Covered Bond Guarantor shall have no reasonable objection free access to such books of account at all reasonable times during normal working hours provided that nothing in this paragraph shall oblige the Trust Manager to disclose confidential information concerning customers of the Issuer or the Covered Bond Guarantor or regarding any matters for which the Issuer or the Covered Bond Guarantor would be entitled to claim exemption from disclosure;
- (b) give or procure to be given to the Bond Trustee (within a time reasonable in the Bond Trustee's opinion) such opinions, certificates, information and evidence (including such opinions, certificates, information and evidence in relation to the Covered Bond Guarantor) as it shall reasonably require for the purpose of the discharge or exercise of the duties, powers, trusts, authorities and discretions vested in it under the Trust Presents or by operation of law provided always that the foregoing shall not oblige the Trust Manager to give any information non-disclosure of which is required by any applicable law;
- (c) provide the Bond Trustee with an electronic copy of the audited annual accounts for the Trust in respect of each financial year commencing with the financial year ending 30 September 2012 not later than 180 days after the end of each such financial year;
- (d) so far as permitted by law at all times execute all such further documents and do all such further acts and things as may be necessary at any time or times in the reasonable opinion of the Bond Trustee to give effect to the terms and conditions of the Trust Presents;
- (e) without prejudice to the provisions of Clause 2.1 (Amount of the Covered Bonds, Final Terms and Legal Opinions) hereof, procure the delivery of legal opinions addressed to the Bond Trustee dated the date of such delivery, in form and content acceptable to the Bond Trustee from the Issuer's or the Covered Bond Guarantor's counsel, as the case may be, on the date of any amendment to this Bond Trust Deed; and
- (f) send or procure to be sent to the Bond Trustee (a) within 14 days after demand by the Bond Trustee therefor and (b) (without the necessity for any such demand) within 14 days of publication of its audited annual accounts in respect of each financial year commencing with

the financial year ending 30 September 2011, a certificate signed by one Authorised Officer of the Trust Manager certifying that, to the best of its knowledge, information and belief, (A) during the period between the date as of which the last certificate was given (or, in case of the first such certificate, the date hereof) and the date as of which such certificate is given, the Trust Manager has complied with its obligations under the Trust Presents and the other Programme Documents or (if such is not the case) giving details of the circumstances of such non-compliance and (B) there did not exist as at a date not more than seven days prior to the date of delivery of the certificate, any Covered Bond Guarantor Event of Default or Potential Covered Bond Guarantor Event of Default or, if any Covered Bond Guarantor Event of Default or Potential Covered Bond Guarantor Event of Default exists, giving details of the same.

- 15.4 The validity of the obligations set out in this Clause 15 shall not be affected by the timing of any distribution of Available Revenue Receipts under the Pre-acceleration Revenue Allocations.

16. REMUNERATION AND INDEMNIFICATION OF BOND TRUSTEE

- 16.1 The Issuer and, (i) if the Issuer fails to pay any sum payable by it to the Bond Trustee or (ii) following an Issuer Event of Default and service of a Notice to Pay on the Covered Bond Guarantor (copied to the Trust Manager) or, if earlier, following a Covered Bond Guarantor Event of Default, the Covered Bond Guarantor, shall pay to the Bond Trustee, by way of remuneration for its services as Bond Trustee of the Trust Presents, such amount as shall be agreed from time to time by the Issuer and the Bond Trustee. Such remuneration shall accrue from day to day and be payable (in priority to payments to Covered Bondholders, Receiptholders and Couponholders and any other Secured Creditors) up to and including the date when, all the Covered Bonds having become due for redemption, the redemption monies and interest thereon to the date of redemption have been paid to the relevant Principal Paying Agent or the Bond Trustee provided that if upon due presentation of any Covered Bond, Receipt or Coupon or any cheque payment of the monies due in respect thereof is improperly withheld or refused, remuneration will be deemed not to have ceased to accrue and will continue to accrue until payment to such Covered Bondholder, Receiptholder or Couponholder is duly made.
- 16.2 In the event of the occurrence of an Issuer Event of Default, Covered Bond Guarantor Event of Default, Potential Issuer Event of Default or Potential Covered Bond Guarantor Event of Default, the Issuer hereby agrees that the Bond Trustee shall be entitled to be paid additional remuneration calculated at its normal hourly rates in force from time to time. In any other case, if the Bond Trustee considers it expedient or necessary or being requested by the Issuer or the Covered Bond Guarantor (as the case may be) to undertake duties which the Bond Trustee and the Issuer in the case of a request by the Issuer) or the Bond Trustee, the Covered Bond Guarantor and the Trust Manager (in the case of the Bond Trustee considering duties to be expedient or necessary or in the case of a request by the Covered Bond Guarantor) agree to be of an exceptional nature or otherwise outside the scope of the normal duties of the Bond Trustee under these Trust Presents, the Issuer or the Covered Bond Guarantor shall pay to the Bond Trustee such additional remuneration which will be calculated by reference to the Bond Trustee's normal hourly rates in force from time to time.
- 16.3 The Issuer and, (i) if the Issuer fails to pay any sum payable by it to the Bond Trustee or (ii) following an Issuer Event of Default and service of a Notice to Pay on the Covered Bond Guarantor (copied to the Trust Manager) or, if earlier, following a Covered Bond Guarantor Event of Default, the Covered Bond Guarantor shall in addition pay to the Bond Trustee an amount equal to the amount of any value added tax or other similar tax chargeable in respect of its remuneration under the Trust Presents subject to receipt of a proper value added tax (or other similar tax) invoice.

- 16.4 In the event of the Bond Trustee and (in the case of (a) and (b) below) the Issuer or (in the case of (b) below) the Covered Bond Guarantor or (in the case of (b) below) the Trust Manager failing to agree:
- (a) (in a case to which Clause 16.1 above (Remuneration and Indemnification of Bond Trustee) applies) upon the amount of the remuneration; or
 - (b) (in a case to which Clause 16.2 above (Remuneration and Indemnification of Bond Trustee) applies) upon whether such duties shall be of an exceptional nature or otherwise outside the scope of the normal duties of the Bond Trustee under the Trust Presents, or upon such additional remuneration,

such matters shall be determined by a financial institution or person (acting as an expert and not as an arbitrator) selected by the Bond Trustee and approved by the Issuer (or as the case may be, the Covered Bond Guarantor) or, failing such approval, nominated (on the application of the Bond Trustee) by the President for the time being of The Law Society of England and Wales (the expenses involved in such nomination and the fees of such financial institution or person being payable by the Issuer (or as the case may be, the Covered Bond Guarantor) and the determination of any such financial institution or person shall be final and binding upon the Bond Trustee, the Issuer, the Trust Manager and the Covered Bond Guarantor, as the case may be.

- 16.5 The Issuer and (i) if the Issuer fails to pay any sum payable by it to the Bond Trustee or (ii) following any Issuer Event of Default and service of a Notice to Pay on the Covered Bond Guarantor (copied to the Trust Manager) or, if earlier, following a Covered Bond Guarantor Event of Default, the Covered Bond Guarantor shall also on written request, pay or discharge all Liabilities properly incurred by the Bond Trustee in relation to the negotiation, preparation and execution of the Trust Presents and the exercise of its powers and the performance of its duties under, and in any other manner in relation to, these Trust Presents, including but not limited to travelling expenses and any stamp, issue, registration, documentary and other taxes or duties paid or payable by the Bond Trustee in connection with any action taken or contemplated by or on behalf of the Bond Trustee for enforcing, or resolving any doubt concerning, or for any other purpose in relation to, these Trust Presents.
- 16.6 Without prejudice to the right of indemnity by law given to trustees, each of the Issuer and the Covered Bond Guarantor shall indemnify the Bond Trustee and every Appointee and keep it or him indemnified against all Liabilities (other than Liability incurred by reason of any gross negligence, wilful default or fraud on the part of the Bond Trustee and every Appointee) to which the Bond Trustee and every such Appointee may be or become subject or which may be incurred by it or him in the preparation and execution or purported execution of any of its or his trusts, powers, authorities and discretions under the Trust Presents or its or his functions under any such appointment or in respect of any other matter or thing done or omitted in any way relating to the Trust Presents or any such appointment (including all Liabilities incurred in disputing or defending any of the foregoing).
- 16.7 All amounts due and payable pursuant to Clause 16.5 above (Remuneration and Indemnification of Bond Trustee) shall be payable on the date specified (which shall be a Business Day in London) on written demand by the Bond Trustee and in the case of payments actually made by the Bond Trustee prior to such demand shall carry interest at the rate of three per cent per annum above the cost of funding of the Bond Trustee from the date such demand is made and in all other cases shall (if not paid within 30 days after the date of such demand, or if such demand specifies that payment is to be made on an earlier date, on such earlier date) carry interest at such rate from such thirtieth day or such other date specified in such demand. All remuneration payable to the Bond Trustee shall carry interest at such rate from the due date therefor.

- 16.8 Each of the Issuer and the Covered Bond Guarantor hereby further undertakes to the Bond Trustee that all monies payable by the Issuer or, as the case may be, the Covered Bond Guarantor to the Bond Trustee under this Clause 16 shall be made without set-off, counterclaim, deduction or withholding unless compelled by law in which event the Issuer or, as the case may be, the Covered Bond Guarantor (acting at the direction of the Trust Manager) will pay such additional amounts as will result in the receipt by the Bond Trustee of the amounts which would otherwise have been payable by the Issuer or, as the case may be, the Covered Bond Guarantor to the Bond Trustee under this Clause in the absence of any such set-off, counterclaim, deduction or withholding.
- 16.9 Unless otherwise specifically stated in any discharge of the Trust Presents the provisions of this Clause 16 (Remuneration and Indemnification of Bond Trustee) shall continue in full force and effect notwithstanding such discharge.
- 16.10 The Bond Trustee shall be entitled in its absolute discretion to determine in respect of which Series of Covered Bonds any Liabilities incurred under the Trust Presents have been incurred or to allocate any such Liabilities between the Covered Bonds of any Series.
- 16.11 Notwithstanding any other provision of the Trust Presents, the parties hereto acknowledge and agree that all such remuneration and any other amount or sum payable to the Bond Trustee by the Covered Bond Guarantor hereunder (unless otherwise paid to the Bond Trustee at the direction of the Trust Manager shall be payable only in accordance with the applicable Cashflow Allocation Methodology.

17. SUPPLEMENT TO TRUSTEE ACTS

Section 1 of the Trustee Act 2000 shall not apply to the duties of the Bond Trustee in relation to the trusts constituted by the Trust Presents. Where there are any inconsistencies between the Trustee Acts and the provisions of the Trust Presents, the provisions of the Trust Presents shall, to the extent allowed by law, prevail and, in the case of any such inconsistency with the Trustee Act 2000, the provisions of the Trust Presents shall constitute a restriction or exclusion for the purposes of that Act. The Bond Trustee shall have all the powers conferred upon trustees by the Trustee Acts and by way of supplement thereto it is expressly declared as follows:

- (a) The Bond Trustee may in relation to the Trust Presents and the other Programme Documents rely and/or act on the advice or report or certificate or opinion of or any information obtained from any auditor, lawyer, valuer, accountant, surveyor, banker, professional adviser, broker, financial adviser, auctioneer or other expert whether obtained by the Issuer, the Covered Bond Guarantor, a Paying Agent, the Security Trustee, the Bond Trustee or otherwise and whether or not addressed to the Bond Trustee notwithstanding that such advice, certificate, report, opinion, information, or any engagement letter or any other document entered into by the Bond Trustee and the relevant person in connection therewith, contains any monetary or other limit on the liability of the relevant person and the Bond Trustee shall not be responsible for any Liability occasioned by so acting or relying.
- (b) Any such report, advice, opinion certificate, information, engagement letter or other document may be sent or obtained by letter, email or facsimile transmission and the Bond Trustee shall not be liable for acting on any advice, opinion or information purporting to be conveyed by any such letter, email or facsimile transmission although the same may contain some error or may not be authentic.
- (c) The Bond Trustee may call for and shall be at liberty to accept as sufficient evidence of any fact or matter or the expediency of any transaction or thing:

- (i) in the circumstances contemplated by Clauses 21.4 and 21.5, a certificate signed by two Authorised Officers of the Trust Manager; and
 - (ii) a certificate signed by one person who is either an Authorised Officer of the Issuer or of the Covered Bond Guarantor or of the Trust Manager and the Bond Trustee shall not be bound in any such case to call for further evidence or be responsible for any Liability that may be occasioned by it or any other person acting on such certificate.
- (d) The Bond Trustee shall be at liberty to hold the Trust Presents and any other documents relating thereto or to deposit them in any part of the world with any banker or banking company or company whose business includes undertaking the safe custody of documents or lawyer or firm of lawyers considered by the Bond Trustee to be of good repute and the Bond Trustee shall not be responsible for or required to insure against any Liability incurred in connection with any such holding or deposit and may pay all sums required to be paid on account of or in respect of any such deposit.
- (e) The Bond Trustee shall not be responsible for the receipt or application of the proceeds of the issue of any of the Covered Bonds by the Issuer, the exchange of any Global Covered Bond for another Global Covered Bond or Definitive Covered Bonds or the delivery of any Global Covered Bond or Definitive Covered Bonds to the person(s) entitled to it or them.
- (f) The Bond Trustee shall not be bound to give notice to any person of the execution of any documents comprised or referred to in the Trust Presents or to take any steps to ascertain whether any Issuer Event of Default, Potential Issuer Event of Default, Covered Bond Guarantor Event of Default or Potential Covered Bond Guarantor Event of Default or any breach of the Asset Coverage Test, Pre-Maturity Test or Amortisation Test has occurred and, until it shall have actual knowledge or express notice pursuant to the Trust Presents to the contrary, the Bond Trustee shall be entitled to assume that no Issuer Event of Default, Potential Issuer Event of Default, Covered Bond Guarantor Event of Default, Potential Covered Bond Guarantor Event of Default, breach of the Asset Coverage Test, Pre-Maturity Test or Amortisation Test has occurred and that any of the Issuer and the Covered Bond Guarantor and each of the other parties to the Programme Documents (other than the Bond Trustee) is observing and performing all its obligations under the Trust Presents and the other Programme Documents.
- (g) Save as expressly otherwise provided in the Trust Presents, the Bond Trustee shall have absolute and uncontrolled discretion as to the exercise or non-exercise of its trusts, powers, authorities and discretions under the Trust Presents (the exercise or non-exercise of which as between the Bond Trustee and the Covered Bondholders, the Receipholders and the Couponholders shall be conclusive and binding on the Covered Bondholders, the Receipholders and the Couponholders) and shall not be responsible for any Liability which may result from their exercise or non-exercise and in particular the Bond Trustee shall not be bound to act at the request or direction of the Covered Bondholders or otherwise under any provision of the Trust Presents or to take at such request or direction or otherwise any other action under any provision of the Trust Presents, without prejudice to the generality of Clause 10 (Proceedings, Action and Indemnification), unless it shall first be indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may render itself liable or which it may incur by so doing.
- (h) The Bond Trustee shall not be liable to any person by reason of having acted upon any Extraordinary Resolution in writing or any Extraordinary Resolution or other resolution purporting to have been passed at any meeting of Covered Bondholders of all or any Series

in respect whereof minutes have been made and signed or any direction or request of the Covered Bondholders of all or any Series even though subsequent to its acting it may be found that there was some defect in the constitution of the meeting or the passing of the resolution, (in the case of an Extraordinary Resolution in writing) that not all such Covered Bondholders had signed the Extraordinary Resolution or (in the case of a direction or request) it was not signed by the requisite number of Covered Bondholders or that for any reason the resolution, direction or request was not valid or binding upon such Covered Bondholders and the relative Receiptholders and Couponholders.

- (i) The Bond Trustee shall not be liable to any person by reason of having accepted as valid or not having rejected any Covered Bond, Receipt or Coupon purporting to be such and subsequently found to be forged or not authentic.
- (j) Any consent or approval given by the Bond Trustee for the purposes of the Trust Presents may be given on such terms and subject to such conditions (if any) as the Bond Trustee thinks fit and notwithstanding anything to the contrary in the Trust Presents may be given retrospectively.
- (k) The Bond Trustee shall not (unless and to the extent required to do so by law or ordered so to do by a court of competent jurisdiction) be required to disclose to any Covered Bondholder, Receiptholder, Couponholder or any other Secured Creditor any information (including, without limitation, information of a confidential, financial or price sensitive nature) made available to the Bond Trustee by the Issuer, the Covered Bond Guarantor or any other person in connection with the Trust Presents and no Covered Bondholder, Receiptholder, Couponholder or other Secured Creditor shall be entitled to take any action to obtain from the Bond Trustee any such information.
- (l) Where it is necessary or desirable for any purpose in connection with the Trust Presents to convert any sum from one currency to another it shall (unless otherwise provided by the Trust Presents or required by law) be converted at such rate or rates, in accordance with such method and as at such date for the determination of such rate of exchange, as may be agreed by the Bond Trustee in consultation with the Issuer or the Covered Bond Guarantor (acting at the direction of the Trust Manager), as the case may be and any rate, method and date so agreed shall be binding on the Issuer, the Covered Bond Guarantor, the Trust Manager, the Covered Bondholders, the Receiptholders and the Couponholders.
- (m) The Bond Trustee may certify whether or not any of the conditions, events and acts set out in Condition 9(a)(ii) or (vi) (Events of Default and Enforcement - Issuer Events of Default) and Condition 9(b)(ii) or (v) (Events of Default and Enforcement - Covered Bond Guarantor Events of Default) (each of which conditions, events and acts shall, unless in any case the Bond Trustee in its absolute discretion shall otherwise determine, for all the purposes of the Trust Presents be deemed to include the circumstances resulting therein and the consequences resulting there from) is in its opinion materially prejudicial to the interests of the Covered Bondholders of any Series and any such certificate shall be conclusive and binding upon the Issuer, the Covered Bond Guarantor, the Trust Manager, the Covered Bondholders, the Receiptholders and the Couponholders.
- (n) Other than in relation to a Series Reserved Matter, the Bond Trustee as between itself and the Covered Bondholders, the Receiptholders and the Couponholders may determine all questions and doubts arising in relation to any of the provisions of the Trust Presents. Every such determination, whether or not relating in whole or in part to the acts or proceedings of the Bond Trustee, shall be conclusive and shall bind the Bond Trustee and the Covered Bondholders, the Receiptholders and the Couponholders.

- (o) In connection with the exercise by it of any of its trusts, powers, authorities or discretions under the Trust Presents (including, without limitation, any modification, waiver, authorisation or determination), the Bond Trustee shall have regard to (i) the interests of the Covered Bondholders of each Series equally and of them as a whole and (ii) the interests of the Covered Bondholders of each Series as a separate class (but shall not have regard to any interests arising from circumstances particular to individual Covered Bondholders, Receiptholders or Couponholders whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Covered Bondholders, Receiptholders and Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Bond Trustee shall not be entitled to require, nor shall any Covered Bondholder, Receiptholder or Couponholder be entitled to claim, from the Issuer, the Covered Bond Guarantor, the Bond Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Covered Bondholders, Receiptholders and/or Couponholders, except to the extent already provided for in Condition 7 (Taxation) and/or in any undertaking or covenant given in addition thereto or in substitution therefor under the Trust Presents.
- (p) Any trustee of the trusts established under the Trust Presents being a lawyer, accountant, broker or other person engaged in any profession or business shall be entitled to charge and be paid all usual and proper professional and other charges for business transacted and acts done by him or his firm in connection with the trusts of the Trust Presents or any other of the Programme Documents to which the Bond Trustee is a party and also his properly incurred charges in addition to disbursements for all other work and business done and all time spent by such person or any relevant firm in connection with matters arising in connection with the Trust Presents including without limitation any matters which might or should have been attended to in person by a trustee not being a lawyer, accountant, banker or other professional person.
- (q) The Bond Trustee may whenever it thinks fit, and after giving prior written notice to the Issuer, delegate by power of attorney or otherwise to any person or persons or fluctuating body of persons (whether being a joint trustee of the Trust Presents or not) all or any of its trusts, powers, authorities and discretions under the Trust Presents. Such delegation may be made upon such terms (including power to sub-delegate) and subject to such conditions and regulations as the Bond Trustee may in the interests of the Covered Bondholders think fit. Provided the Bond Trustee has exercised reasonable care in the selection of any such delegate, the Bond Trustee shall not be under any obligation to supervise the proceedings or acts of any such delegate or sub-delegate or be in any way responsible for any Liability incurred by reason of any misconduct or default on the part of any such delegate or sub-delegate. The Bond Trustee shall within a reasonable time after any such delegation or any renewal, extension or termination thereof give notice thereof to the Issuer.
- (r) The Bond Trustee may in the conduct of the trusts established under the Trust Presents instead of acting personally employ and pay an agent (whether being a lawyer or other professional person) to transact or conduct, or concur in transacting or conducting, any business and to do, or concur in doing, all acts required to be done in connection with the Trust Presents (including the receipt and payment of money). Provided the Bond Trustee has exercised reasonable care in the selection of any such agent, the Bond Trustee shall not be in any way responsible for any Liability incurred by reason of any misconduct or default on the part of any such agent or be bound to supervise the proceedings or acts of any such agent.

- (s) The Bond Trustee shall not be responsible to any person for failing to request, require or receive any legal opinion relating to the Covered Bonds or for checking or commenting upon the content of any such legal opinion and shall not be responsible for any Liability incurred thereby.
- (t) The Bond Trustee shall not be responsible for the execution, delivery, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence of the Trust Presents and the Programme Documents or any other document relating or expressed to be supplemental thereto and shall not be liable for any failure to obtain any licence, consent or other authority for the execution, delivery, legality, effectiveness, adequacy, genuineness, validity, performance, enforceability or admissibility in evidence of the Trust Presents and the Programme Documents or any other document relating or expressed to be supplemental thereto.
- (u) The Bond Trustee shall not be bound to take any action in connection with the Trust Presents or any obligations arising pursuant thereto, including, without prejudice to the generality of the foregoing, forming any opinion or employing any financial adviser, where it is not reasonably satisfied that the Issuer and/or the Covered Bond Guarantor will be able to indemnify it against all Liabilities which may be incurred in connection with such action and may demand prior to taking any such action that there be paid to it in advance such sums as it reasonably considers (without prejudice to any further demand) shall be sufficient so to indemnify it and on such demand being made the Issuer (and following an Issuer Event of Default and the service of an Issuer Acceleration Notice on the Issuer (copied to the Covered Bond Guarantor) and a Notice to Pay on the Covered Bond Guarantor (copied to the Trust Manager) or, if earlier, following a Covered Bond Guarantor Event of Default and the service of a Covered Bond Guarantee Acceleration Notice on the Issuer and the Covered Bond Guarantor (copied to the Trust Manager and the Security Trustee), the Covered Bond Guarantor) shall be obliged to make payment of all such sums in full.
- (v) No provision of the Trust Presents shall require the Bond Trustee to do anything which may (i) be illegal or contrary to applicable law or regulation or (ii) cause it to expend or risk its own funds or otherwise incur any Liability in the performance of any of its duties or in the exercise of any of its rights, powers or discretions, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or Liability is not assured to it.
- (w) The Bond Trustee may, after giving prior notice to the Issuer, appoint and pay any person to act as a custodian or nominee on any terms in relation to such assets of the trusts constituted by the Trust Presents as the Bond Trustee may determine, including for the purpose of depositing with a custodian the Trust Presents or any document relating to the trusts constituted by the Trust Presents. Provided the Bond Trustee exercised reasonable care in the selection of such custodian or nominee, the Bond Trustee shall not be responsible for any Liability incurred by reason of the misconduct, omission or default on the part of any such person appointed by it hereunder or be bound to supervise the proceedings or acts of such person. The Bond Trustee is not obliged to appoint a custodian if the Bond Trustee invests in securities payable to bearer.
- (x) Any corporation into which the Bond Trustee shall be merged or with which it shall be consolidated or any company resulting from any such merger or consolidation and any corporation to which the Bond Trustee shall sell or otherwise transfer all or substantially all of its assets or any corporation to which the Bond Trustee shall sell or otherwise transfer all or substantially all of its corporate trust business shall be a party hereto and shall be the

Bond Trustee under the Trust Presents without executing or filing any paper or document or any further act on the part of the parties thereto.

- (y) Unless notified to the contrary, the Bond Trustee shall be entitled to assume without enquiry that no Covered Bonds are held by, for the benefit of, or on behalf of, the Issuer, the Covered Bond Guarantor, any Subsidiary of any of them or any holding company of any of them or any other Subsidiary of any such holding company, in each case as beneficial owner.
- (z) The Bond Trustee shall have no responsibility whatsoever to the Issuer, the Covered Bond Guarantor, any Covered Bondholder, Receiptholder or Couponholder or any other person for the maintenance of or failure to maintain any rating of any of the Covered Bonds by any Designated Rating Agency.
- (aa) The Bond Trustee shall not be responsible for, or for investigating any matter which is the subject of, any recital, statement, representation, warranty or covenant of any person contained in the Trust Presents, or any other agreement or document relating to the transactions contemplated in the Trust Presents or under such other agreement or document.
- (bb) The Bond Trustee shall not be liable or responsible for any Liabilities or inconvenience which may result from anything done or omitted to be done by it in accordance with the provisions of the Trust Presents.
- (cc) The Bond Trustee will not be responsible for any loss, expense or liability, which may be suffered as a result of any Purchased Receivable or Related Security, or any deeds or documents of title thereto, being uninsured or inadequately insured or being held by clearing organisations or their operators or by intermediaries such as banks, brokers or other similar persons on behalf of the Bond Trustee. The Bond Trustee will not be responsible for: (i) 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 will be entitled to assume, until they each have received written notice to the contrary, that all such persons are properly performing their duties; (ii) considering the basis on which approvals or consents are granted by the Issuer or any other party to the Programme Documents under the Programme Documents; (iii) monitoring the Purchased Receivables, including, without limitation, whether the Assets of the Trust are in compliance with the Asset Coverage Test or the Amortisation Test and whether the Issuer is in compliance with the Pre-Maturity Test; or (iv) monitoring whether a Purchased Receivable is a Qualifying Receivable. The Bond Trustee will not be liable to any Covered Bondholder or other Secured Creditor for any failure to make or to cause to be made on their behalf the searches, investigations and enquiries which would normally be made by a prudent chargee in relation to the Charge and have no responsibility in relation to the legality, validity, sufficiency and enforceability of the Charge and the Programme Documents.
- (dd) Where under the Programme Documents, the Bond Trustee is required to consider whether any event or the exercise by it of any of its powers, authorities or discretions is or will be materially prejudicial to the interests of the Covered Bondholders of one or more Series, the Bond Trustee shall be entitled to call for and rely and act upon the advice or opinion of any reputable financial or other adviser (whether or not such financial adviser shall be a Secured Creditor or otherwise party to any Programme Document) and if relied upon by the Bond Trustee shall be binding on the Covered Bondholders, Couponholders and Receiptholders of all Series and neither the Bond Trustee will not incur any Liability by reason of so acting or relying.

- (ee) The Bond Trustee may call for and shall rely on any records, certificate or other document of or to be issued by Euroclear or Clearstream, Luxembourg in relation to any determination of the principal amount of Covered Bonds represented by a NGCB. Any such records, certificate or other document shall be conclusive and binding for all purposes. The Bond Trustee shall not be liable to any person by reason of having accepted as valid or not having rejected any such records, certificate or other document to such effect purporting to be issued by Euroclear or Clearstream, Luxembourg and subsequently found to be forged or not authentic.
- (ff) The Bond Trustee shall not be bound to take any step or action in connection with this Bond Trust Deed or the Covered Bonds or obligations arising pursuant thereto, including, without prejudice to the generality of the foregoing, forming an opinion or employing any financial adviser, where it is not reasonably satisfied that it is indemnified and/or secured and/or prefunded against all its liabilities and costs incurred in connection with such step or action and may demand prior to taking any such step or action that there be paid to it in advance such sums as it reasonably considers (without prejudice to any further demand) shall be sufficient so to indemnify, secure or prefund it.
- (gg) In exercising or performing any of its discretions, rights, powers, trusts or duties under or in relation to the Trust Presents or any other Programme Document (including, without limitation, any consent, approval, modification, waiver, authorisation or determination referred to in Clauses 20 (Waiver, Authorisation and Determination) and 21 (Modification)), the Bond Trustee may have regard to and rely, without liability on any Rating Agency Notification and whether or not any such notice is addressed to, or provides that it may be relied on by, the Bond Trustee and irrespective of the method by which such confirmation is conveyed.

In the event that the Bond Trustee is:

- (i) requested by the Security Trustee, or
- (ii) required by the Covered Bondholders,

to provide the Security Trustee with instructions, the Bond Trustee shall do so (save where expressly provided otherwise):

- (iii) in the case of paragraph (i) above only, in its absolute discretion subject to and in accordance with the Trust Presents; or
- (iv) in the case of both paragraph (i) and (ii) above, if so requested in writing by the holders of not less than 25 per cent. in aggregate of the Principal Amount Outstanding of the Covered Bonds then outstanding (with the Covered Bonds of all Series taken together as a single Series and, if the nominal amount of the Covered Bonds is not denominated in Australian Dollars, converted into Australian Dollars at the relevant Swap Rate) or directed by an Extraordinary Resolution of the holders of the Covered Bonds then outstanding (with the Covered Bonds of all Series taken together as a single Series and, if the nominal amount of the Covered Bonds is not denominated in Australian dollars, converted into Australian dollars at the relevant Swap Rate),

subject in each case to the Bond Trustee being indemnified and/or secured and/or prefunded to its satisfaction prior to 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 shall have no obligation to monitor the performance of the Security Trustee and shall have no liability to any person for the performance or non-performance of the Security Trustee and in no circumstance will the Bond Trustee be required to indemnify, secure or prefund the Security Trustee.

If, in connection with the exercise of its powers, trusts, authorities or discretions 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 shall 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 discretion 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.

- (hh) Notwithstanding any provision of the Trust Presents or any other Programme Document, the Bond Trustee shall have no responsibility for the adequacy or sufficiency of, or any deterioration in the value, of the Purchased Receivables or a Purchased Receivable and its Related Security comprised in the Purchased Receivables, neither shall it be obliged to monitor the performance of a Purchased Receivable and its Related Security or be responsible for monitoring whether or not the best price has been achieved for the sale of a Purchased Receivable (including a Selected Receivable) and the Related Security (and any other related rights under the same) by or on behalf of the Covered Bond Guarantor or otherwise pursuant to the Programme Documents or whether or not any such sale has been effected on terms commercially available in the market or effected in a timely manner. The Bond Trustee shall not be liable to any Transaction Party or Secured Creditor, including the Covered Bondholders, or any other person for any loss occasioned thereby.
- (ii) The Bond Trustee shall be entitled to rely on any certificate as to any matter certified therein given by a person reasonably believed by the Bond Trustee to have the requisite knowledge to give the same.
- (jj) When determining, pursuant to any Programme Document, whether a circumstance is materially prejudicial to the interests of the Covered Bondholders for the purpose of Clause 16.1 of the Servicing Agreement or Clause 7.6 of the Supplemental Deed, the Bond Trustee may obtain such directions from Covered Bondholders and/or expert advice as it considers appropriate and rely thereon, without any responsibility for delay occasioned by so doing.
- (kk) When determining, whether to direct the Security Trustee to terminate the appointment of the Asset Monitor pursuant to Clause 5.4 of the Asset Monitor Agreement the Bond Trustee may obtain such directions from Covered Bondholders and/or expert advice as it considers appropriate and rely thereon, without any responsibility for delay occasioned by so doing.
- (ll) None of the Servicer, the Asset Monitor or the Calculation Manager is the agent of the Bond Trustee and the Bond Trustee has no obligation to assume the role or responsibilities of the Servicer, the Asset Monitor or the Calculation Manager or to take any action to find a replacement Service, Asset Monitor or Calculation Manager and shall in no circumstances be bound to provide any kind of indemnity, prefunding or security to any Servicer, Substitute Servicer, any Calculation Manager or Substitute Calculation Manager or any Asset Monitor or Substitute Asset Monitor.
- (mm) Notwithstanding any other provision of any Programme Document, any references in the Trust Presents or in any other Programme Document to the Bond Trustee directing or

instructing the Security Trustee are taken to be references to the Bond Trustee providing such directions or instructions in accordance with the terms of the Trust Presents and in doing so the Bond Trustee will have the benefit of any protections set out herein.

- (nn) The Bond Trustee shall be under no obligation to monitor or supervise the functions of any other person under the Covered Bonds or Coupons, Programme Document or other agreement or document relating to the transactions herein or therein contemplated, and shall be entitled, in the absence of actual knowledge of breach of obligation, to assume that each such person is properly performing and complying with the obligations.

18. BOND TRUSTEE'S LIABILITY

Subject to Section 750 of the Companies Act 2006 (if applicable) and notwithstanding anything to the contrary in the Trust Presents, the Conditions or the Programme Documents, the Bond Trustee shall not be liable to any person for any matter or thing done or omitted in any way in connection with or in relation to the Trust Presents, the Conditions or the Programme Documents save in relation to its own gross negligence, wilful default or fraud.

19. BOND TRUSTEE CONTRACTING WITH THE ISSUER AND THE COVERED BOND GUARANTOR

Neither the Bond Trustee nor any director or officer or holding company, Subsidiary or associated company of a corporation acting as a trustee under the Trust Presents shall by reason of its or his fiduciary position be in any way precluded from:

- (a) entering into or being interested in any contract or financial or other transaction or arrangement with the Issuer or the Covered Bond Guarantor or any of their respective Subsidiaries and affiliates (including without limitation any contract, transaction or arrangement of a banking or insurance nature or any contract, transaction or arrangement in relation to the making of loans or the provision of financial facilities or financial advice to, or the purchase, placing or underwriting of or the subscribing or procuring subscriptions for or otherwise acquiring, holding or dealing with, or acting as paying agent in respect of, the Covered Bonds or any other covered bonds, bonds, stocks, shares, debenture stock, debentures or other securities of, the Issuer, the Covered Bond Guarantor or any of their respective Subsidiaries or affiliates); or
- (b) accepting or holding the trusteeship of any other trust deed constituting or securing any other securities issued by or guaranteed by, or relating to the Issuer or the Covered Bond Guarantor or any of their respective Subsidiaries or affiliates, or any other office of profit under the Issuer or the Covered Bond Guarantor or any of their respective Subsidiaries or affiliates,

and shall be entitled to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such contract, transaction or arrangement as is referred to in Clause 19(a) above or, as the case may be, any such trusteeship or office of profit as is referred to in this Clause 19(b) above without regard to the interests of, or consequences for the Covered Bondholders, Receiptholders or Couponholders and notwithstanding that the same may be contrary or prejudicial to the interests of the Covered Bondholders and shall not be responsible for any Liability occasioned to the Covered Bondholders, Receiptholders or Couponholders or any other person thereby and shall be entitled to retain and shall not be in any way liable to account for any profit made or share of brokerage or commission or remuneration or other amount or benefit received thereby or in connection therewith.

Where any holding company, Subsidiary or associated company of the Bond Trustee or any director or officer of the Bond Trustee acting other than in his capacity as such a director or officer has any information, the Bond Trustee shall not thereby be deemed also to have knowledge of such information and, unless it shall have actual knowledge of such information, shall not be responsible for any loss suffered by Covered Bondholders resulting from the Bond Trustee's failing to take such information into account in acting or refraining from acting under or in relation to the Trust Presents.

20. WAIVER, AUTHORISATION AND DETERMINATION

- 20.1 The Bond Trustee may without the consent of any of the Covered Bondholders of any Series, the related Receipholders and/or Couponholders or any other Secured Creditor and without prejudice to its rights in respect of any subsequent breach, Issuer Event of Default, Potential Issuer Event of Default, Covered Bond Guarantor Event of Default or Potential Covered Bond Guarantor Event of Default from time to time and at any time but only if and insofar as in its opinion the interests of the Covered Bondholders of any Series shall not be materially prejudiced thereby, waive or authorise or direct the Security Trustee to waive or authorise any breach or proposed breach by the Issuer and/or the Covered Bond Guarantor or any other person of any of the covenants or provisions contained in the Trust Presents or 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 shall not be treated as such for the purposes of the Trust Presents provided that the Bond Trustee shall not exercise any powers conferred on it by this Clause 20 (Waiver, Authorisation and Determination) in contravention of any express direction given by Extraordinary Resolution or by a request under Condition 9 (Events of Default and Enforcement) but so that no such direction or request shall 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, shall be binding on the Covered Bondholders, the related Receipholders and/or the Couponholders and, if, but only if, the Bond Trustee will so require by writing to the Issuer, shall be notified by the Issuer or the Covered Bond Guarantor (at the direction of the Trust Manager) to the Covered Bondholders in accordance with Condition 14 (Notices) as soon as practicable thereafter.
- 20.2 Subject as provided below, the Bond Trustee shall 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 Trust Presents or 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 shall not be treated as such for the purposes of the Trust Presents if it is: (i) in the case of any such waiver or authorisation, (a) so directed by Extraordinary Resolution of the Covered Bondholders of the relevant one or more Series with the Covered Bonds of all such Series taken together as a single Series (as determined in accordance with the provisions of paragraph 22 of Schedule 4 and, if applicable, converted into Australian Dollars at the relevant Swap Rate) or (b) requested to do so in writing by the holders of not less than 25 per cent. of the Principal Amount Outstanding of the Covered Bonds of the relevant one or more Series (with the Covered Bonds of all such Series taken together as a single Series as determined in accordance with paragraph 22 of Schedule 4 and, if applicable, converted into Australian Dollars at the relevant Swap Rate) or (ii), in the case of any such determination, (a) so directed by an Extraordinary Resolution (of the Covered Bondholders of all Series then outstanding with the Covered Bonds of all Series as a single Series and, if applicable, converted into Australian Dollars at the relevant Swap Rate) or (b) requested to do so in writing by the holders of not less than 25 per cent. of the Principal Amount Outstanding of the Covered Bonds then outstanding (with the Covered Bonds of all Series taken together as a single Series and, if applicable, converted into Australian Dollars as aforesaid), and at all times then only if it shall be indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing.

21. MODIFICATION

21.1 Subject to Clause 21.2 (Modification) the Bond Trustee may, (and in the case of any modification contemplated by Clause 21.1(c) the Bond Trustee must) without the consent or sanction of any of the Covered Bondholders of any Series, the related Receiptholders and/or the Couponholders and without the consent or sanction of the other Secured Creditors (other than any Secured Creditors who is party to the relevant document) at any time and from time to time concur with the Issuer, the Covered Bond Guarantor (acting at the direction of the Trust Manager) and any other party, and/or direct the Security Trustee to concur with the Issuer, the Covered Bond Guarantor (acting at the direction of the Trust Manager) or any other party in making:

- (a) any modification (other than in relation to a Series Reserved Matter) to the Covered Bonds of one or more Series, the related Receipts and/or Coupons or any Programme Document provided that in the opinion of the Bond Trustee such modification is not materially prejudicial to the interests of the Covered Bondholders of any Series; or
- (b) any modification to the Covered Bonds of any one or more Series, the related Receipts and/or Coupons or any Programme Document which is, in the opinion of the Bond Trustee, of a formal, minor or technical nature or is in the opinion of the Bond Trustee made to correct a manifest error or error proven as such to the satisfaction of the Bond Trustee or to comply with mandatory provisions of law (and for this purpose the Bond Trustee may disregard whether any such modification relates to a Series Reserved Matter); or
- (c) any modification contemplated by Clause 21.4 and/or Clause 21.5

Any such modification may be made on such terms and subject to such conditions (if any) as the Bond Trustee may determine, shall be binding upon the Covered Bondholders of all Series of Covered Bonds for the time being outstanding, the related Receiptholders and/or the Couponholders and, unless the Bond Trustee otherwise agrees, shall be notified by the Issuer or the Trust Manager (as the case may be) to the Covered Bondholders in accordance with Condition 14 (Notices) and in each case to the Designated Rating Agencies as soon as practicable thereafter.

21.2 Subject to Clause 21.3, the Bond Trustee shall be bound to concur with the Issuer and the Covered Bond Guarantor (acting at the direction of the Trust Manager) and any other party in making any of the above-mentioned modifications and/or direct the Security Trustee to make any of the above mentioned modifications if it is (a) so directed by an Extraordinary Resolution of the Covered Bondholders of the relevant one or more Series with the Covered Bonds of all such Series taken together as a single Series (as determined in accordance with the provisions of paragraph 22 of Schedule 4 and, if applicable, converted into Australian Dollars at the relevant Swap Rate) or (b) requested to do so in writing by Covered Bondholders holding not less than 25 per cent. of the Principal Amount Outstanding of the Covered Bonds of the relevant one or more Series (with the Covered Bonds of all such Series taken together as a single Series as determined in accordance with the provisions of paragraph 22 of Schedule 4 and, if applicable, converted into Australian Dollars at the relevant Swap Rate) then outstanding and at all times then only if it shall first be indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing.

21.3 Notwithstanding any of Clauses 21.1, 21.2, 21.4 and 21.5 the Bond Trustee shall not be obliged to agree to any modification which, in the sole opinion of the Bond Trustee would have the effect of (a) exposing the Bond Trustee to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction or (b) increasing the obligations or duties, or decreasing the protections, of the Bond Trustee in the Programme Documents and/or the Conditions.

- 21.4 Notwithstanding any other provisions of any Programme Document but subject to Clause 21.3 and without prejudice to clause 22 of the Security Trust Deed, the Bond Trustee shall be obliged to concur in and to effect any modifications to the Covered Bonds of one or more Series, the related Receipts and/or Coupons or to any of the Programme Documents that are requested by the Trust Manager:
- (a) if such modifications are certified by two Authorised Officers of the Trust Manager to be:
 - (i) required in order that a Programme Document comply with the ratings criteria of each Designated Rating Agency
 - (ii) made to comply with provisions of law or regulation or a directive applicable to the Covered Bond Guarantor, the Security Trustee, the Trust Manager or the Seller (in any capacity) provided that (other than where the provisions of the relevant law or the directive is mandatory including anything arising out of the proposed APRA Prudential Standard 121) a Rating Agency Notification is given; or
 - (iii) made to comply with the requirements of a Designated Rating Agency in order to prevent the occurrence of an Adverse Rating Effect;
 - (b) to the Representations and Warranties that are requested by the Covered Bond Guarantor or the Trust Manager in order that new types of Receivable may be purchased by the Covered Bond Guarantor;
 - (c) to accommodate the accession of a new Servicer, new Swap Provider, new Asset Monitor or new Agent to the Programme provided that:
 - (i) each of the Swap Providers provide written confirmation to 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 Bond Trustee in writing that such modifications are required in order to accommodate the addition of the new Servicer, new Swap Provider, new Bond Trustee, new Asset Monitor or new Agent to the Programme; and
 - (iii) all other conditions precedent to the accession of the new Servicer, new Swap Provider, new Asset Monitor or new Agent to the Programme set out in the Programme Documents have been satisfied at the time of the accession.
- 21.5 Subject to Clause 21.3, the Bond Trustee will be obliged to concur in and to effect any modifications to the Covered Bonds of one or more Series, the related Receipts and/or Coupons or the Programme Documents that are requested by the Trust Manager to enable N Covered Bonds to be issued under the Programme subject to receipt by the Bond Trustee and the Security Trustee of: a certificate signed by two Authorised Officers of the Trust Manager certifying to the Bond Trustee (i) that the requested amendments are to be made solely for the purpose of the issuance of N Covered Bonds and (ii) that it has issued a Rating Agency Notification in respect of the requested amendments and that the Trust Manager is satisfied that the requested amendments are unlikely to result in an Adverse Rating Effect.
- 21.6 The prior consent of the Bond Trustee will not be required and will not be obtained in relation to the accession of any new Servicer, new Swap Provider, new Asset Monitor, new Bond Trustee or new

Agent to the Programme provided that the relevant conditions precedent in the Programme Documents are satisfied at the time of the intended accession.

- 21.7 Without prejudice to the other provisions of these Trust Presents, clause 22.7 of the Security Trust Deed is incorporated in and will apply, *mutatis mutandis*, to these Trust Presents (and for that purpose references in that Clause to "the Trustee" will be construed as references to the Covered Bond Guarantor).

22. SUBSTITUTION

- 22.1 The Bond Trustee may without the consent or sanction of the Covered Bondholders, Receiptholders or Couponholders at any time agree with the Issuer to the substitution in place of the Issuer (or of the previous substitute under this Clause 22.1 (Substitution)) as the principal debtor under the Covered Bonds, Receipts, Coupons and the Trust Presents of any Subsidiary of the Issuer (such substituted company being hereinafter called the **New Company**) provided that a trust deed is executed or some other form of undertaking is given by the New Company in form and manner satisfactory to the Bond Trustee, agreeing to be bound by the provisions of the Trust Presents with any consequential amendments which the Bond Trustee may deem appropriate as fully as if the New Company had been named in the Trust Presents as the principal debtor in place of the Issuer (or of the previous substitute under this Clause 22.1 (Substitution)).

- 22.2 The following further conditions shall apply to Clause 22.1 (Substitution) above:

- (a) the Issuer and the New Company shall comply with such other requirements as the Bond Trustee may direct in the interests of the Covered Bondholders;
- (b) where the New Company is incorporated, domiciled or resident in, or subject generally to the taxing jurisdiction of, a territory other than or in addition to any Tax Jurisdiction, undertakings or covenants shall be given by the New Company in terms corresponding to the provisions of Condition 7 (Taxation) with the substitution for (or, as the case may be, the addition to) the references to the Tax Jurisdiction of references to that other or additional territory in which the New Company is incorporated, domiciled or resident or to whose taxing jurisdiction it is subject and (where applicable) Condition 5(b) (Redemption and Purchase - Redemption for Taxation Reasons) shall be modified, in form and manner satisfactory to the Bond Trustee, accordingly;
- (c) without prejudice to the rights of reliance of the Bond Trustee under the immediately following paragraph (d), the Bond Trustee is satisfied that the relevant transaction is not materially prejudicial to the interests of the Covered Bondholders;
- (d) if two directors of the New Company (or other officers acceptable to the Bond Trustee) shall certify that the New Company 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 upon absolutely without liability to any person) the Bond Trustee shall not be under any duty to have regard to the financial condition, profits or prospects of the New Company or to compare the same with those of the Issuer or the previous substitute under this Clause 22.1 (Substitution) as applicable;
- (e) the Issuer and the New Company shall execute such documents and carry out all other acts as the Bond Trustee may require in order that such substitution be effective;

- (f) the Covered Bond Guarantee shall remain in place or be modified to apply *mutatis mutandis* and shall constitute in full force and effect in relation to the obligations of any New Company;
- (g) confirmations are received by the Bond Trustee from each of the Designated Rating Agencies confirming that the substitution will not adversely affect the rating of the Covered Bonds;
- (h) the Issuer and the Trust Manager, shall 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 New Company in form and substance satisfactory to the Bond Trustee; and
- (i) no Issuer Event of Default or Covered Bond Guarantor Event of Default shall occur as a result of such substitution and the Issuer has certified such in writing to the Bond Trustee.

Any such trust deed or undertaking shall, if so expressed, operate to release the Issuer or the previous substitute as aforesaid from all of its obligations as principal debtor under the Trust Presents. Not later than 14 days after the execution of such documents and compliance with such requirements, the New Company shall give notice thereof in a form previously approved by the Bond Trustee to the Covered Bondholders in the manner provided in Condition 14 (Notices). Upon the execution of such documents and compliance with such requirements, the New Company shall be deemed to be named in the Trust Presents as the principal debtor in place of the Issuer (or in place of the previous substitute under this Clause 22.1 (Substitution)) under the Trust Presents and the Trust Presents shall be deemed to be modified in such manner as shall be necessary to give effect to the above provisions and, without limitation, references in the Trust Presents to the Issuer shall, unless the context otherwise requires, be deemed to be or include references to the New Company.

22.3 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 shall, if requested by the Issuer, be obliged, without the consent of the Covered Bondholders, the Receiptholders or the Couponholders, at any time to agree with the Issuer to the substitution in place of the Issuer (or of the previous substitute under this Clause 22.3 (Substitution)) as the principal debtor under the Trust Presents of any other company (the **Substituted Debtor**) being the entity with and into which the Issuer amalgamates or the entity to which all or substantially all of the business and assets of the Issuer is transferred or succeeded to pursuant to such scheme of amalgamation or reconstruction (whether by operation of law or otherwise) provided that:

- (a) a supplemental trust deed is executed or some other form of undertaking is given by the Substituted Debtor in form and manner satisfactory to the Bond Trustee, agreeing to be bound by the provisions of the Trust Presents with any consequential amendments which the Bond Trustee may deem appropriate as fully as if the Substituted Debtor had been named in the Trust Presents as the principal debtor in place of the Issuer (or of the previous substitute under this Clause 22.3 (Substitution));
- (b) the Substituted Debtor acquires or succeeds to pursuant to such scheme of amalgamation or reconstruction all or substantially all of the assets and business of the Issuer;
- (c) 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 any Tax Jurisdiction, undertakings or covenants are given by the Substituted Debtor in terms corresponding to the

provisions of Condition 7 (Taxation) with the substitution for (or, as the case may be, the addition to) the references to the Tax Jurisdiction of references to that other or additional territory in which the Substituted Debtor is incorporated, domiciled or resident or to whose taxing jurisdiction it is subject and (where applicable) Condition 5(b) (Redemption and Purchase - Redemption for Taxation Reasons) shall be modified accordingly;

- (d) two directors of the Substituted Debtor (or other officers acceptable to the Bond Trustee) certify that the Substituted Debtor is solvent both at the time at which the relevant transaction is proposed to be effected and immediately thereafter (which certificate the Bond Trustee may rely on absolutely without liability to any person);
- (e) the Covered Bond Guarantee shall remain in place or be modified to apply *mutatis mutandis* and shall constitute in full force and effect in relation to the obligations of any Substituted Debtor;
- (f) confirmations are received by the Bond Trustee from each of the Designated Rating Agencies confirming that the substitution will not adversely affect the rating of the Covered Bonds;
- (g) the Issuer and the Trust Manager, shall 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;
- (h) no Issuer Event of Default or Covered Bond Guarantor Event of Default shall occur as a result of such substitution and the Issuer has certified such in writing to the Bond Trustee; and
- (i) the Issuer or the Substituted Debtor shall indemnify the Covered Bondholders against any tax, assessment or governmental charge required to be withheld or deducted from any payment to the Covered Bondholders as a consequence of such substitution.

Any such supplemental trust deed or undertaking shall, if so expressed, operate to release the Issuer or the previous substitute as aforesaid from all of its obligations as principal debtor under the Trust Presents. Not later than 14 days after the execution of such documents and compliance with such requirements, the Substituted Debtor shall give notice thereof in a form previously approved by the Bond Trustee to the Covered Bondholders in the manner provided in Condition 14 (Notices). Upon the execution of such documents and compliance with such requirements, the Substituted Debtor shall be deemed to be named in the Trust Presents as the principal debtor in place of the Issuer (or in place of the previous substitute under this Clause 22.3 (Substitution)) under the Trust Presents and the Trust Presents shall be deemed to be modified in such manner as shall be necessary to give effect to the above provisions and, without limitation, references in the Trust Presents to the Issuer shall, unless the context otherwise requires, be deemed to be or include references to the Substituted Debtor.

22.4 To the extent that:

- (a) a confirmation or affirmation of rating or other response by a Designated Rating Agency in relation to the rating of the Covered Bonds is required pursuant to these Trust Presents and/or any other Programme Document; and
- (b) the Trust Manager has delivered to the Covered Bond Guarantor (copied to the Seller, the Bond Trustee and each Designated Rating Agency) written confirmation that it has notified

the Designated Rating Agencies of the action or step and that the Trust Manager is satisfied, following discussions with the Designated Rating Agencies, that the action or step, as applicable, will not result in a reduction, qualification or withdrawal of the ratings then assigned by the Designated Rating Agencies and the Designated Rating Agency does not consider such confirmation necessary,

the parties to the Programme Documents shall be entitled to assume that the then current rating of the Covered Bonds from that Designated Rating Agency will not be downgraded or withdrawn by such Designated Rating Agency as a result of such action or step.

23. BREACH

Any breach of or failure to comply by the Issuer and/or the Covered Bond Guarantor with any such terms and conditions as are referred to in Clauses 20 (Waiver, Authorisation and Determination) or 21 (Modification) or 22 (Substitution) shall constitute a default by the Issuer or the Covered Bond Guarantor in the performance or observance of a covenant or provision binding on it under or pursuant to the Trust Presents.

24. HOLDER OF BEARER DEFINITIVE COVERED BOND ASSUMED TO BE RECEIPTHOLDER AND COUPONHOLDER

Wherever in the Trust Presents the Bond Trustee is required or entitled to exercise a power, trust, authority or discretion under the Trust Presents, except as ordered by a court of competent jurisdiction or as required by applicable law, the Bond Trustee shall, notwithstanding that it may have express notice to the contrary, assume that each holder of a Bearer Definitive Covered Bond is the holder of all Receipts and Coupons appertaining to such Bearer Definitive Covered Bond.

25. NO NOTICE TO RECEIPTHOLDERS OR COUPONHOLDERS

None of the Bond Trustee, the Issuer, the Trust Manager or the Covered Bond Guarantor shall be required to give any notice to the Receiptholders or Couponholders for any purpose under the Trust Presents and the Receiptholders or Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Covered Bonds in accordance with Condition 14 (Notices).

26. EXCHANGE RATE INDEMNITY

- 26.1 If a judgment or order is rendered by a court of any particular jurisdiction for the payment of any amounts owing to the Bond Trustee or the Covered Bondholders, Receiptholders or Couponholders under the Trust Presents, the Covered Bonds, the Receipts or the Coupons, or under a judgment or order of a court of any other jurisdiction in respect thereof or for the payment of damages in respect of either thereof, and any such judgment or order is expressed in a currency (the **Judgment Currency**) other than the currency of the relevant Covered Bonds (the **Contractual Currency**), the Issuer and the Covered Bond Guarantor shall indemnify and hold the Bond Trustee and the Covered Bondholders and Couponholders harmless against any deficiency arising or resulting from any variation in rates of exchange between the Judgment Currency and the Contractual Currency occurring between: (a) the date on which any amount expressed in the Contractual Currency is converted, for the purposes of making or filing any claim resulting in any such judgment or order, into an equivalent amount in the Judgment Currency; and (b) the date or dates of payment of such amount (or part thereof), or of discharge of such first-mentioned judgment or order (or part thereof), as appropriate.

- 26.2 The above indemnities shall constitute separate and independent obligations of the Issuer and the Covered Bond Guarantor from their other obligations under the Trust Presents, shall give rise to separate and independent causes of action, shall apply irrespective of any indulgence granted by the Bond Trustee or the Covered Bondholders, Receiptholders or Couponholders from time to time and shall continue in full force and effect notwithstanding any judgment. Any such deficiency as aforesaid shall be deemed to constitute a loss suffered by the Bond Trustee and the Covered Bondholders, Receiptholders and Couponholders, and no proof or evidence of any actual loss shall be required by the Issuer, the Covered Bond Guarantor or its or their liquidator(s).
- 26.3 In the case of Clause 26.1 above, if (upon such payment or discharge as is therein referred to) the Covered Bondholders, Receiptholders or Couponholders would on conversion to the Contractual Currency receive an amount in excess of the sum due in the Contractual Currency, the Covered Bondholders or, as the case may be, the Receiptholders or Couponholders shall hold such excess to the order of the Issuer or the Covered Bond Guarantor, as the case may be.

27. NEW BOND TRUSTEE

A new bond trustee of the Trust Presents, subject to Clause 29 (Bond Trustee's Retirement and Removal), may only be appointed by the Issuer and the Covered Bond Guarantor (acting at the direction of the Trust Manager) jointly but no person shall be appointed who shall not previously have been approved by an Extraordinary Resolution of the Covered Bondholders of all Series taken together as a single Series. One or more persons may hold office as bond trustee or bond trustees of the Trust Presents but such bond trustee or bond trustees shall be or include a Trust Corporation. Whenever there shall be more than two bond trustees of the Trust Presents the majority of such bond trustees shall be competent to execute and exercise all the duties, powers, trusts, authorities and discretions vested in the Bond Trustee by the Trust Presents PROVIDED THAT a Trust Corporation shall be included in such majority. Any appointment of a new bond trustee of the Trust Presents shall as soon as practicable thereafter be notified by the Issuer to the Designated Rating Agencies, the Covered Bond Paying Agent, the Covered Bond Guarantor, the Australian Paying Agent, the Registrars, the Security Trustee and the Covered Bondholders in accordance with Condition 14 (Notices).

28. SEPARATE AND CO-TRUSTEES

Notwithstanding the provisions of Clause 27 (New Bond Trustee) above, the Bond Trustee may, upon giving reasonable prior written notice to the Issuer, the Covered Bond Guarantor and the Trust Manager (but without the consent of the Issuer, the Covered Bond Guarantor, the Trust Manager, the Covered Bondholders, Receiptholders or Couponholders), appoint any person established or resident in any jurisdiction (whether a Trust Corporation or not) to act either as a separate bond trustee or as a co-bond trustee jointly with the Bond Trustee:

- (a) if the Bond Trustee considers such appointment to be in the interests of the Covered Bondholders;
- (b) for the purposes of conforming to any legal requirements, restrictions or conditions in any jurisdiction in which any particular act or acts is or are to be performed; or
- (c) for the purposes of obtaining a judgment in any jurisdiction or the enforcement in any jurisdiction of either a judgment already obtained or any of the provisions of the Trust Presents against the Issuer or the Covered Bond Guarantor.

Each of the Issuer and the Covered Bond Guarantor irrevocably appoints the Bond Trustee to be its attorney in its name and on its behalf to execute any such instrument of appointment. Such a person

shall (subject always to the provisions of the Trust Presents) have such trusts, powers, authorities and discretions (not exceeding those conferred on the Bond Trustee by the Trust Presents) and such duties and obligations as shall be conferred or imposed by the instrument of appointment. The Bond Trustee shall have power in like manner to remove any such person. Such remuneration as the Bond Trustee may pay to any such person, together with any attributable Liabilities incurred by it in performing its function as such separate bond trustee or co-bond trustee, shall for the purposes of the Trust Presents be treated as Liabilities incurred by the Bond Trustee.

29. BOND TRUSTEE'S RETIREMENT AND REMOVAL

A bond trustee of the Trust Presents may retire at any time on giving not less than three months' prior written notice to the Issuer, the Trust Manager, the Covered Bond Guarantor and the Security Trustee without giving any reason and without being responsible for any Liabilities incurred by reason of such retirement. The Covered Bondholders may by Extraordinary Resolution of the Covered Bondholders of all Series taken together as a single Series remove any bond trustee or bond trustees for the time being of the Trust Presents. Each of the Issuer and the Trust Manager undertakes that in the event of the only bond trustee of the Trust Presents which is a Trust Corporation giving notice under this Clause 29 (Bond Trustee's Retirement and Removal) or being removed by Extraordinary Resolution it will use all reasonable endeavours to procure that a new bond trustee of the Trust Presents being a Trust Corporation is appointed by the Covered Bondholders in accordance with Clause 27 (New Bond Trustee) as soon as reasonably practicable thereafter. The retirement or removal of any such bond trustee shall not become effective until a successor bond trustee being a Trust Corporation is appointed. If, in such circumstances, no appointment of such new bond trustee has become effective within 60 days of the date of such notice or Extraordinary Resolution, the Bond Trustee shall be entitled to appoint a Trust Corporation as bond trustee of the Trust Presents, but no such appointment shall take effect unless previously approved by an Extraordinary Resolution.

30. BOND TRUSTEE'S POWERS TO BE ADDITIONAL

The powers conferred upon the Bond Trustee by the Trust Presents shall be in addition to any powers which may from time to time be vested in the Bond Trustee by the general law or as a holder of any of the Covered Bonds, Receipts or Coupons.

31. NOTICES

Any notice approval, request, certificate, consent, recommendation, direction or other communication or demand to the Issuer, the Covered Bond Guarantor, the Trust Manager or the Bond Trustee to be given, made or served for any purposes under the Trust Presents shall be given, made or served by sending the same by pre-paid post (first class if inland, first class airmail if overseas) or facsimile transmission or by delivering it by hand as follows:

to the Issuer :	Australia and New Zealand Banking Group Limited ANZ Centre Melbourne Level 9, 833 Collins Street Docklands Victoria 3008 Australia
Attention:	Head of Group Funding
Facsimile No.:	+61 3 8654 9933
to the Covered Bond Guarantor :	Perpetual Corporate Trust Limited as trustee of the ANZ Residential Covered Bond Trust

Level 12, 123 Pitt Street, Sydney
New South Wales 2000,
Australia

Attention: Manager, Transaction Management Trust and Fund
Services

Facsimile No.: +61 2 8256 1424

to the **Bond Trustee:** DB Trustees (Hong Kong) Limited
Level 52 International Commerce Centre
1 Austin Road West,
Kowloon
Hong Kong

Attention: Managing Director
Facsimile No.: +852 2203 7320 / 7323

to the **Trust Manager:** ANZ Capel Court Limited
Manager, Transaction Management Trust and Fund
Services

Level 10, 100 Queen Street
Melbourne VIC 3000
Australia

Attention: Manager, DCM Services
Facsimile No.: +61 3 8542 5283

or to such other address or facsimile number as shall have been notified (in accordance with this Clause 31 (Notices)) to the other parties hereto and any notice, approval, request, certificate, consent, recommendation, direction, demand or other communication sent by post as aforesaid shall be deemed to have been given, made or served three days in the case of inland post or seven days in the case of overseas post after despatch and any notice, approval, request, certificate, consent, recommendation, direction, demand or other communication sent by facsimile transmission as aforesaid shall be deemed to have been given, made or served 24 hours after the time of despatch provided that in the case of a notice, approval, request, certificate, consent, recommendation, direction, demand or other communication given by facsimile transmission such notice or demand shall forthwith be confirmed by post. The failure of the addressee to receive such confirmation shall not invalidate the relevant notice or demand given by facsimile transmission.

32. LIMITED RECOURSE

32.1 Limited recourse on the Covered Bond Guarantor's liability

The Covered Bond Guarantor enters into these Trust Presents only in its capacity as trustee of the Trust and in no other capacity. A liability arising under or in connection with these Trust Presents is limited to and can be enforced against the Covered Bond Guarantor only to the extent to which it can be satisfied out of the Assets of the relevant Trust out of which the Covered Bond Guarantor is actually indemnified for the liability. This limitation of the Covered Bond Guarantor's liability applies despite any other provision of these Trust Presents (other than Clause 32.3) and extends to all liabilities and obligations of the Covered Bond Guarantor in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to these Trust Presents.

32.2 Claims against the Covered Bond Guarantor

The parties other than the Covered Bond Guarantor (including any Secured Creditor) may not sue the Covered Bond Guarantor in any capacity other than trustee of the Assets of that Trust, including seeking the appointment of a receiver (except in relation to the Assets of that Trust), or a liquidator, an administrator or any similar person to the Covered Bond Guarantor or prove in any liquidation, administration or arrangements of or affecting the Covered Bond Guarantor (except in relation to the Asset of that Trust).

32.3 Breach of trust

The provisions of this Clause 32 limiting the Covered Bond Guarantor's liability will not apply to any obligation or liability of the Covered Bond Guarantor to the extent that it is not satisfied because under these Trust Presents or by operation of law there is a reduction in the extent of the Covered Bond Guarantor's indemnification out of the Assets of that Trust, as a result of the Covered Bond Guarantor's fraud, gross negligence or wilful default.

32.4 Acts or omissions

It is acknowledged that the Relevant Parties are responsible under the Trust Presents and the other Programme Documents in relation to a Trust for performing a variety of obligations relating to the Trust. No act or omission of the Covered Bond Guarantor (including any related failure to satisfy its obligations or breach of representation or warranty under the Trust Presents) will be considered fraud, gross negligence or wilful default of the Covered Bond Guarantor for the purpose of Clause 32.3 if and to the extent the act or omission was caused or contributed to by any failure by any Relevant Party or any other person appointed by the Covered Bond Guarantor under any Programme Document (other than a person whose acts or omission the Covered Bond Guarantor is liable for in accordance with any Programme Document) to fulfil its obligations relating to the Trust or by any other act or omission of any Relevant Party or any other such person regardless of whether or not the act or omission is purported to be done on behalf of the Covered Bond Guarantor.

32.5 No obligation

- (a) No attorney, agent, receiver or receiver and manager appointed in accordance with the Trust Presents or any other Programme Document has authority to act on behalf of the Covered Bond Guarantor in a way that exposes the Covered Bond Guarantor to any personal liability, and no act or omission of any such person will be considered fraud, gross negligence or wilful default of the Covered Bond Guarantor for the purpose of Clause 32.3.
- (b) The Covered Bond Guarantor is not obliged to do anything or refrain from doing anything under or in connection with these Trust Presents (including incur a liability) unless the Covered Bond Guarantor's liability is limited in the same manner as set out in this Clause 32.

33. LIMITATION OF LIABILITY OF THE TRUST MANAGER

Neither the Trust Manager nor any of its directors, officers, employees, agents, attorneys or Related Entities is responsible or liable to any person:

- (a) because any person does not perform its obligations under the Programme Documents;
- (b) for the financial condition of any person;
- (c) because any statement, representation or warranty in a Programme Document given by a person is incorrect or misleading;

- (d) for the effectiveness, genuineness, validity, enforceability, admissibility in evidence or sufficiency of the Programme Documents or any document signed or delivered in connection with the Programme Documents;
- (e) for acting or not acting in accordance with the Bond Trustee's directions; or
- (f) for anything done or not done in accordance with the Programme Documents,

except to the extent that the act or omission results from the fraud, negligence or wilful misconduct by the Trust Manager or a wilful breach by it of its obligations under the Programme Documents

34. GOVERNING LAW

Save for Conditions which are governed by a law other than English law, the Trust Presents and any non-contractual obligations arising out of or in connection with them shall be governed by, and shall be construed in accordance with, English law.

35. SUBMISSION TO JURISDICTION

- (a) Each party to this Bond Trust Deed hereby irrevocably submits to the exclusive jurisdiction of the English courts in any action or proceeding arising out of or relating to this Bond Trust Deed (including a dispute relating to any non-contractual obligations arising out of or in connection with this Bond Trust Deed), and hereby irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined by such courts. Each party to this Bond Trust Deed hereby irrevocably waives, to the fullest extent it may possibly do so, any defence or claim that the English courts are an inconvenient forum for the maintenance or hearing of such action or proceeding. The Bond Trustee, the Covered Bondholders, the Receiptholders and the Couponholders may take any suit, action or proceeding arising out of or in connection with this Bond Trust Deed (including any proceedings relating to any non-contractual obligations arising out of or in connection with this Bond Trust Deed) against the Issuer or the Covered Bond Guarantor in any other court of competent jurisdiction and concurrent proceedings in any number of jurisdictions.
- (b) Each of the Issuer, the Covered Bond Guarantor, the Trust Manager and the Bond Trustee irrevocably and unconditionally appoints:
 - (i) in the case of the Issuer, the London branch of Australia and New Zealand Banking Group Limited, 40 Bank Street, London E14 5EJ, United Kingdom;
 - (ii) in the case of the Covered Bond Guarantor, the London branch of Australia and New Zealand Banking Group Limited, 40 Bank Street, London E14 5EJ, United Kingdom;
 - (iii) in the case of the Trust Manager, the London branch of Australia and New Zealand Banking Group Limited, 40 Bank Street, London E14 5EJ, United Kingdom; and
 - (iv) in the case of the Bond Trustee, Deutsche Bank AG, London Branch, Winchester House, 1 Great Winchester Street, London EC2N 2DB,

in each case, for the time being and in the event of its ceasing so to act will appoint such other person as the Bond Trustee (or, in the case of the Bond Trustee, the Issuer) may approve and as the relevant party may nominate in writing to the Bond Trustee (or, in the case of the Bond Trustee, the Issuer) for the purpose of accepting service of process on its behalf in England in respect of any proceedings.

- (c) Each of the Issuer, the Covered Bond Guarantor, the Trust Manager and the Bond Trustee:

- (i) agrees to procure that, so long as any of the Covered Bonds issued by it remains liable to prescription, there shall be in force an appointment of such a person approved by the Bond Trustee (or, in the case of the Bond Trustee, the Issuer) with an office in London with authority to accept service as aforesaid;
- (ii) agrees that a failure by any such person to give notice of such service or process to the Issuer shall not impair the validity of such service or of any judgment based thereon;
- (iii) consents to the service of process in respect of any proceedings in accordance with Clause 31 (Notices); and
- (iv) agrees that nothing in the Trust Presents shall affect the right to serve process in any other manner permitted by law.

36. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

A person who is not a party to the Trust Presents has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Trust Presents.

37. COUNTERPARTS

This Bond Trust Deed and any trust deed supplemental hereto may be executed and delivered in any number of counterparts (manually or by facsimile), all of which, taken together, shall constitute one and the same deed and any party to this Bond Trust Deed or any trust deed supplemental hereto may enter into the same by executing and delivering a counterpart.

IN WITNESS whereof this Bond Trust Deed has been executed as a deed by each of the parties hereto and delivered on the date first stated on page 1.

SCHEDULE 1

TERMS AND CONDITIONS OF THE COVERED BONDS

The following are the Terms and Conditions of the Covered Bonds which will apply to each Global Covered Bond (as defined below) and each Definitive Covered Bond. The Terms and Conditions of the Covered Bonds will be incorporated by reference into each Registered Global Covered Bond and each Definitive Covered Bond, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the Relevant Dealer(s) at the time of issue but, if not so permitted and agreed, such Definitive Covered Bond will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms in relation to any Tranche of Covered Bonds may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Covered Bonds. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Covered Bond and Definitive Covered Bond. The following Terms and Conditions, together with applicable Final Terms (or relevant provisions thereof), will also apply in accordance with the Deed Poll to each Australian Registered Covered Bond. The Terms and Conditions and Final Terms applicable to Australian Registered Covered Bonds are not endorsed on or evidenced by any physical covered bond or document of title and are not recorded in the Australian Register.

This Covered Bond is one of a Series (as defined below) of Covered Bonds issued by Australia and New Zealand Banking Group Limited, whether acting through its head office or a branch, as specified in the relevant Final Terms (the **Issuer**) constituted, other than in the case of an Australian Registered Covered Bond, by a bond trust deed (such trust deed as modified and/or supplemented and/or restated from time to time, the **Bond Trust Deed**) dated 14 November 2011 (the **Programme Date**) made between, among others, the Issuer, Perpetual Corporate Trust Limited (as trustee of the ANZ Residential Covered Bond Trust) as covered bond guarantor (the **Covered Bond Guarantor**) and DB Trustees (Hong Kong) Limited as bond trustee (in such capacity, the **Bond Trustee**, which expression shall include any successor as Bond Trustee) and in the case of an Australian Registered Covered Bond pursuant to a deed poll made by the Issuer and dated the 14 November 2011 (the **Deed Poll**).

Save as provided for in Conditions 9 (*Events of Default and Enforcement*) and 11 (*Meetings of Covered Bondholders, Modification, Waiver and Substitution*), references herein to the **Covered Bonds** shall be references to the Covered Bonds of this Series and shall mean:

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

The Covered Bonds (other than the Australian Registered Covered Bonds), the Receipts (as defined below) 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 the Programme Date and made between, among others, the Issuer, the Covered Bond Guarantor, the Bond Trustee and Deutsche Bank AG, Hong Kong Branch as issuing and covered bond paying agent and agent bank (in such capacity, the **Covered Bond Paying Agent**, which expression shall include any successor covered bond paying agent and together with the Australian Paying Agent (as defined below) the **Principal Paying Agents**) and the other paying agents appointed pursuant to the Principal Agency Agreement (together with the Principal Paying Agents, the **Paying Agents**, which expression shall include any additional or successor paying agents), Deutsche Bank AG, Hong Kong Branch as exchange agent (in such capacity, the **Exchange Agent**, which expression shall include any additional or successor exchange agent) and as transfer agent (in such capacity, the **Transfer Agent**) and Deutsche Bank Luxembourg S.A. as Luxembourg registrar (in such capacity, the **Luxembourg Registrar**, which expression shall include any successor registrar and together with the Australian Registrar (as defined below), the **Registrars** and together with the Paying Agents, the Exchange Agent and the Transfer Agent, the **Agents**, which expression shall include any additional or successor agents).

Australian Registered Covered Bonds also have the benefit of an Australian ASX Austraclear registry and IPA Services agreement (such registry and agency agreement as amended and/or supplemented and/or restated from time to time, the **Australian Agency Agreement** and, together with the Principal Agency Agreement, the **Agency Agreements**) dated the Programme Date and made between the Issuer, the Covered Bond Guarantor, the Security Trustee, the Bond Trustee, the Trust Manager and Austraclear Services Limited as Australian registrar (the **Australian Registrar**). Prior to service of a Notice to Pay, the Issuer shall act as Australian paying agent (in respect of Australian Registered Covered Bonds) (the **Australian Paying Agent**) and following service of a Notice to Pay, the Covered Bond Guarantor shall effect the relevant payments specified to Covered Bondholders in accordance with the Australian Agency Agreement, and shall act as Australian Paying Agent if requested to do so by the Bond Trust Deed (in respect of Australian Registered Covered Bonds). For the avoidance of doubt, the obligations of the Australian Paying Agent set out in these Terms and Conditions will be carried out by the Covered Bond Guarantor, following the service of a Notice to Pay.

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

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 herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Bearer Definitive Covered Bonds repayable in instalments have receipts (**Receipts**) for the payment of the instalments of principal (other than the final instalment) attached on issue. Registered Covered Bonds (which include Registered Global Covered Bonds and/or Registered Definitive Covered Bonds as the case may be) and Global Covered Bonds do not have Receipts, Coupons or Talons attached on issue. Australian Registered Covered Bonds will be issued in dematerialised registered form only by inscription in the register maintained by the Australian Registrar (**Australian Register**) and no Receipts, Coupons or Talons or any certificates or other evidence of title will be issued in respect of Australian Registered Covered Bonds.

The Final Terms for this Covered Bond (or the relevant provisions thereof) is (except in relation to an Australian Registered Covered Bond) entered in the Register or attached to or endorsed on this Covered Bond. The Final Terms for an Australian Registered Covered Bond apply in respect of that Australian Registered Covered Bond in accordance with the Deed Poll and the Bond Trust Deed. The Final Terms in relation to a Covered Bond supplement these terms and conditions (the **Conditions**) 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 to the Final Terms (or the relevant provisions thereof) entered in the Register, or the Australian Register, as applicable or attached to or endorsed on this Covered Bond or (in the case of Australian Registered Covered Bonds) delivered by the Issuer to the Bond Trustee in accordance with the Bond Trust Deed. All persons from time to time entitled to the benefit of obligations under any Australian Registered Covered Bond are deemed to have notice of, and shall be bound by, all the Conditions, as replaced or modified by the applicable Final Terms.

The Bond Trustee acts as trustee in accordance with the provisions of the Bond Trust Deed (and in the case of the Australian Registered Covered Bonds, the provisions of the Deed Poll) for the holders for the time being of the Covered Bonds (the **Covered Bondholders**, which expression shall, in relation to any Covered Bonds represented by a Global Covered Bond, be construed as provided below), the holders of the Receipts (the **Receiptholders**) and the holders of the Coupons (the **Couponholders**, which expression shall, unless the context otherwise requires, include 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 herein, **Tranche** means Covered Bonds which are identical in all respects (including as to listing or admission to trading, if applicable) and **Series** means a Tranche of Covered Bonds together with any further Tranche or Tranches of Covered Bonds which are: (i) expressed to be consolidated and form a single series; and (ii) identical in all respects (including as to listing or admission to trading, if applicable) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

The Covered Bond Guarantor has, in the Bond Trust Deed, irrevocably and unconditionally guaranteed the prompt performance by the Issuer of its obligations to pay the Guaranteed Amounts in respect of the Covered Bonds as and when the same shall become due for payment on certain dates in accordance with the Bond Trust Deed (**Due for Payment**), but only after the occurrence of (A) an Issuer Event of Default and service by the Bond Trustee of (i) an Issuer Acceleration Notice on the Issuer (copied to the Covered Bond Guarantor), and (ii) a Notice to Pay on the Covered Bond Guarantor (copied to the Trust Manager), and/or (B) a Covered Bond Guarantor Event of Default and service by the Bond Trustee of a Covered Bond Guarantee Acceleration Notice on each of the Issuer and the Covered Bond Guarantor.

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 deed of charge governed by the laws of State of Victoria, Australia (such document as amended and/or supplemented and/or restated from time to time, the **Deed of Charge**) dated the Programme Date and made between the Covered Bond Guarantor, the Bond Trustee, P.T. Limited (the **Security Trustee**) and ANZ Capel Court Limited ABN 30 004 768 807 (the **Trust Manager**) and a security trust deed between the same parties and governed by the laws of State of Victoria, Australia (such document as amended and/or supplemented and/or restated from time to time, the **Security Trust Deed**). These Conditions include summaries of, and are subject to, the provisions of the Bond Trust Deed, the Security Trust Deed, the Deed of Charge and the Agency Agreements (as applicable).

Copies of the Bond Trust Deed, the Security Trust Deed, the Definitions Schedule (as defined below), the Agency Agreements and each of the other Programme Documents are available for inspection during normal business hours at the specified office of the Covered Bond Paying Agent and the Luxembourg Registrar. 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 Covered Bond Paying Agent. A copy of the Deed Poll in relation to the Australian Registered Covered Bonds is obtainable during normal business hours at the specified office of the Australian Paying Agent. Any Covered Bondholder must produce evidence satisfactory to the Issuer and the Bond Trustee or, as the case may be, the relevant Paying Agent or Registrar as to its holding of Covered Bonds and identity. The Covered Bondholders, the Receiptholders 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 Deed of Charge, the Definitions Schedule, the relevant Agency Agreement, the Deed Poll (in the case of Australian

Registered Covered Bonds) and each of the other Programme Documents and the applicable Final Terms which are applicable to them and to have notice of each set of Final Terms relating to each other Series.

Except where the context otherwise requires, capitalised terms used and not otherwise defined in these Conditions shall bear the meanings given to them in the Bond Trust Deed, the applicable Final Terms and/or the Issuer's covered bond trust definitions schedule made between the parties to the Programme Documents dated 31 October 2011 (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 as described above. In the event of inconsistency between the Bond Trust Deed and the Definitions Schedule, the Bond Trust Deed will prevail and in the event of inconsistency between the Bond Trust Deed and the applicable Final Terms, the applicable Final Terms will prevail, provided in relation to Australian Registered Covered Bonds that in the event of any inconsistency between the Bond Trust Deed and the Deed Poll, the Deed Poll will prevail and in the event of any inconsistency between the Deed Poll 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 and vice versa.

This Covered Bond may be a Fixed Rate Covered Bond, a Floating Rate Covered Bond, a Zero Coupon Covered Bond, an Index Linked Interest Covered Bond, a Dual Currency Interest Covered Bond or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms, and subject, in each case, to confirmation from the Designated Rating Agencies that the then current ratings of any outstanding Series of Covered Bonds will not be adversely affected by the issuance of this Covered Bond.

This Covered Bond may be an Index Linked Redemption Covered Bond, an Instalment Covered Bond, a Dual Currency Redemption Covered Bond, a Partly Paid Covered Bond or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Final Terms and subject, in each case, to confirmation from the Designated Rating Agencies that the then current rating of any outstanding Series of Covered Bonds will not be adversely affected by the issuance of this Covered Bond.

Bearer Definitive Covered Bonds are issued with Coupons attached, unless they are Zero Coupon Covered Bonds in which case references to Coupons and Couponholders in these Conditions are not applicable.

Bearer Definitive Covered Bonds are issued with Receipts, unless they are not Instalment Covered Bonds in which case references to Receipts and Receiptholders in these Conditions are not applicable.

Australian Registered Covered Bonds are issued in uncertificated registered form and take the form of entries in a register maintained by the Australian Registrar. Each entry in the Registrar in respect of an Australian Registered Covered Bond constitutes a separate and individual acknowledgement to the relevant Covered Bondholder of the indebtedness of the Issuer to the relevant Covered Bondholder. Australian Registered Covered Bonds will not be serially numbered.

Subject as set out below, title to the Bearer Covered Bonds, Receipts and Coupons will pass by delivery and title to the Registered Covered Bonds and Australian Registered Covered Bonds will pass upon registration of transfers in the relevant Registrar in accordance with the provisions of the relevant Agency Agreements. The Issuer, the Covered Bond Guarantor, the Paying Agents, the Registrars, the Exchange Agent, the Transfer Agent, the Security Trustee and the Bond Trustee will (except as ordered by a court of competent jurisdiction or as required by law) deem and treat the bearer of any Bearer Covered Bond, Receipt, Coupon or Talon and the registered holder of any Registered Definitive Covered Bond, Registered Global Covered Bond or Australian Registered Covered Bond as the absolute owner thereof (whether or not 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 is represented by a Global Covered Bond held on behalf of, or, as the case may be, registered in the name of a common depositary (in the case of a CGCB) or common safekeeper (in the case of a NGCB) for Euroclear Bank SA./NV (**Euroclear**) and/or Clearstream Banking, société anonyme (**Clearstream, Luxembourg**) or the Depository Trust Company (**DTC**) each person (other than Euroclear or Clearstream, Luxembourg or DTC) who is for the time being shown in the records of Euroclear or 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 or Clearstream, Luxembourg as to the nominal amount of such Covered Bonds standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error and any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including, without limitation, Euroclear's EUCLID or Clearstream's Cedcom system) in accordance with its usual procedures and in which the holder of a particular nominal amount of the Covered Bonds is clearly identified with the amount of such holding) shall be treated by the Issuer, the Covered Bond Guarantor, the Paying Agents 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 shall 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 shall be construed accordingly.

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

For so long as any of the Australian Registered Covered Bonds are lodged in the clearance and settlement system (**Austraclear**) operated by Austraclear Ltd ABN 94 002 060 773 (**Austraclear Ltd**), in accordance with the regulations and related operating procedures of Austraclear (the **Austraclear Regulations**) each person (other than Austraclear Ltd) who is for the time being shown in the records of Austraclear Ltd as the holder of such Covered Bonds subject to rectification for fraud or error or by a court of a competent jurisdiction or as required by applicable law or regulations) be treated by the Issuer, the Covered Bond Guarantor and the Bond Trustee and the Security Trustee as the holder of such Covered Bonds for all purposes and the expression Covered Bondholder and related expressions will be construed accordingly. Australian Registered Covered Bonds lodged in Austraclear will be transferable only in accordance with the Austraclear Regulations.

References to Euroclear and/or Clearstream, Luxembourg, Austraclear and/or DTC shall, whenever the context so permits (but not in the case of any NGCB), be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or as may otherwise be approved by the Issuer, the relevant Principal Paying Agent and the Bond Trustee.

2. Transfers of Registered Covered Bonds

(a) *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 Euroclear or Clearstream, Luxembourg or DTC, 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. A beneficial interest in a Registered Global Covered Bond may, subject to compliance with all applicable legal and regulatory restrictions, be transferred to a person exchangeable of 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 Euroclear or Clearstream, Luxembourg or DTC, as the case may be, and in accordance with the terms and conditions specified in the relevant Agency Agreement. Transfers of a Registered Global Covered Bond registered in the name of DTC or its nominee shall 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.

(b) *Transfers of Registered Covered Bonds in definitive form*

Subject as provided in Conditions 2(c), (f), and (i) below, upon the terms and subject to the conditions set forth in the relevant Agency Agreement, a Registered Covered Bond in definitive form 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 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 Transfer Agent; and (ii) the relevant Registrar or, as the case may be, the Transfer Agent must, after due and careful enquiry, 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 5 to the Principal Agency Agreement). Subject as provided above, the relevant Registrar or, as the case may be, the 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 Transfer Agent is located) 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, a new Registered Covered Bond in definitive form of a like aggregate nominal amount to the Registered Covered Bond (or the relevant part of the Registered Covered Bond) transferred. In the case of the transfer of part only of a Registered Covered Bond in definitive form, a new Registered Covered Bond in definitive form in respect of the balance of the Registered 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 by the transferor.

(c) *Transfers of Australian Registered Covered Bonds*

Transfers of Australian Registered Covered Bonds will be effected in accordance with the rules and procedures of Austraclear Regulations and the Australian Agency Agreement.

Where Austraclear Ltd is recorded in the relevant Australian Register as the holder of an Australian Registered Covered Bond, each person in whose Security Record (as defined in the rules and procedures of Austraclear Regulations) an Australian Registered Covered Bond is recorded is deemed to acknowledge in favour of the Australian Registrar, the Issuer and Austraclear Ltd that:

- (i) the Australian Registrar's decision to act as the registrar of that Australian Registered Covered Bond is not a recommendation or endorsement by the Australian Registrar or Austraclear Ltd in relation to that Australian Registered Covered Bond, but only indicates that the Australian Registrar considers that the holding of the Australian Registered Covered Bonds is compatible with the performance by it of its obligations as Australian Registrar under the Australian Agency Agreement; and
- (ii) the holder of the Australian Registered Covered Bond does not rely on any fact, matter or circumstance contrary to paragraph (i).

Australian Registered Covered Bonds may be transferred in whole but not in part and may only be transferred:

- (i) within or into Australia if the minimum face value of Australian Registered Covered Bonds being transferred is at least A\$500,000; and
 - (ii) the offer or transfer giving rise to the transfer does not constitute an offer or invitation for which disclosure is required to be made to investors pursuant to Part 6D.2 or Chapter 7 of the Corporations Act 2001 of Australia ("Australian Corporations Act"); and
 - (iii) the transfer is in compliance with the laws of the jurisdiction in which the transfer takes place (including that the offer or invitation is not made to a person who is a "retail client" within the meaning of section 761G of the Australian Corporations Act).
- (d) Unless lodged in the Austraclear System, the Australian Registered Covered Bonds will be transferable by duly completed and (if applicable) stamped transfer and acceptance forms in the form specified by, and obtainable from, the Australian Paying Agent or by any other method approved by the Issuer and the Australian Paying Agent.

(e) *Registration of transfer upon partial redemption*

In the event of a partial redemption of Covered Bonds under Condition 5 (*Redemption and Purchase*), the Issuer shall not be required to register the transfer of any Registered Covered Bond or Australian Registered Covered Bond, or part of a Registered Covered Bond, called for partial redemption.

(f) *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, any Registrar or any Transfer Agent may require the payment of a sum sufficient to cover any stamp duty, Tax or other governmental charge that may be imposed in relation to the registration.

(g) *Transfers of interests in Regulation S Global Covered Bonds*

Prior to expiry of the applicable Distribution Compliance Period, transfers of beneficial interests in, a Regulation S Global Covered Bond to a person who takes delivery in the form of an interest in a Rule 144A Global Covered Bond will only be made upon receipt by the Registrar 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 Luxembourg Registrar or the 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.

In the circumstances set out in this Condition 2(g), such transferee may take delivery through a Rule 144A Global Covered Bond in global or definitive form. Prior to the expiry of the applicable Distribution Compliance Period beneficial interests in Regulation S Covered Bonds registered in the name of a nominee for DTC may only be held through the accounts of Euroclear and Clearstream, Luxembourg. After expiry of the applicable Distribution Compliance Period: (i) beneficial interests in Regulation S Global Covered Bonds registered in the name of DTC or its nominee may be held through DTC directly, by a participant in DTC or indirectly through a participant in DTC; and (ii) such certification requirements will no longer apply to such transfers.

(h) *Transfers of interests in Rule 144A Global Covered Bonds*

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

- (i) to a transferee who takes delivery of such interest in the form of an interest in a Regulation S Global Covered Bond, upon receipt by the Luxembourg Registrar of a duly completed Transfer Certificate from the transferor to the effect that such transfer is being made in accordance with Regulation S or, if available, Rule 144 under the Securities Act and that, in the case of a Regulation S Global Covered Bond registered in the name of DTC or its nominee, 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 Global 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 jurisdiction.

Upon the transfer, exchange or replacement of Rule 144A Global Covered Bonds, or upon specific request for removal of the Legend therein, the Luxembourg Registrar shall deliver only Rule 144A Global 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.

(i) ***Exchanges and transfers of Registered Covered Bonds generally***

Holders of Registered Covered Bonds (other than Australian Registered Covered Bonds) in definitive form may exchange such Covered Bonds for interests in a Regulation S Global Covered Bond of the same type at any time.

(j) ***Definitions***

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

CGCB means a Temporary Bearer Global Covered Bond or a Permanent Bearer Global Covered Bond, in either case in respect of which the applicable Final Terms specify that it is not a NGCB;

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

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

Registered Global Covered Bond means a Regulation S Global Covered Bond or a Rule 144A Global Covered Bond;

Regulation S means Regulation S under the Securities Act;

Regulation S Global Covered Bond means a Registered Global Covered Bond representing Covered Bonds initially 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; and

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

3. **Status of the Covered Bonds and the Covered Bond Guarantee**

(a) ***Status of the Covered Bonds***

The Covered Bonds and any relative Receipts and Coupons constitute direct, unconditional and unsecured obligations of the Issuer and (save for certain debts of the Issuer required to be preferred by the law, including but not limited to, those referred to in sections 13A and 16 of the Banking Act 1959 of Australia (the **Australian Banking Act**) and section 86 of the Reserve Bank Act 1959 of Australia) rank *pari passu* among themselves and equally with all other unsecured obligations (other than subordinated obligations) of the Issuer.

(b) ***Changes to applicable laws may extend the debts required to be preferred by law***

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

Australia and holders of protected accounts held in Australia, in priority to all other liabilities, including the Covered Bonds.

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

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

(c) *Status of the Covered Bond Guarantee*

The payment of Guaranteed Amounts in respect of the Covered Bonds when the same shall 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 shall 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 (copied to the Covered Bond Guarantor) of an Issuer Acceleration Notice and service by the Bond Trustee on the Covered Bond Guarantor (with a copy to the Trust Manager) 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 on the Issuer and the Covered Bond Guarantor (copied to the Trust Manager and the Security Trustee) of a Covered Bond Guarantee Acceleration Notice. The obligations of the Covered Bond Guarantor under the Covered Bond Guarantee are (following an Issuer Event of Default, service of an Issuer Acceleration Notice and service of a Notice to Pay or a Covered Bond Guarantor Event of Default and service of a Covered Bond Guarantee Acceleration Notice), direct, unconditional (subject as provided in Condition 16 (*Limited Recourse and non-petition*)) and unsubordinated obligations of the Covered Bond Guarantor, which are secured as provided in the Deed of Charge.

Any payment made by the Covered Bond Guarantor under the Covered Bond Guarantee shall (unless such obligation shall have been discharged as a result of the payment of Excess Proceeds to the Bond Trustee pursuant to Condition 9 (*Events of Default and Enforcement*)) discharge *pro tanto* the obligations of the Issuer in respect of such payment under the Covered Bonds, Receipts 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 and other Calculations

(a) *Interest on Fixed Rate Covered Bonds*

- (i) Each Covered Bond where the Interest Basis in the applicable Final Terms is specified to be a Fixed Rate (a **Fixed Rate Covered Bond**) bears interest on its Principal Amount Outstanding from, and including, the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. Such Interest Payment Date(s) is/are either shown in the applicable Final Terms as specified Interest Payment Dates or, if no Interest Payment Date(s) is/are specified in the applicable Final Terms, Interest Payment Date shall mean each date which falls the number of months or other period shown in the applicable Final Terms as the specified Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.
- (ii) If a Fixed Coupon Amount or a Broken Amount is specified in the applicable Final Terms, the amount of interest payable on each Interest Payment Date will amount to the Fixed Coupon Amount or, if applicable, the Broken Amount so specified and in the case of the

Broken Amount will be payable on the particular Interest Payment Date(s) specified in the applicable Final Terms.

- (iii) *Calculation of Interest Amount:* The Interest Amount payable in respect of each Covered Bond for any period for which a Fixed Coupon Amount or Broken Amount is not specified in the applicable Final Terms shall be calculated by applying the Rate of Interest to the Calculation Amount for such Covered Bond, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest unit of the Specified Currency (with halves being rounded up), save in the case of Yen, which shall be rounded down to the nearest Yen, and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Covered Bond divided by the Calculation Amount. For this purpose, a "unit" means, in the case of any currency other than Euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of Euro, means 0.01 Euro, as the case may be.
- (iv) *Business Day Convention:* If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then that date will be adjusted in accordance with the Business Day Convention specified in the applicable Final Terms.

(b) Interest on Floating Rate Covered Bonds and Index Linked Interest Covered Bonds

- (i) *Interest Payment Dates:* Each Covered Bond where the Interest Basis in the applicable Final Terms is specified to be Floating Rate (a **Floating Rate Covered Bond**) and each Covered Bond where the Interest Basis in the applicable Final Terms is specified to be Index Linked (an **Index Linked Interest Covered Bond**) bears interest on its outstanding Principal Amount Outstanding from, and including, the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. Such Interest Payment Date(s) is/are either shown in the applicable Final Terms as specified Interest Payment Dates or, if no Interest Payment Date(s) is/are specified in the applicable Final Terms, Interest Payment Date shall mean each date which falls the number of months or other period shown in the applicable Final Terms as the specified Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.
- (ii) *Rate of Interest for Floating Rate Covered Bonds:* The Rate of Interest in respect of Floating Rate Covered Bonds, other than in the case of BBSW Covered Bonds (unless the relevant Final Terms specify otherwise), provisions in respect of which are set out in Condition 4(b)(v) below, for each Interest Accrual Period shall be determined in the manner specified in the applicable Final Terms and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply (as amended by the applicable Final Terms), depending upon which is specified in the applicable Final Terms.

(A) 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 Accrual Period shall be determined by the Principal Paying Agent as a rate equal to the relevant ISDA Rate. For the purposes of this subparagraph (A), "**ISDA Rate**" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Principal Paying Agent or other person specified in the applicable Final Terms under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (A) the Floating Rate Option is as specified in the applicable Final Terms;
- (B) the Designated Maturity is a period specified in the applicable Final Terms; and
- (C) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified in the applicable Final Terms.

For the purposes of this sub-paragraph (A), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**", "**Reset Date**", and "**Swap Transaction**" have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate/Reference Bank Determination for Floating Rate Covered Bonds

- (A) If 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 Accrual Period shall be (as determined by the Principal Paying Agent), either:
 - I. the offered quotation (if there is only one quotation on the Relevant Screen Page); or
 - II. the arithmetic mean of the offered quotations,

for the Reference Rate in each case appearing on the Relevant Screen Page at the Relevant Time on the Interest Determination Date;

- (B) if sub-paragraph (A)I applies and no Reference Rate appears on the Relevant Screen Page at the Relevant Time on the Interest Determination Date or if sub-paragraph (A)II applies and fewer than two offered quotations appear on the Relevant Screen Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the arithmetic mean of the offered quotations that each of the Reference Banks is quoting (or such of them, being at least two, as are so quoting) to leading banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date for deposits of the Specified Currency for a term equal to the relevant Interest Accrual Period as determined by the Principal Paying Agent; and
- (C) if paragraph (B) above applies and the Principal Paying Agent determines that fewer than two Reference Banks are so quoting the Reference Rate, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage), which the Principal Paying Agent determines to be the nearest equivalent to the Reference Rate, in respect of deposits of the Specified Currency that at least two out of five leading banks selected by the Principal Paying Agent (after consultation with the Issuer) in the Principal Financial Centre of the country of the Specified Currency, in each case as selected by the Principal Paying Agent (after consultation with the Issuer), are quoting at or about the Relevant Time for a period commencing on the Effective Date equivalent to the relevant Interest Accrual Period to leading banks carrying on business in (i) Europe, or (ii) (if the Principal Paying Agent determines that fewer than two of such banks are so quoting to such leading banks in Europe) the

Principal Financial Centre; except that, if fewer than two of such banks are so quoting to such leading banks, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date (after readjustment for any difference between any Margin or Maximum or Minimum Rate of Interest applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period).

- (iii) *Rate of Interest for Index Linked Interest Covered Bonds:* The Rate of Interest in respect of Index Linked Interest Covered Bonds for each Interest Accrual Period shall be determined by the Calculation Agent in the manner specified in the applicable Final Terms and interest will accrue by reference to the index or formula as specified in the applicable Final Terms.
- (iv) *Rate of Interest on BBSW Covered Bonds:* If a Covered Bond is specified to be a BBSW Covered Bond, the Rate of Interest for each Interest Accrual Period will be determined by the Calculation Agent at or about the Relevant Time on the Interest Determination Date in respect of such Interest Accrual Period in accordance with the following:
 - (A) the Rate of Interest shall be the stated average (expressed as an interest rate per annum and rounded up, if necessary, to the fourth decimal place) of the mean buying and selling rates (for the purposes of this Condition 4(b)(iv), each such rate a "quotation") of each BBSW Reference Bank (as defined below) excluding the highest and lowest quotations for bank bills having a tenor approximately equal to the relevant Interest Accrual Period as set forth on the display page designated on page "BBSW" on the Reuters screen service ("**BBSW Reuters Page**") or such other information service as may replace the BBSW Reuters Page for the purpose of displaying Australian dollar bank bill rates of leading financial institutions in Australia at or about the Relevant Time on the relevant Interest Determination Date in respect of such Interest Accrual Period, converted by the Calculation Agent (by dividing such Interest Rate by 365 and then multiplying it by 360) into a rate expressed on a 360-day year basis, or as otherwise specified in the Final Terms;
 - (B) if, at or about the Relevant Time on any Interest Determination Date, the quotations of only two BBSW Reference Banks are available, or no such quotations are available, on the BBSW Reuters Page or if the BBSW Reuters Page is unavailable, the Calculation Agent shall at or about the Relevant Time on such Interest Determination Date request the principal office of each of the BBSW Reference Banks to provide the Calculation Agent with its quotation (expressed as an interest rate per annum) for the Australian dollar bank bills having a tenor approximately equal to the relevant Interest Accrual Period. The Rate of Interest for such Interest Accrual Period shall be the arithmetic mean (rounded up as aforesaid) of such quotations excluding the highest and lowest quotations, as determined by the Calculation Agent and converted by the Calculation Agent (by dividing such Rate of Interest by 365 and then multiplying it by 360) into a rate expressed on a 360-day year basis, or as otherwise specified in the Final Terms;
 - (C) if, at or about the Relevant Time on any Interest Determination Date only two or less quotations are available under sub-paragraph (A) above, but at least three but fewer than all the BBSW Reference Banks provide the Calculation Agent with quotations as referred to in sub-paragraph (B) above, the Rate of Interest for the relevant Interest Accrual Period shall be determined in accordance with subparagraph (B) above, on the basis of the quotations of those BBSW Reference Banks providing such quotations; and

- (D) if, at or about the Relevant Time on any Interest Determination Date, the Rate of Interest cannot be determined by reference to any of sub-paragraphs (A), (B) and (C) above, the Rate of Interest for the relevant Interest Accrual Period shall, subject as provided below, be the rate per annum converted by the Calculation Agent (by dividing such Rate of Interest by 365 and then multiplying it by 360) into a rate expressed on a 360-day basis, which the Calculation Agent determines to be either (x) the arithmetic mean (rounded upwards as aforesaid) of the offered rates (excluding the highest and lowest of such offered rates) which leading financial institutions selected by the Calculation Agent (after consultation with the Issuer) are quoting at or about the Relevant Time on such Interest Determination Date for bank bills for such Interest Accrual Period to the principal office of each of the BBSW Reference Banks or those of them (being at least three in number) to which such offered rates are, in the opinion of the Calculation Agent, being so quoted, or (y) in the event that the Calculation Agent can determine no such arithmetic mean, the arithmetic mean (rounded upwards as aforesaid) of the offered rates (excluding the highest and lowest of such offered rates) which leading financial institutions selected by the Calculation Agent (after consultation with the Issuer) are quoting on such date to leading financial institutions which have their head offices in Europe for bank bills for such Interest Accrual Period; provided that if the financial institutions selected as referred to in (y) above by the Calculation Agent are not quoting as mentioned above, the Rate of Interest for the relevant Interest Accrual Period shall be the Rate of Interest in effect for the last preceding Interest Accrual Period (after readjustment for any difference between any Margin or Maximum or Minimum Rate of Interest applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period).
- (E) In relation to BBSW Covered Bonds, unless stated to the contrary on the face thereof, "**BBSW Reference Banks**" shall mean the financial institutions appearing on the BBSW Reuters Page, (or any replacement page thereof) at or about the Relevant Time on the relevant Interest Determination Date provided that if on such Interest Determination Date there are less than three financial institutions appearing on the BBSW Reuters Page, (or any replacement page thereof) or the BBSW Reuters Page is unavailable, the "**BBSW Reference Banks**" shall be the financial institutions appearing on the BBSW Reuters Page, (or any replacement page thereof) at or about the Relevant Time on the last preceding date on which two or more financial institutions so appeared.

- (v) *Business Day Convention:* If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then that date will be adjusted in accordance with the Business Day Convention specified in the applicable Final Terms.

(c) Zero Coupon Covered Bonds

Where a Covered Bond, the Interest Basis of which is specified in the applicable Final Terms to be Zero Coupon (a **Zero Coupon Covered Bond**), is repayable prior to the Final Maturity Date and is not paid when due, the amount due and payable prior to the Final Maturity Date shall be the Early Redemption Amount of such Covered Bond, unless otherwise specified in the applicable Final Terms. As from the Final Maturity Date, the Rate of Interest for any overdue principal of such a Covered Bond shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield.

(d) Dual Currency Covered Bonds

In the case of Dual Currency Covered Bonds, if the rate or amount of interest is to be determined by reference to a Rate of Exchange or a method of calculating Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified in the applicable Final Terms.

(e) *Partly Paid Covered Bonds*

In the case of Partly Paid Covered Bonds (other than Partly Paid Covered Bonds which are Zero Coupon Covered Bonds), interest will accrue as aforesaid on the paid-up Principal Amount Outstanding of such Covered Bonds and otherwise as specified in the applicable Final Terms.

(f) *Accrual of Interest*

Interest shall cease to accrue on each Covered Bond on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (after, as well as before, judgment) at the Rate of Interest in the manner provided in this Condition 4 to the Relevant Date.

(g) *Margin, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts and Rounding*

- (i) If any Margin is specified in the applicable Final Terms (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 4(b) above, by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the next paragraph;
- (ii) If any Maximum or Minimum Interest Rate, Instalment Amount or Redemption Amount is specified in the applicable Final Terms, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be. Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero;
- (iii) Subject to the requirements of applicable law, for the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven decimal places (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "**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 0.01 euro, as the case may be.

(h) *Calculations*

Unless otherwise specified in the applicable Final Terms, the amount of interest payable in respect of any Covered Bond for any period shall be calculated by multiplying the product of the Rate of Interest and the outstanding Principal Amount Outstanding of such Covered Bond by the Day Count Fraction, unless an Interest Amount (or a formula for its calculation) is specified in the applicable Final Terms in respect of such period, in which case the amount of interest payable in respect of such Covered Bond for such period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the

amount of interest payable in respect of such Interest Period shall be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

(i) *Determination and Publication of Rate of Interest, Interest Amounts, Final Redemption Amounts and Instalment Amounts*

As soon as practicable after the Relevant Time on each Interest Determination Date or such other time on such date as the Principal Paying Agent or the Calculation Agent (in the case of Index Linked Interest Covered Bonds) may be required to calculate any rate or amount or Instalment Amount, obtain any quotation or make any determination or calculation, it shall determine such rate and calculate the Interest Amounts in respect of each Specified Denomination of the Covered Bonds for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Bond Trustee, the Issuer, each of the Paying Agents, the Covered Bondholders in accordance with Condition 14 (Notices), the Registrar, any other Calculation Agent appointed in respect of the Covered Bonds that is to make a further calculation upon receipt of such information and, if the Covered Bonds are listed on a stock exchange (and/or admitted to listing, trading and/or quotation on any other listing authority, stock exchange and/or quotation system) and the rules of such listing authority, stock exchange and/or quotation system so require, such listing authority, stock exchange and/or quotation system as soon as possible after their determination but in no event later than (y) the commencement of the relevant Interest Accrual Period, if determined prior to such time in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (z) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Accrual Period is subject to adjustment pursuant to Condition 4(a)(iv) (*Interest on Fixed Rate Bonds*) or 4 (b)(ii) (*Interest on Floating Rate Covered Bonds and Index Linked Interest Covered Bonds*), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Accrual Period. If the Calculation Amount is less than the minimum Specified Denomination, the Principal Paying Agent (or the Calculation Agent, in respect of Index Linked Interest Covered Bonds) shall not be obligated to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Covered Bond having the minimum Specified Denomination. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Principal Paying Agent(s) or Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

(j) *Calculation Agent and Reference Banks*

The Issuer shall procure that there shall at all times be four Reference Banks (or such other number as may be required) with offices in the Relevant Financial Centre and one or more Calculation Agents if provision is made for them in the applicable Final Terms and for so long as any Covered Bond is outstanding (as defined in the Definitions Schedule). If any Reference Bank (acting through its relevant offices) is unable or unwilling to continue to act as a Reference Bank, then the Issuer shall appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place.

(k) *Determination by Bond Trustee*

If the Principal Paying Agent or Calculation Agent, as the case may be, defaults in its obligation to determine the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount,

Instalment Amount, Final Redemption Amount or Optional Redemption Amount or to comply with any other requirement, the Bond Trustee may determine (or appoint an agent to determine) the Rate of Interest or any other amount at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition, but subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified in the applicable Final Terms), it shall deem fair and reasonable in all the circumstances or, as the case may be, the Bond Trustee may calculate (or appoint an agent to calculate) the Interest Amount(s) in such manner as it shall deem fair and reasonable. In making any such determination or calculation, the Bond Trustee may appoint and rely on a determination or calculation by a calculation agent (which shall be an investment bank or other suitable entity of international repute). Each such determination or calculation shall be deemed to have been made by the Principal Paying Agent or the Calculation Agent, as the case may be.

(l) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4 (*Interest and other Calculations*) shall (in the absence of wilful default, gross negligence or fraud) be binding on the Issuer, the Covered Bond Guarantor, the Calculation Agent, the Bond Trustee, the Principal Paying Agent, the other Paying Agents (if any), the Registrar and all Covered Bondholders and (in the absence of wilful default, gross negligence or fraud) no liability to the Issuer, the Covered Bond Guarantor, the Covered Bondholders shall attach to the Principal Paying Agent, the Calculation Agent or the Bond Trustee in connection with the exercise or non-exercise by it of their respective powers, duties and discretions pursuant to such provisions.

(m) *Definitions*

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"Amortised Face Amount" has the meaning given in Condition 5(f)(iii) (*Early Redemption Amounts*) unless otherwise specified in the applicable Final Terms.

"BBSW Covered Bond" means a Floating Rate Australian Registered Covered Bond denominated in Australian dollars.

"Business Day" means:

- (a) a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments generally in Sydney, Melbourne, New York and, if the Covered Bonds are not Australian Registered Covered Bonds, London; and
- (b) in the case of:
 - (i) a Specified Currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments generally in the Principal Financial Centre for such Specified Currency; or
 - (ii) in the case of euro, a TARGET2 Business Day; and
- (c) in the case of one or more Additional Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in the Additional Business Centres or, if no currency is indicated, generally in each of the Additional Business Centres,

unless otherwise specified in the relevant applicable Final Terms.

"Business Day Convention " in relation to an Interest Payment Date or other particular date, unless otherwise specified in the applicable Final Terms, has the following meaning as so specified in the applicable Final Terms:

- (a) **Floating Rate Business Day Convention** means that the relevant date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment;
- (b) **Following Business Day Convention** means that the relevant date shall be postponed to the next day that is a Business Day;
- (c) **Modified Following Business Day Convention** means that the relevant date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day;
- (d) **Preceding Business Day Convention** means that the relevant date shall be brought forward to the immediately preceding Business Day; or
- (e) **No adjustment** means that the relevant date shall not be adjusted in accordance with any Business Day Convention.

"Calculation Amount " has the meaning given in the applicable Final Terms.

"Day Count Fraction " means, in relation to the calculation of an amount of interest on any Covered Bond for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Accrual Period, the **"Calculation Period"**):

- (a) if **"Actual/Actual (ICMA)"** is specified in the applicable Final Terms:
 - (i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (x) the actual number of days in such Regular Period and (y) the number of Regular Periods in any year; and
 - (ii) where the Calculation Period is longer than one Regular Period, the sum of:
 - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (x) the actual number of days in such Regular Period and (y) the number of Regular Periods in any year; and
 - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (x) the actual number of days in such Regular Period and (y) the number of Regular Periods in any year;

where **"Regular Period"** means:

- (i) in the case of Covered Bonds where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement

Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;

- (ii) in the case of Covered Bonds where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls; and
- (iii) (C) in the case of Covered Bonds where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period.
- (b) if "**Actual/Actual (ISDA)**" or "Actual/Actual" is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (1) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (2) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (c) if "**Actual/365 (Fixed)**" is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365;
- (d) if "**Actual/365 (Sterling)**" is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (e) if "**Actual/360**" is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 360;
- (f) if "**30/360 (ICMA)**" is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360;
- (g) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the applicable Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

where:

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

"Y₁" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

"D₁" is the first calendar day, expressed as a number, of the Calculation 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 Calculation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

- (h) if "**30E/360**" or "**Eurobond Basis**" is specified in the applicable Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

where:

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

"Y₁" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

"D₁" is the first calendar day, expressed as a number, of the Calculation 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 Calculation Period, unless such number would be 31, in which case D₂ will be 30; or

- (i) if "**30E/360 (ISDA)**" is specified in the applicable Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

where:

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

"Y₁" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

"**M₁**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M₂**" is the calendar month, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

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

"**D₂**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Final Maturity Date or (ii) such number would be 31, in which case D₂ will be 30,

provided, however, that in each case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period.

"**Early Redemption Amount**" means the early redemption amount determined in accordance with Condition 5(f)

"**Effective Date**" means, with respect to any Floating Rate to be determined on an Interest Determination Date, unless otherwise specified in the applicable Final Terms, the first day of the Interest Accrual Period to which such Interest Determination Date relates.

"**EURIBOR**" means the Euro-Zone inter-bank offered rate.

"**Euro-Zone**" means the region comprised of Member States of the European Economic Area that adopt the single currency in accordance with the Treaty establishing the European Community, as amended (the "**Treaty**").

"**Extraordinary Resolution**" has the meaning given in paragraph 20 of Schedule 4 to the Bond Trust Deed.

"**Final Redemption Amount**" means, in relation to a Covered Bond, its Principal Amount Outstanding unless otherwise specified in the applicable Final Terms.

"**Interest Amount**" means the amount of interest payable, and in the case of Fixed Rate Covered Bonds, means the Fixed Coupon Amount, Broken Amount or the amount calculated pursuant to Condition 4(a)(iii) (*Calculation of Interest Amount*), as the case may be.

"**Interest Accrual Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date, except that the final Interest Accrual Period ends on (but excludes) the Final Maturity Date or the date of any earlier redemption of a Covered Bond in accordance with the Conditions, or any other period specified in the applicable Final Terms.

"**Interest Commencement Date**" means the Issue Date or such other date as may be specified in the applicable Final Terms.

"**Interest Determination Date**" means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such in the applicable Final Terms or, if none is so specified:

- (a) if the Specified Currency is Sterling or if the Covered Bonds are BBSW Covered Bonds, the first day of such Interest Accrual Period;
- (b) except for BBSW Covered Bonds, if the Specified Currency is neither Sterling nor euro, the day falling two Business Days for the Specified Currency prior to the first day of such Interest Accrual Period; or
- (c) if the Specified Currency is euro, the day falling two TARGET2 Business Days prior to the first day of such Interest Accrual Period.

"Interest Payment Date(s)" means the date or dates specified in the applicable Final Terms and, unless otherwise specified in the applicable Final Terms, the final Interest Payment Date shall be the Final Maturity Date or such earlier date on which the relevant Covered Bonds are redeemed in accordance with the Conditions.

"Interest Period" means, unless otherwise specified in the applicable Final Terms, the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date, except that the final Interest Period ends on (but excludes) the Final Maturity Date or the date of any earlier redemption of a Covered Bond in accordance with the Conditions.

"ISDA Definitions" means, unless otherwise specified in the applicable Final Terms, the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Covered Bonds of the relevant Series (as specified in the applicable Final Terms)) or, if so specified in the applicable Final Terms, the 2000 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Covered Bonds of the relevant Series (as specified in the applicable Final Terms)) in each case as published by the International Swaps and Derivatives Association, Inc.);

"Issue Date" means the date of issue of the Covered Bonds as specified in the applicable Final Terms;

"LIBOR" means the London inter-bank offered rate;

"Offshore Associate" has the meaning given in Condition 5(i).

"Principal Amount Outstanding" in respect of a Covered Bond means the outstanding principal amount of that Covered Bond.

"Principal Financial Centre" means, in relation to a Specified Currency or any other currency, the principal financial centre of the country of that Specified Currency or other currency, which in the case of euro, is the Euro-Zone and which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be (i) Sydney or (ii) Auckland or Wellington, respectively.

"Rate of Interest" means the rate of interest payable from time to time in respect of a Covered Bond and that is either specified or calculated in accordance with these Conditions and the provisions set out in the applicable Final Terms.

"Record Date" has the meaning given in Condition 6(e) (*Payments in respect of Registered Covered Bonds (other than Australian Registered Covered Bonds)*) or Condition 6(f) (*Payments in respect of Australian Registered Covered Bonds*), as applicable.

"Redemption Amount(s)" means the Final Redemption Amount or Early Redemption Amount, Optional Redemption Amount, Minimum Redemption Amount or Maximum Redemption Amount, as the case may be.

"Reference Banks" means (other than in relation to BBSW Covered Bonds, separate provisions for which are contained in Condition 4(b)(iv)) the institutions specified as such in the applicable Final Terms or, if none, four major banks selected by the Principal Paying Agent in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the Reference Rate specified in the applicable Final Terms which, if the relevant Reference Rate is EURIBOR, shall be the Euro-Zone.

"Relevant Date" has the meaning given in Condition 7 (*Taxation*).

"Relevant Financial Centre" means, with respect to any Floating Rate to be determined in accordance with Screen Rate Determination on an Interest Determination Date, the financial centre specified as such in the applicable Final Terms or, if none is so specified, the Principal Financial Centre with which the relevant Reference Rate is most closely connected (which, where the Specified Currency is euro, shall be the Euro-Zone) or, if none is so connected, London.

"Relevant Time" with respect to any Interest Determination Date, unless otherwise specified in the applicable Final Terms, in the case of BBSW Covered Bonds is 10.10 a.m. Sydney time, in the case of LIBOR is 11.00 a.m. London time and in the case of EURIBOR is 11.00 a.m. Brussels time.

"Specified Currency" means subject to any applicable legal or regulatory restrictions, Australian Dollars, Euro, Sterling, U.S. Dollars and such other currency or currencies as may be agreed from time to time by the Issuer, the relevant Dealer(s), the relevant Principal Paying Agent and the Bond Trustee the currency specified as such in the applicable Final Terms or, if none is specified, the currency in which the Covered Bonds are denominated.

"TARGET2 Business Day" means a day on which the TARGET2 System is open.

"TARGET2 System" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System.

5. Redemption and Purchase

(a) Final redemption

Unless previously redeemed in full or purchased and cancelled as specified below, each Covered Bond will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Final Maturity Date.

Without prejudice to Condition 9 (*Events of Default and Enforcement*), if an Extended Due for Payment Date is specified as applicable in the Final Terms for a Series of Covered Bonds and the Issuer has failed to pay the Final Redemption Amount on the Final Maturity Date specified in the Final Terms (or after expiry of the grace period set out in Condition 9(a)(i) (*Issuer Events of Default*)) and, following the service of a Notice to Pay on the Covered Bond Guarantor (copied to the Trust Manager) by no later than the date falling one Business Day prior to the Extension Determination Date, the Trust Manager determines that the Covered Bond Guarantor has insufficient monies available under the Guarantee Allocations 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 (with a copy to the Trust Manager) or, if later, the Final Maturity Date (or, in each case, after the expiry of the grace period set out in Condition 9(b)(i) (*Covered Bond Guarantor Events of Default*)) under the terms of the Covered Bond Guarantee and (b) the Extension Determination Date, then (subject as provided below) payment of the unpaid amount by the Covered Bond Guarantor under the Covered Bond Guarantee shall be deferred until the Extended Due for Payment Date, provided that the Covered Bond Guarantor (at the direction of the Trust Manager) 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 (at the direction of the Trust Manager) on any Interest Payment Date thereafter up to (and including) the Extended Due for Payment Date. The Issuer shall confirm to the Principal Paying Agent as soon as reasonably practicable and in any event at least four Business Days prior to the Final Maturity Date of a Series of Covered Bonds whether (x) payment will be made in full of the Final Redemption Amount in respect of a Series of Covered Bonds on that Final Maturity Date or (y) payment will not be made in full of the Final Redemption Amount in respect of a Series of Covered Bonds on that Final Maturity Date. Any failure by the Issuer to notify the Principal Paying Agent shall not affect the validity or effectiveness of the extension.

The Trust Manager shall notify the relevant Covered Bondholders (in accordance with Condition 14 (*Notices*), the Designated Rating Agencies, the Bond Trustee, the Security Trustee, the Principal Paying Agent and the relevant Registrar (in the case of Registered Covered Bonds) as soon as reasonably practicable and in any event at least one Business Day prior to the dates specified in (a) and (b) of the preceding paragraph of any inability of the Covered Bond Guarantor to pay in full the Guaranteed Amounts corresponding to the Final Redemption Amount in respect of a Series of Covered Bonds pursuant to the Covered Bond Guarantee. Any failure by the Trust Manager to notify such parties shall not affect the validity or effectiveness of the extension nor give rise to any rights in any such party. In such circumstances, the Trust Manager must direct the Covered Bond Guarantor to, and upon receiving such direction the Covered Bond Guarantor shall on the earlier of (a) the date falling two Business Days after the service of a Notice to Pay on the Covered Bond Guarantor (copied to the Trust Manager) or if later the Final Maturity Date (or, in each case, after the expiry of the grace period set out in Condition 9(b)(i) (*Covered Bond Guarantor Events of Default*)) and (b) the Extension Determination Date, under the Covered Bond Guarantee, apply the monies (if any) available (after paying or providing for payment of higher ranking or *pari passu* amounts in accordance with the Guarantee Allocations) in part payment of an amount equal to the Final Redemption Amount of each Covered Bond of the relevant Series of Covered Bonds and shall 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 shall be deferred as described above. Such failure to pay by the Covered Bond Guarantor shall 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 shall 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(a).

For the purposes of these Conditions:

Designated Rating Agency means any one of Moody's Investors Service Pty Limited and Fitch Australia Pty Limited (each, a **Designated Rating Agency**) or their successors, to the extent they provide ratings in respect of the Covered Bonds.

Extended Due for Payment Date means, in relation to any Series of Covered Bonds, the date, if any, specified as such in the applicable Final Terms to which the payment of all or (as applicable)

part of the Final Redemption Amount payable on the Final Maturity Date will be deferred in the event that the Final Redemption Amount is not paid in full on the Extension Determination Date.

Extension Determination Date means, in respect of a Series of Covered Bonds to which an Extended Due for Payment Date applies, the date falling two Business Days after the expiry of seven days starting on (and including) the Final Maturity Date of such Series of Covered Bonds.

Guarantee Allocations means the guarantee Cashflow Allocation Methodology relating to the allocation and distribution of all Available Revenue Receipts and Available Principal Receipts following service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager), but prior to service of a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer (copied to the Trust Manager and the Security Trustee).

(b) *Redemption for taxation reasons*

The Covered Bonds may be redeemed at the option of the Issuer in whole, or in part, at any time (if the Covered Bond is not a Floating Rate Covered Bond, an Index Linked Interest Covered Bond nor a Dual Currency Interest Covered Bond) or on any Interest Payment Date (if the Covered Bond is a Floating Rate Covered Bond, an Index Linked Interest Covered Bond or a Dual Currency Interest Covered Bond), on giving not less than 30 nor more than 60 days' notice to the Bond Trustee and, in accordance with Condition 14 (Notices), the Covered Bondholders (which notice shall be irrevocable), if, on the occasion of the next Interest Payment Date, the Issuer is or will be required to pay additional amounts as provided or referred to in Condition 7 (*Taxation*). Covered Bonds redeemed pursuant to this Condition 5(b) will be redeemed at their Early Redemption Amount referred to in Condition 5(f) (*Early Redemption Amounts*) together (if appropriate) with interest accrued to (but excluding) the date of redemption. Prior to the publication of any notice of redemption pursuant to this Condition 5(b), the Issuer shall deliver to the Bond Trustee a certificate signed by an Authorised Officer of the Issuer stating that it is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and the Bond Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on all holders of the Covered Bonds.

(c) *Redemption at the option of the Issuer (Issuer Call)*

If Issuer Call is specified in the applicable Final Terms, the Issuer may, having (unless otherwise specified, in the applicable Final Terms) given not less than 30 nor more than 60 days' notice to the Bond Trustee, the Principal Paying Agent, (in the case of the redemption of Registered Covered Bonds) the relevant Registrar and, in accordance with Condition 14 (Notices), the Covered Bondholders (which notice shall be irrevocable) redeem all or some only (as specified in the applicable Final Terms) of the Covered Bonds then outstanding on any Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if applicable, with interest accrued to (but excluding) the relevant Optional Redemption Date(s). Upon expiry of such notice, the Issuer shall be bound to redeem the Covered Bonds accordingly. In the event of a redemption of only some of the Covered Bonds, such redemption must be for an amount being the Minimum Redemption Amount or a Higher Redemption Amount. In the case of a partial redemption of Covered Bonds, the Covered Bonds to be redeemed (the **Redeemed Covered Bonds**) will be selected:

- (i) individually by lot, in the case of Redeemed Covered Bonds represented by Definitive Covered Bonds;

- (ii) in accordance with the rules of Euroclear and Clearstream, Luxembourg, Austraclear and/or DTC (to be reflected in the records of Euroclear and Clearstream, Luxembourg, Austraclear and/or DTC as either a pool factor or a reduction in nominal amount, at their discretion) (or any alternative or additional clearing system as may be specified in the Final Terms), in the case of Redeemed Covered Bonds represented by a Global Covered Bond, and
- (iii) as determined by the Issuer in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices and subject to compliance with all applicable laws, in the case of Redeemed Covered Bonds represented by Australian Registered Covered Bonds,

in each case, not more than 60 days prior to the date fixed for redemption (such date of selection being hereinafter called the **Selection Date**).

In the case of Redeemed Covered Bonds represented by Definitive Covered Bonds, a list of the serial numbers of such Redeemed Covered Bonds will be published in accordance with Condition 14 (Notices) not less than 30 days prior to the date fixed for redemption. The aggregate nominal amount of Redeemed Covered Bonds represented by Definitive Covered Bonds shall bear the same proportion to the aggregate nominal amount of all Redeemed Covered Bonds as the aggregate nominal amount of Definitive Covered Bonds outstanding bears to the aggregate nominal amount of the Covered Bonds outstanding, in each case on the Selection Dates, provided that such first mentioned nominal amount shall, if necessary, be rounded downwards to the nearest integral multiple of the Specified Denomination, and the aggregate nominal amount of Redeemed Covered Bonds represented by a Global Covered Bond shall be equal to the balance of the Redeemed Covered Bonds. No exchange of the relevant Global Covered Bond will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 5(c) and notice to that effect shall be given by the Issuer to the Covered Bondholders in accordance with Condition 14 (Notices) at least 30 days prior to the Selection Date.

(d) *Redemption at the option of the Covered Bondholders*

If Put Option is specified in the applicable Final Terms, upon the holder of any Covered Bond giving the Issuer not less than 30 nor more than 60 days' written notice the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, such Covered Bond on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. It may be that before a Put Option can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable Final Terms.

To exercise the right to require redemption of a Covered Bond the holder thereof must, if the Covered Bond is in definitive form and held outside Euroclear and Clearstream, Luxembourg, or Austraclear, deliver, at the specified office of either (i) in the case of Australian Registered Covered Bonds, the Australian Paying Agent, or (ii) in any other case, any Paying Agent other than the Australian Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of the relevant Paying Agent (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(d) accompanied by the Covered Bond. If the Covered Bond is represented by a Global Covered Bond held through Euroclear or Clearstream, Luxembourg or Austraclear to exercise the right to require redemption of the Covered Bond the holder of the Covered Bond must, within the notice period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear or Clearstream, Luxembourg or Austraclear, (which may include notice being given on his instruction

by Euroclear or Clearstream, Luxembourg or Austraclear or any common depository or common safekeeper, as the case may be, for them to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear or Clearstream, Luxembourg or Austraclear from time to time and, if the Covered Bond is represented by a Bearer Global Covered Bond, at the same time present or procure the presentation of the relevant Bearer Global Covered Bond to the Principal Paying Agent for notation accordingly.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg or Austraclear, given by a holder of any Covered Bond pursuant to this Condition 5(d) shall be 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 (*Events of Default and Enforcement*), 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(d) and instead request or direct the Bond Trustee to declare such Covered Bond forthwith due and payable pursuant to Condition 9 (*Events of Default and Enforcement*).

(e) *Redemption due to illegality*

The Covered Bonds of all Series may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Bond Trustee, the Principal Paying Agent, the Australian Paying Agent, the Registrars and, in accordance with Condition 14 (*Notices*), all the Covered Bondholders (which notice shall be irrevocable), if the Issuer satisfies the Bond Trustee immediately before the giving of such notice that it has, or will before the next Interest Payment Date of any Covered Bond of any Series, become unlawful for the Intercompany Loan Provider and/or the Demand Loan Provider to make, fund or allow to remain outstanding any Term Advance and/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(e) will be redeemed at their Early Redemption Amount referred to in Condition 5(f) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

Prior to the publication of any notice of redemption pursuant to this Condition 5(e), the Issuer shall deliver to the Bond Trustee a certificate signed by an Authorised Officer of the Issuer 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 so to redeem have occurred and the Bond Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on all holders of the Covered Bonds.

(f) *Early Redemption Amounts*

For the purpose of Conditions 5(b) (*Redemption for taxation reasons*) and 5(e) (*Redemption due to illegality*) above and 5(h) below and Condition 9 (*Events of Default and Enforcement*), each Covered Bond will be redeemed at its Early Redemption Amount calculated as follows:

- (i) in the case of a Covered Bond with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;
- (ii) in the case of a Covered Bond (other than a Zero Coupon Covered Bond but including an Instalment Covered Bond or a Partly Paid Covered Bond) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Covered Bond is denominated, at the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its nominal amount; or
- (iii) in the case of a Zero Coupon Covered Bond, at an amount (the **Amortised Face Amount**) equal to the sum of:
 - (A) the Issue Price; and
 - (B) the product of the Accrual Yield (compounded annually) being applied to the Issue Price from (and including) the Issue Date of the first Tranche of the Covered Bonds to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Covered Bond becomes due and repayable,

or such other calculation basis as may be provided for in the applicable Final Terms.

Where such calculation is to be made for a period which is not a whole number of years, it shall be made (i) in the case of a Zero Coupon Covered Bond payable in a Specified Currency other than euro, on the basis of a 360-day year consisting of 12 months of 30 days each or (ii) in the case of a Zero Coupon Covered Bond payable in euro, on the basis of the actual number of days elapsed divided by 365 (or, if any of the days elapsed falls in a leap year, the sum of (x) the number of those days falling in a leap year divided by 366 and (y) the number of those days falling in a non leap year divided by 365) or (iii) on such other calculation basis as may be specified in the applicable Final Terms.

(g) *Instalments*

Instalment Covered Bonds will be redeemed in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 5(f) above.

(h) *Partly Paid Covered Bonds*

Partly Paid Covered Bonds will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition 5 and the applicable Final Terms. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 5(f) above.

(i) *Purchases*

The Issuer is taken to represent as at the date of issue of this Covered Bond, that it does not know, or have any reasonable grounds to suspect, that this Covered Bond or any interest in this Covered Bond is being or will later be, acquired either directly or indirectly by an Offshore Associate of the Issuer (acting other than in the capacity of a dealer, manager or underwriter in relation to the placement of this Covered Bond or a clearing house, custodian, funds manager or responsible entity of a registered scheme within the meaning of the Corporations Act 2001 of Australia).

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

The Issuer or any of its subsidiaries or the Covered Bond Guarantor (acting at the direction of the Trust Manager) may, to the extent permitted by applicable laws and regulations, at any time purchase or otherwise acquire Covered Bonds (provided that, in the case of Bearer Definitive Covered Bonds, all unmatured Receipts, Coupons and Talons appertaining thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price and in any manner. 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, surrendered to the relevant Registrar and/or either (i) in the case of Australian Registered Covered Bonds, to the Australian Paying Agent, or (ii) in any other case, to any Paying Agent other than the Australian Paying Agent, for cancellation (except that any Covered Bonds purchased or otherwise acquired by the Covered Bond Guarantor must immediately be surrendered to the relevant Registrar and/or either (i) in the case of Australian Registered Covered Bonds, to the Australian Paying Agent, or (ii) in any other case, to any Paying Agent for cancellation).

(j) Cancellation

All Covered Bonds which are redeemed, all Global Covered Bonds which are exchanged in full, all Registered Covered Bonds which have been transferred, all Receipts and Coupons which are paid and all Talons which are exchanged shall be cancelled (together with, in the case of Bearer Definitive Covered Bonds, all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption) by the Agent by whom they are redeemed, exchanged, transferred or paid. All Covered Bonds so cancelled and any Covered Bonds purchased and surrendered for cancellation pursuant to Condition 5(i) above and cancelled (together with, in the case of Bearer Definitive Covered Bonds, all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent or as the Principal Paying Agent may specify, and cannot be held, reissued or resold.

(k) Late payment on Zero Coupon Covered Bonds

If the amount payable in respect of any Zero Coupon Covered Bond upon redemption of such Zero Coupon Covered Bond pursuant to Condition 5(a), (b), (c), (d) or (e) above or upon its becoming due and repayable as provided in Condition 9 (*Events of Default and Enforcement*) is improperly withheld or refused or default is otherwise made in the payment thereof, the amount due and repayable in respect of such Zero Coupon Covered Bond shall be the amount calculated as provided in Condition 5(f)(iii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Covered Bond becomes due and payable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Covered Bond have been paid; and
- (ii) the date on which the full amount of the monies payable in respect of such Zero Coupon Covered Bonds has been received by the Principal Paying Agent or the Bond Trustee or the relevant Registrar and notice to that effect has been given to the Covered Bondholders either in accordance with Condition 14 (*Notices*) or individually.

6. Payments

(a) *Method of payment*

Subject as provided below:

- (i) payments in a Specified Currency other than euro will be made by credit or electronic transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be (i) Sydney or (ii) Auckland and Wellington, respectively); and
 - (ii) payments in euro will be made by credit or electronic transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.
- (b) Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment (including withholding or deduction required pursuant to an agreement described in section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended, and U.S. Treasury regulations thereunder (the **Code**)) but without prejudice to the provisions of Condition 7 (Taxation). References to Specified Currency will include any successor currency under applicable law.

(c) *Presentation of Bearer Definitive Covered Bonds, Receipts and Coupons*

Payments of principal and interest (if any) in respect of Bearer Definitive Covered Bonds will (subject as provided below) be made in the manner provided in Condition 6(a) (*Method of payment*) above only against presentation and surrender of Bearer Definitive Covered Bonds or Coupons, as the case may be, at any specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Payments of instalments (if any) of principal in respect of Bearer Definitive Covered Bonds other than the final instalment, will (subject as provided below) be made in the manner provided in Condition 6(a) (*Method of payment*) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in Condition 6(a) (*Method of payment*) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Bearer Covered Bond in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the Bearer Definitive Covered Bond to which it appertains. If any Bearer Definitive Covered Bond is redeemed or becomes repayable prior to the stated maturity thereof, principal will be payable only on surrender of such Bearer Definitive Covered Bond together with all unmatured Receipts appertaining thereto. Receipts presented without the Bearer Definitive Covered Bond to which they appertain and unmatured Receipts do not constitute valid obligations of the Issuer or the Covered Bond Guarantor. Upon the date on which any Bearer Definitive Covered Bond becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Covered Bonds in definitive bearer form (other than Dual Currency Covered Bonds or Index Linked Covered Bonds or Long Maturity Covered Bonds) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall include Coupons

falling to be issued on exchange of matured Talons), failing which an amount equal to the face value of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the total amount due) will be deducted from the amount due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 7 (*Taxation*)) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8 (Prescription) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon amounts in respect of any Fixed Rate Covered Bond in definitive bearer form becoming due and repayable by the Issuer (in the absence of a Notice to Pay) or the Covered Bond Guarantor under the Covered Bond Guarantee prior to its Final Maturity Date (or, as the case may be, Extended Due for Payment Date), all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the due date for redemption of any Floating Rate Covered Bond, Dual Currency Covered Bond, Index Linked Covered Bond or Long Maturity Covered Bond in definitive bearer form, all unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. 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 shall cease to be a Long Maturity Covered Bond on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the Principal Amount Outstanding of such Covered Bond. If the date for redemption of any Bearer Definitive Covered Bond is not an Interest Payment Date, interest (if any) accrued in respect of such Covered Bond from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant Bearer Definitive Covered Bond.

(d) *Payments in respect of Bearer Global Covered Bonds*

Payments of principal and interest (if any) in respect of Covered Bonds represented by any Bearer Global Covered Bond will (subject as provided below) be made in the manner specified above in relation to Bearer Definitive Covered Bonds and otherwise in the manner specified in the relevant Global Covered Bond (against presentation or surrender, as the case may be, of such Bearer Global Covered Bond if the Bearer Global Covered Bond is not intended to be issued in NGCB form at the specified office of any Paying Agent outside the United States). On the occasion of each payment, (i) in the case of any Bearer Global Covered Bond which is not issued in NGCB form, a record of such payment made on such Bearer Global Covered Bond, distinguishing between any payment of principal and any payment of interest, will be made on such Bearer Global Covered Bond by the Paying Agent and such record shall be *prima facie* evidence that the payment in question has been made and (ii) in the case of any Bearer Global Covered Bond which is issued in NGCB form, the Paying Agent shall instruct Euroclear and Clearstream, Luxembourg to make appropriate entries in their records to reflect such payment.

(e) *Payments in respect of Registered Covered Bonds (other than Australian Registered Covered Bonds)*

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Covered Bond (whether or not in global form) other than each Australian Registered Covered Bond will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Covered Bond at the specified office of the relevant

Registrar or any of the Paying Agents (other than the Australian Paying Agent). Such payments will be made by electronic transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Covered Bond appearing in the register of holders of the Registered Covered Bonds maintained by the Registrar (the **Register**) at the close of business on the third Business Day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. Notwithstanding the previous sentence, if (i) a holder does not have a Designated Account or (ii) the principal amount of the Covered Bonds held by a holder is less than U.S.\$250,000 (or its approximate equivalent in any other Specified Currency), payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, **Designated Account** means the account maintained by a holder with a Designated Bank and identified as such in the Register and **Designated Bank** means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland and Wellington, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Covered Bond (whether or not in global form) other than each Australian Registered Covered Bond will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the Business Day in the city where the specified office of the relevant Registrar is located on the relevant due date to the holder (or the first named of joint holders) of the Registered Covered Bond appearing in the Register:

- (i) where the Registered Covered Bond is in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date; and
- (ii) where in definitive form, at the close of business on the 15th day (whether or not such 15th day is a Business Day) before the relevant due date,

(in either case, the **Record Date** in relation to such Covered Bonds) at the holder's address shown in the Register on the Record Date and at the holder's risk. Upon application of the holder to the specified office of the relevant Registrar not less than three Business Days in the city where the specified office of the relevant Registrar is located before the due date for any payment of interest in respect of a Registered Covered Bond, the payment may be made by electronic transfer on the due date in the manner provided in the preceding paragraph. Any such application for electronic transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) and instalments of principal (other than the final instalment) in respect of the Registered Covered Bonds which become payable to the holder who has made the initial application until such time as the relevant Registrar is notified in writing to the contrary by such holder. Payment of the interest due in respect of each Registered Covered Bond on redemption and the final instalment of principal will be made in the same manner as payment of the principal in respect of such Registered Covered Bond.

(f) *Payments in respect of Australian Registered Covered Bonds*

Payments of interest and principal (other than instalments of principal prior to the final instalment) in respect of each Australian Registered Covered Bond (whether or not in global form) will be made in Australian Dollars by the Australian Paying Agent on behalf of the Issuer to the persons registered at the close of business on the relevant Record Date (as defined below) as follows:

- (i) if the Australian Registered Covered Bond is in Austraclear, by crediting on the relevant due date the amount then due to the account (held with a bank in Australia) of Austraclear in accordance with the Austraclear Regulations;
- (ii) if the Australian Registered Covered Bond is not in Austraclear, by crediting on the relevant due date the amount then due to an account (held with a bank in Australia) previously notified in writing by the holder of the Australian Registered Covered Bond to the Issuer and the Australian Paying Agent; and
- (iii) if a holder has not notified the Issuer and the Australian Paying Agent of an account to which payments to it must be made by the close of business on the applicable Record Date, by cheque drawn on an Australian bank dispatched by post on the relevant payment date, at the risk of the holder, to the holder (or, in the case of joint holders, to the first named) at its address appearing in the Australian Register at the close of business on the Record Date or in any other manner in Australia which the Australian Paying Agent and the holder agree.

In the case of payments made by electronic transfer, payments will for all purposes be taken to be made when the Australian Paying Agent gives irrevocable instructions for the making of the relevant payment by electronic transfer, being instructions which would be reasonably expected to result, in the ordinary course of banking business, in the funds transferred reaching the account of the Covered Bondholder and, in the case of accounts maintained in Australia, reaching the account on the same day as the day on which the instructions are given.

For the purposes of this Condition, **Record Date** means:

- (A) in the case of payments of principal, 10.00 a.m. (Sydney) on the due date of the relevant payment of principal; and
- (B) in the case of payments of interest, close of business of the eighth calendar day before the due date for the relevant payment of interest.

(g) *General provisions applicable to payments*

Where payments in respect of a Registered Covered Bond are to be made by cheque, 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 Registered Covered Bond as a result of a cheque posted in accordance with these Conditions arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the relevant Registrar in respect of any payments 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 shall be paid by electronic transfer by the Luxembourg Registrar to an account in the relevant Specified Currency of the Exchange Agent on behalf of DTC or its nominee for conversion into and payment in U.S. dollars in accordance with the provisions of the Principal Agency Agreement.

None of the Issuer, the Covered Bond Guarantor, the Bond Trustee or 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.

The holder of a Global Covered Bond (or, as provided in the Bond Trust Deed, the Bond Trustee) shall be the only person entitled to receive payments in respect of Covered Bonds represented by

such 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 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, Clearstream, Luxembourg, Austraclear or DTC, as the case may be, as the beneficial holder of a particular nominal amount of Covered Bonds represented by such Global Covered Bond must look solely to Euroclear, Clearstream, Luxembourg, Austraclear or DTC, as the case may be, for his share of each payment so made by the Issuer or the Covered Bond Guarantor to, or to the order of, the holder of such Global Covered Bond (or the Bond Trustee, as the case may be). No person other than the holder of the relevant Global Covered Bond (or, as provided in the Bond Trust Deed, the Bond Trustee) shall have any claim against the Issuer or the Covered Bond Guarantor in respect of any payments due on that Global Covered Bond.

Notwithstanding the foregoing provisions of this Condition, payments of principal and/or interest in U.S. Dollars in respect of the Bearer Covered Bonds will only be made at the specified office of a Paying Agent in the United States 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 in U.S. Dollars 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 principal and interest at 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 without involving, in the opinion of the Issuer and the Covered Bond Guarantor, adverse Tax consequences to the Issuer or the Covered Bond Guarantor.

(h) *Payment Business Day*

If the date for payment of any amount in respect of any Covered Bond, Receipt or Coupon is not a Payment Business Day (as defined below), the holder thereof shall not be entitled to payment of the relevant amount due until the next following Payment Business Day and shall not be entitled to any interest or other sum in respect of any such delay. In this Condition (unless otherwise specified in the applicable Final Terms), **Payment Business Day** means any day (other than a Saturday or a Sunday) on which (subject to Condition 8 (Prescription)):

- (i) commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
 - (A) in the case of Covered Bonds in definitive form, the relevant place of presentation; and
 - (B) in the case of Australian Registered Covered Bonds, Sydney; and
 - (C) any Additional Financial Centre specified in the applicable Final Terms; and
- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, 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 Condition 6(h)(i) and which if the Specified Currency is Australian

dollars shall be Sydney) or (2) in relation to any sum payable in euro, the TARGET 2 System is open; and

- (iii) 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.

(i) Interpretation of principal and interest

- (i) Any reference in these Conditions to principal in respect of the Covered Bonds shall be deemed to include, as applicable:
- (ii) any additional amounts which may be payable with respect to principal under Condition 7 (Taxation) or under any undertakings or covenants given in addition thereto, or in substitution therefor, pursuant to the Bond Trust Deed;
- (iii) the Final Redemption Amount of the Covered Bonds;
- (iv) the Early Redemption Amount of the Covered Bonds;
- (v) the Optional Redemption Amount(s) (if any) of the Covered Bonds;
- (vi) in relation to Covered Bonds redeemable in instalments, the Instalment Amounts;
- (vii) in relation to Zero Coupon Covered Bonds, the Amortised Face Amount (as defined in Condition 5(f) (Early Redemption Amounts));
- (viii) any premium and any other amounts (other than interest) which may be payable under or in respect of the Covered Bonds;
- (ix) in relation to Dual Currency Covered Bonds, the principal payable in any relevant Specified Currency; and
- (x) 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 shall be deemed to include, as applicable, any additional amounts which may be payable by the Issuer with respect to interest under Condition 7 (*Taxation*) or under any undertakings given in addition thereto, or in substitution therefor, pursuant to the Bond Trust Deed.

(j) Redenomination

Where redenomination is specified in the applicable Final Terms as being applicable, the Issuer may, without the consent of the Covered Bondholders, the Receiptholders and the Couponholders, on giving prior written notice to the Bond Trustee, the Security Trustee, the Covered Bond Paying Agent, the Luxembourg Registrar (in the case of Registered Covered Bonds), Euroclear and Clearstream, Luxembourg and at least 30 days' prior notice to the Covered Bondholders in accordance with Condition 14 (Notices), elect that, with effect from the Redenomination Date specified in the notice, the Covered Bonds shall be redenominated in euro. In relation to any Covered Bonds where the applicable Final Terms provides for a minimum Specified Denomination

in the Specified Currency which is equivalent to at least euro 100,000 and which are admitted to trading on a regulated market in the European Economic Area, it shall be a term of any such redenomination that the holder of any Covered Bonds held through Euroclear and/or Clearstream, Luxembourg and/or DTC must have credited to its securities account with the relevant clearing system a minimum balance of Covered Bonds of at least euro 100,000. Australian Registered Covered Bonds may not be redenominated.

The election will have effect as follows:

- (i) the Covered Bonds and any Receipts shall be deemed to be redenominated in euro in the denomination of euro 0.01 with a nominal amount for each Covered Bond and Receipt equal to the nominal amount of that Covered Bond or Receipt in the Specified Currency, converted into euro at the Established Rate, provided that, if the Issuer determines, in consultation with the Principal Paying Agent and the Bond Trustee, that the then market practice in respect of the redenomination in euro of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Covered Bondholders, the competent listing authority, stock exchange and/or market (if any) on or by which the Covered Bonds may be listed and/or admitted to trading and the Paying Agents of such deemed amendments;
- (ii) save to the extent that an Exchange Notice has been given in accordance with paragraph (iv) below, the amount of interest due in respect of the Covered Bonds will be calculated by reference to the aggregate nominal amount of Covered Bonds presented (or, as the case may be, in respect of which Coupons are presented) for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest euro 0.01;
- (iii) if Definitive Covered Bonds are required to be issued after the Redenomination Date, they shall be issued at the expense of the Issuer in the denominations of euro 100,000 and/or such higher amounts as the Principal Paying Agent may determine and notify to the Covered Bondholders and any remaining amounts less than euro 100,000 shall be redeemed by the Issuer and paid to the Covered Bondholders in euro in accordance with Condition 5 (Redemption and Purchase);
- (iv) if issued prior to the Redenomination Date, all unmatured Coupons denominated in the Specified Currency (whether or not attached to the Covered Bonds) will become void with effect from the date on which the Issuer gives notice (the **Exchange Notice**) that replacement euro-denominated Covered Bonds, Receipts and Coupons are available for exchange (provided that such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any Covered Bonds, Receipts and Coupons so issued will also become void on that date although those Covered Bonds, Receipts and Coupons will continue to constitute valid exchange obligations of the Issuer. New euro-denominated Covered Bonds, Receipts and Coupons will be issued in exchange for Covered Bonds, Receipts and Coupons denominated in the Specified Currency in such manner as the Principal Paying Agent may specify and as shall be notified to the Covered Bondholders in the Exchange Notice. No Exchange Notice may be given less than 15 days prior to any date for payment of principal or interest on the Covered Bonds;
- (v) after the Redenomination Date, all payments in respect of the Covered Bonds, the Receipts and the Coupons, other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in euro as though references in the Covered Bonds to the Specified Currency were to euro. Payments will be made in euro by credit or

transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque;

- (vi) if the Covered Bonds are Fixed Rate Covered Bonds and interest for any period ending on or after the Redenomination Date is required to be calculated for a period ending other than on an Interest Payment Date, it will be calculated:
 - (A) in the case of Covered Bonds represented by a Global Covered Bond, by applying the Rate of Interest to the aggregate outstanding nominal amount of the Covered Bonds represented by such Global Covered Bonds; and
 - (B) in the case of Definitive Covered Bonds, by applying the Rate of Interest to 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 in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Covered Bond shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding;

- (vii) if the Covered Bonds are Floating Rate Covered Bonds or Variable Interest Covered Bonds, the applicable Final Terms will specify any relevant changes to the provisions relating to interest; and
- (viii) such other changes shall be made to this Condition (and the Programme Documents) as the Issuer may decide, after consultation with the Principal Paying Agent and the Bond Trustee, and as may be specified in the notice, to conform it to conventions then applicable to instruments denominated in euro.

(k) Definitions

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

Established Rate means the rate for the conversion of the relevant Specified Currency (including compliance with rules relating to roundings in accordance with applicable European Community regulations) into euro established by the Council of the European Union pursuant to Article 123 of the Treaty.

euro means the lawful currency for the time being of the member states of the European Union that adopt the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty.

Rate of Interest means the rate of interest payable from time to time in respect of a Series of Covered Bonds, as determined in, or as determined in the manner specified in, the applicable Final Terms.

Redenomination Date means (in the case of interest bearing Covered Bonds) any date for payment of interest under the Covered Bonds or (in the case of Zero Coupon Covered Bonds) any date, in each case specified by the Issuer in the notice given to the Covered Bondholders pursuant to

Condition 6(i)(ii) and which falls on or after the date on which the country of the relevant Specified Currency first participates in the third stage of European economic and monetary union.

Treaty means the Treaty establishing the European Community, as amended.

7. Taxation

Subject as provided below, all payments of principal and interest (if any) in respect of the Covered Bonds, Receipts and Coupons by or on behalf of the Issuer and all payments of Guaranteed Amounts by or on behalf of the Covered Bond Guarantor, as the case may be, will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction (together, **Taxes**) unless such withholding or deduction is required by law (including withholding or deduction required pursuant to an agreement described in section 1471(b) of the Code). In that event, the Issuer (but not the Covered Bond Guarantor) will pay such additional amounts as shall be necessary in order that the net amounts received by the Covered Bondholders, Receiptholders or Couponholders after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Covered Bonds, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; except that the foregoing obligation to pay additional amounts shall not apply with respect to any Covered Bond, Receipt or Coupon:

- (a) presented for payment or held by or on behalf of a holder which is liable to such Taxes, duties, assessments or governmental charges in respect of such Covered Bond, Receipt or Coupon by reason of its having some connection with the jurisdiction of incorporation of the Issuer or, where the Issuer is acting through its branch, the jurisdiction, country or territory in which the branch through which the Issuer is acting as specified in the Final Terms, other than the mere holding of such Covered Bond, Receipt or Coupon or the receipt of the relevant payment in respect thereof; or
- (b) presented for payment or held by or on behalf of a holder who is an Australian resident or a non-resident who is engaged in carrying on business in Australia at or through a permanent establishment of that non-resident in Australia, if that person has not supplied an appropriate tax file number, Australian business number or other exemption details; or
- (c) presented (or in respect of which the Registered Definitive Covered Bond representing it is presented) for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth such day; or
- (d) in respect of which the holder thereof is an Offshore Associate of the Issuer, (acting other than in the capacity of a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme within the meaning of the Corporations Act 2001 of Australia); or
- (e) in respect of which the Taxes have been imposed or levied as a result of the holder of such Covered Bond, Receipt or Coupon being party to or participating in a scheme to avoid such Taxes, being a scheme which the Issuer was neither a party to nor participated in; or
- (f) in respect of Bearer Covered Bonds only, if the holder of such Covered Bond, Receipt or Coupon or any entity which directly or indirectly has an interest in or right in respect of such Covered Bond, Receipt or Coupon is a resident of Australia, or a non-resident who is engaged in carrying on business in Australia at or through a permanent establishment of that

non-resident in Australia (the expressions "resident of Australia", "non-resident" and "permanent establishment" having the meanings given to them by the Australian Tax Act if, and to the extent that, Section 126 of the Australian Tax Act (or any equivalent provisions) requires the Issuer to pay income tax in respect of interest payable on such Covered Bond, Receipt or Coupon and the income tax would not be payable were the holder or such entity not such a resident of Australia or non-resident; or

- (g) presented for payment where such withholding or deduction is imposed on a payment to an individual 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) presented for payment by, or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Covered Bond, Receipt or Coupon to another Paying Agent in a Member State of the European Union; or
- (i) presented for payment, where such withholding or deduction is imposed by reason of the failure of a person entitled to such payment to perfect an exemption from any withholding imposed pursuant to Sections 1471 through 1474 of the Code and any regulations or agreements thereunder or official interpretations thereof.

If any payments made by the Covered Bond Guarantor under the Covered Bond Guarantee are or become subject to any withholding or deduction, on account of any taxes, duties or other charges of whatever nature, imposed or levied by or on behalf of Australia or by any other authority having power to tax, the Covered Bond Guarantor will not be obliged to pay any additional amount as a consequence.

As used herein:

Tax Jurisdiction means Australia and/or, where the Issuer is acting through its branch, the jurisdiction, country or territory in which the branch through which the Issuer is acting as specified in the relevant Final Terms is located or, in each case, any political sub-division thereof or by any authority therein or thereof having power to tax;

the **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 or the Agent on or prior to such 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 14 (Notices).

8. Prescription

The Covered Bonds (whether in bearer or registered form), Receipts and Coupons will become void unless presented for payment within 10 years (in the case of principal) and five years (in the case of interest) in each case from the Relevant Date (as defined in Condition 7 (*Taxation*)) therefor, subject in each case to the provisions of Condition 6 (*Payments*).

There shall not be included in any Coupon sheet issued on exchange of a Talon, any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 6 (*Payments*) or any Talon which would be void pursuant to Condition 6 (*Payments*).

9. Events of Default and Enforcement

(a) *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(a) means the Covered Bonds of this Series together with the Covered Bonds of any other Series) 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 shall, (but in the case of the happening of any of the events mentioned in subparagraph (ii) or (vi) below, only if the Bond Trustee shall have 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 (copied to the Covered Bond Guarantor) 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 shall, unless such event shall have 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**) shall occur:

- (i) default is made in the payment of any principal or interest when due, in respect of any Covered Bonds and such default continues for a period of seven days; or
- (ii) the Issuer fails to perform or observe any of its obligations under any Covered Bonds (other than those specified in paragraph (i) above and other than the obligation of the Issuer to comply with the Asset Coverage Test) and in such case (except where such failure is incapable of remedy) such failure continues for the period of 30 days next following the service by the Bond Trustee on the Issuer of written notice requiring the same to be remedied; or
- (iii) otherwise than for the purpose of an amalgamation or reconstruction or merger within the meaning of these words under the laws of Australia or, where the Issuer is acting through its branch, of the jurisdiction, country or territory in which the branch through which the Issuer is acting as specified in the relevant Final Terms is located, a resolution is passed that the Issuer be wound up or dissolved; or
- (iv) the Issuer stops payment (within the meaning of Australian or any other applicable bankruptcy law) of its obligations; or
- (v) an encumbrancer takes possession of or a receiver is appointed of the whole or a substantial part of the undertaking and assets of the Issuer and any such event is continuing for 45 days after its occurrence and would materially prejudice the performance by the Issuer of its obligations under the Covered Bonds or a distress or execution is levied or enforced upon or sued out against the whole or a substantial part of the undertaking and assets of the Issuer which would materially prejudice the performance of the Issuer of its obligations under the Covered Bonds and is not discharged within 60 days thereof; or
- (vi) proceedings shall have been initiated against the Issuer under any applicable bankruptcy, reorganisation or other similar law and such proceedings shall not have been discharged or stayed within a period of 60 days; or

- (vii) the Issuer shall initiate or consent to proceedings relating to itself under any applicable bankruptcy, insolvency, composition or other similar law (otherwise than for the purpose of amalgamation, reconstruction or merger (within the meaning of those words under the laws of Australia or, where the Issuer is acting through its branch, of the jurisdiction, country or territory in which the branch through which the Issuer is acting as specified in the relevant Final Terms is located) and such proceedings would materially prejudice the performance by the Issuer of its obligations under the Covered Bonds; or
- (viii) if an Asset Coverage Test Breach Notice is served and not revoked (or deemed to be revoked) in accordance with the terms of the Supplemental Deed on or before the next Determination Date to occur following the service of such Asset Coverage Test Breach Notice; or
- (ix) 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:
 - (A) the later of (i) the date that is 10 Local Business Days from the date that the Seller is notified of that breach; and (ii) the date that is 10 Local Business Days from the date that is six months prior to the Final Maturity Date of the relevant series of Hard Bullet Covered Bonds; and
 - (B) the Final Maturity Date of that Series of Hard Bullet Covered Bonds.

Upon the Covered Bonds becoming immediately due and repayable against the Issuer pursuant to this Condition 9(a), the Bond Trustee shall forthwith serve a notice to pay (the **Notice to Pay**) on the Covered Bond Guarantor (copied to the Trust Manager) pursuant to the Covered Bond Guarantee and the Covered Bond Guarantor shall be required to make payments of Guaranteed Amounts when the same shall 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 shall take such proceedings or other action or step against the Issuer in accordance with Condition 9(c) (*Enforcement*).

The Bond Trust Deed provides that all monies received by the Bond Trustee, following the occurrence of an Issuer Event of Default and the delivery of an Issuer Acceleration Notice and Notice to Pay, from the Issuer or any receiver, liquidator, administrator or other similar official appointed in relation to the Issuer (the **Excess Proceeds**) and are then held by it or under its control, shall 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 shall be held by the Covered Bond Guarantor in the GIC Account and the Excess Proceeds shall thereafter be subject to the Charge and shall be used by the Covered Bond Guarantor in the same manner as all other monies from time to time standing to the credit of the GIC Account pursuant to the Deed of Charge and the Supplemental Deed. Any Excess Proceeds received by the Bond Trustee shall discharge *pro tanto* the obligations of the Issuer in respect of the payment of the amount of such Excess Proceeds under the Covered Bonds, Receipts and Coupons (as applicable and to the extent of the amount so received and subject to restitution of the same if such Excess Proceeds shall be required to be repaid by the Covered Bond Guarantor) (but the Issuer shall be deemed not to have discharged such obligations 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, or on behalf of, the Bond Trustee of any Excess Proceeds and payment to the Covered Bond Guarantor of such Excess Proceeds shall not reduce or discharge any of such obligations.

By subscribing for Covered Bond(s), each Covered Bondholder shall 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.

(b) 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(b) means the Covered Bonds of this Series together with the Covered Bonds of any other Series 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 shall, (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 (ii) or (v) below, only if the Bond Trustee shall have 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 (copied to the Trust Manager and Security Trustee), that (x) each Covered Bond of each Series is, and each Covered Bond of each Series shall as against the Issuer (if not already due and repayable against it following the service of an Issuer Acceleration Notice in accordance with Condition 9(a)), 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 shall 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 Charge shall become enforceable if any of the following events (each a **Covered Bond Guarantor Event of Default**) shall occur and be continuing:

- (i) 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(a) (*Final redemption*) where the Covered Bond Guarantor shall 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
- (ii) 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 Deed of Charge or any other Programme Document to which the Covered Bond Guarantor is a party (other than the Programme Agreement, or as the case maybe the Distribution Agreement, or any Subscription Agreement) and, except where such default is or the effects of such default are, in the opinion of the Bond Trustee, not capable of remedy when no such continuation and notice as is hereinafter mentioned will be required, such default continues for 30 days (or such longer period as the Bond Trustee may permit) after written notice thereof has been given by the Bond Trustee to the Covered Bond Guarantor (with a copy to the Trust Manager) requiring the same to be remedied; or

- (iii) if the Covered Bond Guarantor ceases or threatens to cease to carry on its business or substantially the whole of its business; or
- (iv) the Covered Bond Guarantor shall stop payment or shall be unable, or shall admit inability, to pay its debts generally as they fall due or shall be adjudicated or found bankrupt or insolvent; or
- (v) proceedings are initiated against the Covered Bond Guarantor under any applicable liquidation, winding up, insolvency, bankruptcy, composition, reorganisation or other similar laws (including, but not limited to, presentation of a petition or the filing of documents with a court or any registrar for its winding-up, administration or dissolution or the giving notice of the intention to appoint an administrator (whether out of court or otherwise)); or a receiver and/or manager, administrative receiver, administrator, trustee or other similar official shall be appointed (whether out of court or otherwise) in relation to the Covered Bond Guarantor or in relation to the whole or any part of its assets, or a distress, diligence or execution or other process shall be levied or enforced upon or sued out against the whole or any part of its assets, or if the Covered Bond Guarantor shall initiate or consent to judicial proceedings relating to itself under any applicable liquidation, winding up, insolvency, bankruptcy, composition, reorganisation or other similar laws or shall make a conveyance, assignment or assignation for the benefit of, or shall enter into any composition with, its creditors generally; or
- (vi) a failure to satisfy the Amortisation Test (as set out in the Supplemental Deed) on any Determination Date following service of a Notice to Pay on the Covered Bond Guarantor (copied to the Trust Manager); or
- (vii) 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 (copied to the Trust Manager and the Security Trustee) each of the Bond Trustee and the Security Trustee may or in the case of the Security Trustee, if so directed by the Bond Trustee, shall take such proceedings or steps in accordance with the first and third paragraphs, respectively, of Condition 9(c) (*Enforcement*) and the Covered Bondholders shall 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 (*Taxation*)) as provided in the Bond Trust Deed in respect of each Covered Bond.

(c) *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 Issuer and 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, the Receipts and the Coupons or any other Programme Document and may, at any time after the Charge has become enforceable, direct the Bond Trustee to take such steps as it may think fit to enforce the Charge, but it shall not be bound to take any such enforcement proceedings or other action or step in relation to the Bond Trust Deed, the Covered Bonds, the Receipts or the Coupons or any other Programme Document unless (i) it shall have 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 shall have been indemnified and/or secured and/or prefunded to its satisfaction.

In exercising any of its powers, trusts, authorities and discretions the Bond Trustee shall only have regard to the interests of the Covered Bondholders of all Series equally and shall 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 or instruct the Security Trustee to take such steps or proceedings against the Covered Bond Guarantor and/or any other person as it may think fit to enforce the provisions of the Deed of Charge or any other Programme Document, but the Bond Trustee shall not be bound to take, or to give any direction to the Security Trustee to take any such steps, proceedings or actions in relation to the Bond Trust Deed, the Covered Bond Guarantee, the Covered Bonds, the Receipts, the Coupons or any other Programme Document referred to in clause 10.1 of the Bond Trust Deed or give notice pursuant to Condition 9(a) or 9(b) unless (i) the Bond Trustee shall have 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 shall have been indemnified and/or secured and/or prefunded to its satisfaction. In exercising any of its powers, trusts, authorities and discretions under this paragraph the Bond Trustee shall only have regard to the interests of the Covered Bondholders of all Series equally and shall not have regard to the interests of any other Secured Creditors. No Covered Bondholder, Receiptholder or Couponholder shall be entitled to institute proceedings directly against the Issuer or the Covered Bond Guarantor to enforce performance of any of the provisions of the Trust Presents or to directly enforce the provisions of any other Programme Documents unless the Bond Trustee, 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, Receiptholder or Couponholder may, on giving an indemnity and/or pre-funding and/or security satisfactory to the Bond Trustee, in the name of the Bond Trust (but not otherwise) himself 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, Receipts and Coupons and/or the Bond Trust Deed).

In exercising any of its powers, trust authorities and discretions the Bond Trustee shall only have regard to the interests of the Covered Bondholders of all Series equally and shall not have regard to the interests of any other Secured Creditor.

10. Covered Bond Paying Agent, Australian Paying Agent, Paying Agents, Luxembourg Registrar, Australian Registrar, Transfer Agent and Exchange Agent

The names of the initial Covered Bond Paying Agent, Australian Paying Agent, the other initial Paying Agents, the initial Luxembourg Registrar, the Australian Registrar, the initial Transfer Agent, the initial Exchange Agent and their initial specified offices are set out below.

In the event of the appointed office of any such bank being unable or unwilling to continue to act as the Covered Bond Paying Agent, or failing duly to determine the Rate of Interest, if applicable, or to calculate the Interest Amounts for any Interest Period, the Issuer shall appoint the London office of such other bank as may be approved by the Bond Trustee to act as such in its place. The Covered Bond Paying Agent may not resign its duties or be removed from office without a successor having been appointed as aforesaid.

In the event of the appointed Australian Paying Agent and/or Australian Registrar being unable or unwilling to continue to act as the Australian Paying Agent and/or Australian Registrar, or, in the case of the Australian Paying Agent, failing duly to determine the Interest Rate, if applicable, or to calculate the Interest Amounts for any Interest Period, the Issuer shall appoint such other paying agent and/or registrar as may be approved by the Bond Trustee to act as such in its place.

The Issuer and the Covered Bond Guarantor are entitled, with the prior written approval of the Bond Trustee (such approval not to be unreasonably withheld or delayed), to vary or terminate the appointment of any Paying Agent or Registrar and/or appoint additional or other Paying Agents or Registrars and/or approve any change in the specified office through which any Paying Agent or Registrar acts, provided that:

- (a) there will at all times be a Covered Bond Paying Agent and a Luxembourg Registrar and, so long as any Australian Registered Covered Bonds are outstanding, an Australian Paying Agent and an Australian Registrar and, in the cases of issuances through DTC, a US Paying Agent and a US Registrar;
- (b) so long as any of the 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;
- (c) so long as any of the Registered Global Covered Bonds payable in a Specified Currency other than U.S. dollars are held through DTC or its nominee, there will at all times be an Exchange Agent;
- (d) the Issuer will ensure that it maintains a Paying Agent in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to such Directive if any; and
- (e) the Issuer will ensure that it appoints a Paying Agent in a Member State of the European Union (other than the United Kingdom) in the event that it is required to withhold or deduct tax on payments made in the United Kingdom.

In addition, the Issuer shall, when necessary appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 6(g) (General provisions applicable to payments). Notice of any such variation, termination, appointment or change will be given by the Issuer to the Covered Bondholders as soon as reasonably practicable in accordance with Condition 14 (Notices).

In acting under the Agency Agreements, the Agents act solely as agents of the Issuer and the Covered Bond Guarantor and do not assume any obligation to, or relationship of agency or trust with, any Covered Bondholders, Receiptholders or Couponholders. Each Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which

it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

11. Meetings of Covered Bondholders, Modification, Waiver and Substitution

Covered Bondholders, Receiptholders, Couponholders and other Secured Creditors should note that the Issuer and the Covered Bond Guarantor (acting at the direction of the Trust Manager) may concur with any other party (including any Paying Agent) without the consent of the Covered Bondholders, Receiptholders, Couponholders and other Secured Creditors or the consent of the Bond Trustee or the Security Trustee and 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 proven error or to comply with any mandatory provisions of law or in the circumstances described below.

(a) 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 by Extraordinary Resolution 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 two or more persons present holding Definitive Covered Bonds or voting certificates or being proxies or representatives and holding or representing more 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 two or more persons present holding Bearer Definitive Covered Bonds or voting certificates or being proxies or representatives (whatever the Principal Amount Outstanding of the Covered Bonds then outstanding so held or represented by them) of such Series, except that at any meeting the business of which comprises of any Series Reserved Matter, the quorum for any adjourned meeting shall be two or more persons holding or representing not less than one-third of the aggregate Principal Amount Outstanding of the Covered Bonds of the relevant Series (in the case of an Extraordinary Resolution not in relation to a Programme Resolution) 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 seventy five per cent. 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 seventy five per cent. 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 two 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. An Extraordinary Resolution passed at any meeting of the Covered Bondholders of a Series shall, subject as provided below, be binding on all the Covered Bondholders of such Series, whether or not they are present at the meeting and whether or not voting on the resolution, and on all Receiptholders and 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 shall 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(a) (*Issuer Events of Default*) or to give a Covered Bond Guarantee Acceleration Notice pursuant to

Condition 9(b) (*Covered Bond Guarantor Events of Default*) or to direct the Bond 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 shall not be treated as such for the purposes of the Bond Trust Deed (each a **Programme Resolution**) shall 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 acting at the direction of the Trust Manager or the Bond Trustee or by the Covered Bondholders of any Series. The quorum at any such meeting for passing a Programme Resolution is two or more persons holding or representing more than two-thirds of the aggregate Principal Amount Outstanding of the Covered Bonds of all Series for the time being outstanding or at any adjourned such meeting two or more persons holding or representing in the aggregate not less than one-third of the aggregate Principal Amount Outstanding of the Covered Bonds of all Series for the time being outstanding. A Programme Resolution passed at any meeting of the Covered Bondholders of all Series shall be binding on all the Covered Bondholders of all Series, whether or not they are present at the meeting, and on all related Receipholders and 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 shall be converted into Australian Dollars at the relevant Swap Rate.

The Bond Trustee may (and in the case of any modification contemplated by (c) below the Bond Trustee must), without the consent or sanction of any of the Covered Bondholders of any Series, the related Receipholders and/or the Couponholders and without the consent or sanction of the other Secured Creditors (other than any Secured Creditor who is party to the relevant documents), at any time and from time to time, concur with the Issuer, the Covered Bond Guarantor (acting at the direction of the Trust Manager) and any other party and/or direct the Security Trustee to concur with the Issuer, the Covered Bond Guarantor (acting at the direction of the Trust Manager) and 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 Receipts and/or Coupons or any Programme Document provided that in the opinion of the Bond Trustee such modification is not materially prejudicial to the interests of the Covered Bondholders of any Series but such power does not extend to any such modification referred to in the definition of Series Reserved Matter; or
- (ii) any modification to the Covered Bonds of any one or more Series, the related Receipts and/or coupons or any Programme Document which is in the opinion of the Bond Trustee of a formal, minor or technical nature, or in the opinion of the Bond Trustee made to correct a manifest error or error proven as such to the satisfaction of the Bond Trustee or is made to comply with mandatory provisions of law (and for this purpose the Bond Trustee may disregard whether any such modification relates to a Series Reserved Matter); or
- (iii) any modification contemplated by Clause 21.4 and/or Clause 21.5 of the Bond Trust Deed.

Notwithstanding the above, or any provision of any Programme Document the Bond Trustee shall not be obliged to agree to any amendment, which, in the sole opinion of the Bond Trustee or the Security Trustee (as applicable), would have the effect of (x) exposing the Bond Trustee or the Security Trustee (as applicable), 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 or the Security Trustee (as applicable) in the Bond Trust Deed, the other Programme Documents and/or the Conditions.

The Bond Trustee may without the consent of any of the Covered Bondholders of any Series, the related Receiptholders and/or 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 shall 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 Trust Presents, 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 shall not be treated as such for the purposes of the Trust Presents, PROVIDED ALWAYS THAT the Bond Trustee shall not exercise any powers conferred on it by this Condition 11 in contravention of any express direction given by Extraordinary Resolution or by a request under Condition 9(a) or (b) (*Events of Default and Enforcement*) but so that no such direction or request shall 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, shall be binding on the Covered Bondholders, the related Receiptholders and/or the Couponholders and, if, but only if, the Bond Trustee will so require by writing to the Issuer, shall be notified by the Issuer or Covered Bond Guarantor (at the direction of the Trust Manager) (as the case may be) to the Covered Bondholders in accordance with Condition 14 (*Notices*) as soon as practicable thereafter.

Subject to as provided below, the Bond Trustee shall be bound to waive or authorise, or direct the Security Trustee to waive or authorise, any breach or proposed breach by an Issuer or the Covered Bond Guarantor or any other person of any of the covenants or provisions contained in the Trust Presents, 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 shall 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 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 shall be 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, Receiptholders or Couponholders of any Series and without the consent of any 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 instructed to do so by a resolution of Voting Secured Creditors (where the Bond Trustee is not the voting secured creditor) or by a direction from the Bond Trustee (where the Bond Trustee is the voting secured creditor), authorise or waive any proposed or actual breach of any of the covenants or provisions contained in the Covered Bonds of any Series, 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 shall not be treated as such for the purposes of the Security Trust Deed. Any such authorisation or waiver or determination shall be binding on the Secured Creditors and if, but only if, the resolution or direction (as the case may be) shall so require, shall be notified by the Bond Trustee to the Covered Bondholders in accordance with Condition 14 (*Notices*).

In connection with the exercise by it of any of its trusts, powers, authorities and discretions under the Programme Documents, (including, without limitation, any modification, waiver, authorisation or determination), the Bond Trustee and the Security Trustee shall have regard to the general interests of the Covered Bondholders (of each Series) as a class (but shall not have regard to any interests arising from circumstances particular to individual Covered Bondholders, Receiptholders or Couponholders whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Covered Bondholders, the related Receiptholders, 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 shall not be entitled to require, nor shall any Covered Bondholder, Receiptholder 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, Receiptholders and/or Couponholders, except to the extent already provided for in Condition 7 (*Taxation*) and/or in any undertaking or covenant given in addition to, or in substitution for Condition 7 (*Taxation*) pursuant to the Trust Presents.

(b) Substitution

The Bond Trust Deed provides that in connection with any scheme of amalgamation or reconstruction 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 shall, if requested by the Issuer, be obliged, without the consent of the Covered Bondholders, Receiptholders or Couponholders, at any time to agree with the Issuer to the substitution in the place of the Issuer (or the previous substitute under this Condition) as principal debtor under the Trust Presents of another company (the Substituted Debtor) being the entity with and into which the Issuer amalgamates or the entity to which all or substantially all of the business and assets of the Issuer is transferred, or succeeded to, pursuant to such scheme of amalgamation or reconstruction (whether by operation of law or otherwise), subject to, inter alia:

- (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 Trust Presents with any consequential amendments which the Bond Trustee may deem appropriate as fully as if the Substituted Debtor had been named in the Trust Presents as principal debtor in place of the Issuer (or the previous substitute under this Condition);
- (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; and
- (iii) confirmations being received by the Bond Trustee from each Designated Rating Agency that the substitution will not adversely affect the rating of the Covered Bonds.

Any such supplemental trust deed or undertaking shall, if so expressed, operate to release the Issuer the previous substitute as aforesaid from all of its obligations as principal debtor under the Trust Presents.

In addition, subject as further provided in the Bond Trust Deed, the Bond Trustee may without the consent of the Covered Bondholders, Receiptholders or Couponholders at any time agree with the Issuer to the substitution in place of the Issuer (or any previous substitute under this Condition) as the principal debtor under the Covered Bonds, Receipts, Coupons and the Bond Trust Deed of any Subsidiary of the Issuer (each substituted company being hereinafter called the New Company) subject to (a) the Bond Trustee being satisfied that the interests of the Covered Bondholders will not be materially prejudiced by the substitution and (b) certain other conditions set out in the Bond Trust Deed being complied with.

Any substitution pursuant to this Condition 11(b) shall be binding on the Covered Bondholders, the Receiptholders and the Couponholders and, unless the Bond Trustee agrees otherwise, shall be notified by the New Company to the Covered Bondholders not later than 14 days after any such substitution in accordance with Condition 14 (Notices).

It shall be a condition of any substitution pursuant to this Condition 11(b) that the Covered Bond Guarantee shall remain in place or be modified to apply mutatis mutandis and continue in full force and effect in relation to the obligations of the New Company.

(c) Designated Rating Agencies

To the extent that:

- (i) a confirmation or affirmation of rating or other response by a Designated Rating Agency is a condition to any action or step under any Programme Document; and
- (ii) the Trust Manager has delivered to the Covered Bond Guarantor (copied to the Seller, the Bond Trustee and each Designated Rating Agency) written confirmation that it has notified the Designated Rating Agencies of the action or step and that the Trust Manager is satisfied, following discussions with the Designated Rating Agencies, that the action or step, as applicable, will not result in a reduction, qualification or withdrawal of the ratings then assigned by the Designated Rating Agencies and the Designated Rating Agency does not consider such confirmation necessary,

the parties to the Program Documents shall be entitled to assume that the then current rating of the Covered Bonds from that Designated Rating Agency will not be downgraded or withdrawn by such Designated Rating Agency as a result of such action or step.

The Bond Trustee shall be entitled to treat as conclusive a certificate signed by an Authorised Officer of the Issuer or the Trust Manager that the Trust Manager has notified the Designated Rating Agencies of an action or step under any Programme Document and that the Trust Manager is satisfied, following discussions with the Designated Rating Agencies, that the action or step, as applicable, will not result in a reduction, qualification or withdrawal of the ratings then assigned by the Designated Rating Agencies to the Covered Bonds and the Bond Trustee shall not be responsible for any Liabilities that may be caused as a result.

For the purposes of this Condition 11:

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, (or combination of them) 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 (or any combination of them), would constitute a Covered Bond Guarantor Event of Default; and

Series Reserved Matter in relation to Covered Bonds of a Series means any proposal:

(i) to amend the dates of maturity or redemption of the Covered Bonds, or any date for payment of interest or Interest Amounts on the Covered Bonds or the obligation of the Issuer to pay additional amounts pursuant to Condition 7 (*Taxation*), (ii) to reduce or cancel the Principal Amount Outstanding of, or any premium payable on redemption of, the Covered Bonds, (iii) to reduce the rate or rates of interest in respect of the Covered Bonds or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Covered Bonds, (iv) if a Minimum and/or a Maximum Rate of Interest, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount is set out in the Final Terms, to reduce any such amount, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or Specified Denomination of the Covered Bonds, (vii) to take any steps that as specified in the Final Terms may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply, or (viii) to modify the provisions concerning the quorum required at any meeting of Covered Bondholders or the majority required to pass the Extraordinary Resolution.

12. Replacement of Covered Bonds, Receipts, Coupons and Talons

- (a) Should any Covered Bond, Receipt, 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 Covered Bond Paying Agent and the Luxembourg Registrar in London (in the case of Bearer Covered Bonds, Receipts, Coupons or Talons) or the specified office of the relevant Registrar (in the case of Registered Covered Bonds other than Australian Registered Covered Bonds), or any other place approved by the Bond Trustee of which notice shall have been published in accordance with Condition 14 (Notices) 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, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Covered Bonds, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Covered Bonds, Receipts, Coupons or Talons must be surrendered before replacements will be issued. Australian Registered Covered Bonds are constituted by entry in the Australian Register pursuant to the Deed Poll and are not evidenced by any certificate or document of title or have any related Receipt, Coupon or Talon.
- (b) 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 Covered Bond Paying Agent, the Luxembourg Registrar or any other Paying Agent (other than the Australian 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 (Prescription).

13. Further Issues

The Issuer shall be at liberty from time to time (but subject always to the provisions of the Trust Presents) without the consent of the Covered Bondholders, the Receipholders or the Couponholders to create and issue further Covered Bonds (whether in bearer or registered form) 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 shall be consolidated and form a single Series with the outstanding Covered Bonds of such Series.

14. 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 shall 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 shall approve.

All notices regarding the Registered Covered Bonds (other than Australian 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.

Unless otherwise specified, all notices and other communications to the Australian Registered Covered Bondholders must be in writing and either

- (i) sent by prepaid post (airmail if appropriate) to or left at the address of the Australian Registered Covered Bondholders (as shown in the Australian Register at the close of business on the day which is three Business Days before the date of the notice or communication) or
- (ii) (if available) issued to Australian Registered Covered Bondholders through Austraclear in accordance with the Austraclear Regulations or
- (iii) Published in a leading daily newspaper of general circulation in Australia (expected to be the *Australian Financial Review*) in which case any such notice will be deemed to have been given on the date of such publication.

Until such time as any Definitive Covered Bonds are issued, there may, so long as the Covered Bonds are represented in their entirety by any Global Covered Bonds held on behalf of Euroclear and/or Clearstream, Luxembourg, Austraclear and/or DTC be substituted for such publication in

such newspaper(s) or such mailing the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg, Austraclear and/or DTC for communication by them to the Covered Bondholders and, in addition, for so long as any Covered Bonds are listed on a stock exchange or admitted to trading by any other relevant authority and the rules of that stock exchange, or as the case may be, other relevant authority so require, such notice or notices will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the Covered Bondholders on the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg, Austraclear and/or DTC.

Notices to be given by any Covered Bondholder shall 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), the Registrar (in the case of Registered Covered Bonds) or the Australian Registrar (in the case of Australian 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 Registrar through Euroclear and/or Clearstream, Luxembourg, Austraclear and/or DTC, as the case may be, in such manner as the Principal Paying Agent, the Registrar and/or Euroclear and/or Clearstream, Luxembourg, Austraclear and/or DTC, as the case may be, may approve for this purpose.

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

15. 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 shall 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 Trust 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 Trust 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, Receptholders 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.

The Bond Trustee will not be responsible for any loss, expense or liability which may be suffered as a result of any Purchased Receivables or Related Security, 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. The Bond Trustee will not be responsible for *inter alia*: (i) supervising the performance by the Issuer or any other party to the Programme Documents of their respective obligations under the Programme Documents and the Bond Trustee will be entitled to assume, until it has 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 Purchased Receivables, including, without limitation, whether the Purchased Receivables are in compliance with the Asset Coverage Test, the Pre-Maturity Test or the Amortisation Test; or (iv) monitoring whether Receivables are Qualifying Receivables. The Bond Trustee will not be liable to any Covered Bondholder or other Secured Creditor for any failure to make or to cause to be made on their behalf the searches, investigations and enquiries which would normally be made by a prudent secured creditor in relation to the Charge and have no responsibility in relation to the legality, validity, sufficiency and enforceability of the Charge and the Programme Documents. In addition, each Covered Bondholder shall, by virtue of purchasing and/or holding Covered Bonds, be deemed to have acknowledged and agreed that the Security Trustee is not required *inter alia*, (i) to provide it with any information concerning the business or financial condition of any party to any Programme Document; (ii) to investigate the accuracy, adequacy or completeness of any information provided by any party in connection with a Programme Document; (iii) to assess or keep under review the business, financial condition, status or affairs of any party to any Programme Document; (iv) to investigate whether an Issuer Event of Default, or Covered Bond Guarantor Event of Default has occurred, or (v) to investigate or keep itself informed as to the performance by any other party of that party's obligations under any document.

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.

16. Limited Recourse and non-petition

The Covered Bondholders shall, by virtue of purchasing and/or holding Covered Bonds, be deemed to have agreed with the Covered Bond Guarantor and the Security Trustee as follows:

- (a) The Covered Bond Guarantor enters into the Programme Documents only in its capacity as Covered Bond Guarantor of the Trust and in no other capacity. A liability arising under or in connection with the Programme Documents or the Trust is limited to and can be enforced against the Covered Bond Guarantor only to the extent to which it can be satisfied out of the Assets of the Trust out of which the Covered Bond Guarantor is actually indemnified for the liability. This limitation of the Covered Bond Guarantor's liability applies despite any other provision of the Programme Documents and extends to all liabilities and obligations of the

Covered Bond Guarantor in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to the Programme Documents or the Trust.

- (b) The Covered Bondholders may not sue the Covered Bond Guarantor in any capacity other than Covered Bond Guarantor of the Trust, including seeking the appointment of a receiver (except in relation to the Assets), or a liquidator, an administrator or any similar person to the Covered Bond Guarantor or prove in any liquidation, administration or arrangements of or affecting the Covered Bond Guarantor (except in relation to an Asset of the Trust).
- (c) The provisions of Condition 16(a) and Condition 16(b) limiting the Covered Bond Guarantor's liability will not apply to any obligation or liability of the Covered Bond Guarantor to the extent that it is not satisfied because under any Programme Document in relation to the Trust or by operation of law there is a reduction in the extent of the Covered Bond Guarantor's indemnification out of the Assets of the Trust, as a result of the Covered Bond Guarantor's fraud, gross negligence or wilful default.
- (d) The Relevant Parties are responsible under the Programme Documents in relation to the Trust for performing a variety of obligations relating to the Trust. No act or omission of the Covered Bond Guarantor (including any related failure to satisfy its obligations or breach of representation or warranty under these Conditions will be considered fraud, gross negligence or wilful default for the purpose of Condition 16(c) if and to the extent the act or omission was caused or contributed to by any failure by any Relevant Party or any other person appointed by the Covered Bond Guarantor under any Programme Document (other than a person whose acts or omissions the Covered Bond Guarantor is liable for in accordance with any Programme Document) to fulfil its obligations relating to the Trust or by any other act or omission of any Relevant Party or any other such person regardless of whether or not the act or omission is purported to be done on behalf of the Covered Bond Guarantor.
- (e) No attorney, agent, receiver or receiver and manager appointed in accordance with the Programme Documents has authority to act on behalf of the Covered Bond Guarantor in a way that exposes the Covered Bond Guarantor to any personal liability, and no act or omission of any such person will be considered fraud, gross negligence or wilful default of the Covered Bond Guarantor for the purpose of this Condition 16.
- (f) The Covered Bond Guarantor is not obliged to do anything or refrain from doing anything under or in connection with the Programme Documents (including incur a liability) unless the Covered Bond Guarantor's liability is limited in the same manner as set out in this Condition 16.
- (g) Only the Security Trustee may pursue the remedies available under the general law or to enforce the Charge granted under the Deed of Charge and no Covered Bondholder shall be entitled to proceed directly against the Covered Bond Guarantor to enforce the Charge.
- (h) Except to the extent expressly provided in the Programme Documents:
 - (i) none of the Covered Bondholders (nor any person on their behalf, other than the Security Trustee where appropriate and the Bond Trustee in relation to the Covered Bond Guarantee) is entitled to direct the Security Trustee to enforce the Charge or take any proceedings against the Covered Bond Guarantor to enforce the Charge;
 - (ii) none of the Covered Bondholders (other than the Covered Bond Guarantor in relation to the Covered Bond Guarantee) shall 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 the Covered Bondholders;

- (iii) until the date falling two years after the Vesting Date none of the Covered Bondholders nor any person on their behalf shall initiate or join any person in initiating an Insolvency Event in relation to the Trust other than a Receiver appointed pursuant to the Security Trust Deed; and
 - (iv) none of the Covered Bondholders shall be entitled to take or join in the taking of any corporate action, legal proceedings or other procedure or step which would result in the Cashflow Allocation Methodology not being complied with.
- (i) Each Covered Bondholder shall, by virtue of purchasing and/or holding Covered Bonds, be deemed to have agreed to be bound by the terms of the Cashflow Allocation Methodology set out in the Supplemental Deed and that, notwithstanding any other provision contained in the Programme Documents (other than clause 9.3 of the Demand Loan Agreement to which this Condition 16(g) is to be subject):
- (i) it will not demand or receive payment of, or any distribution in respect of or on account of, any amounts payable by the Covered Bond Guarantor or the Security Trustee, as applicable, to that Secured Creditor under the Programme Documents, in cash or in kind, and will not, save to the extent permitted by or provided for in the Programme Documents, apply any money or assets in discharge of any such amounts payable to it (whether by set-off or by any other method), unless all amounts then due and payable by the Covered Bond Guarantor to all other Secured Creditors ranking higher in the Cashflow Allocation Methodology have been paid in full;
 - (ii) if any amount is received by it (including by way of set-off) in respect of Secured Money owed to it other than in accordance with the provisions of the Programme Documents and the Cashflow Allocation Methodology then an amount equal to the difference between the amount so received by it and the amount that it would have received had it been paid in accordance with the provisions of the Programme Documents and the Cashflow Allocation Methodology, shall be received and held by it as trustee for the Covered Bond Guarantor and shall be paid over to the Covered Bond Guarantor immediately upon receipt so that such amount can be applied in accordance with the Cashflow Allocation Methodology
 - (iii) without prejudice to the foregoing, whether in the winding up of the Trust or any other party to the Programme Documents or otherwise, if any payment or distribution (or the proceeds of any enforcement of any Encumbrance) is received by a Secured Creditor (including a Covered Bondholder other than the Covered Bond Guarantor in relation to the Covered Bond Guarantee) in respect of any amount payable by the Covered Bond Guarantor or the Security Trustee or any insolvency official of the Trust, as applicable, to that Secured Creditor under the relevant Programme Document at a time when, by virtue of the provisions of the relevant Programme Documents, no payment or distribution should have been made, the amount so received shall promptly be paid by that Secured Creditor to the Security Trustee and pending such payment shall be held by that Secured Creditor upon trust for the Security Trustee, and immediately upon receipt by the Security Trustee shall be applied in accordance with the terms of the Security Trust Deed and the other Programme Documents; and

- (iv) without prejudice to Condition 16(f), it shall not claim, rank, prove or vote as creditor of the Covered Bond Guarantor or its estate in competition with any prior ranking Secured Creditors in the Cashflow Allocation Methodology, the Security Trustee or the Covered Bond Guarantor, as applicable, or claim a right of set-off until all amounts then due and payable to Secured Creditors who rank higher in the Cashflow Allocation Methodology have been paid in full.
- (j) The Covered Bondholders shall, by virtue of purchasing and/or holding Covered Bonds, be deemed to have acknowledged and agreed that, except to the extent set out in clause 9.3 of the Demand Loan Agreement, neither the Covered Bond Guarantor nor the Security Trustee shall pay or repay, or make any distribution in respect of, any amount owing to a Secured Creditor (including a Covered Bondholder) under the relevant Programme Documents (in cash or in kind) unless and until all amounts then due and payable by the Covered Bond Guarantor or the Security Trustee to all other Secured Creditors ranking higher in the Cashflow Allocation Methodology have been paid in full.

17. Governing Law

The Bond Trust Deed (including the Covered Bond Guarantee), the Principal Agency Agreement, the Covered Bonds (other than the Australian Registered Covered Bonds), the Receipts, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law except that the Covered Bonds, the Receipts, the Coupons and the Talons may be governed by the laws of the State of Victoria, Australia if stated in the applicable Final Terms and the Australian Registered Covered Bonds are governed by, and shall be construed in accordance with, the laws of State of Victoria, Australia. The Australian Agency Agreement is governed by, and shall be construed in accordance with, the laws of State of Victoria, Australia.

18. Jurisdiction and forum

- (a) 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.
- (b) 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.
- (c) The Issuer agrees for the benefit of the holders of Australian Registered Covered Bonds, that the courts of State of Victoria, 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 Australian Registered Covered Bonds and all matters connected with such Australian Registered Covered Bonds (respectively, **Proceedings** and **Disputes**) and, for such purposes, irrevocably submits to the jurisdiction of such courts.
- (d) For the purposes of Condition 18(c), the Issuer irrevocably waives any objection which it might now or hereafter have to the courts of the State of Victoria, 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 - England

The Issuer agrees that the process by which any Proceedings in England are begun may be served on it by being delivered to the officer in charge of the London branch of Australia and New Zealand Banking Group Limited at 40 Bank Street, Canary Wharf, London E14 5EJ. If such person is not or ceases to be effectively appointed to accept service of process on the Issuer's behalf, the Issuer shall appoint a further person in England to accept service of process on the Issuer's behalf and, failing such appointment, within 15 days, the Bond Trustee shall be entitled to appoint such a person by written notice addressed to the Issuer delivered to the Issuer or to the specified office of the Principal Paying Agent. Nothing in this paragraph shall affect the right of the Bond Trustee to serve process in any other manner permitted by law.

20. Details of Agents

For the purposes of these Conditions, the details of relevant Agents are as below:

- (a) The Covered Bond Paying Agent, the Exchange Agent and the Covered Bond Transfer Agent is Deutsche Bank AG, Hong Kong Branch, whose registered office is Level 52 International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong.
- (b) The US Covered Bond Paying Agent, the US Covered Bond Transfer Agent and the US Registrar is Deutsche Bank Trust Company Americas, whose registered office is Trust & Securities Services, 60 Wall Street, 27th Floor, MS NYC60-2710, New York 10005, USA.

SCHEDULE 2

FORMS OF GLOBAL AND DEFINITIVE COVERED BONDS, RECEIPTS, COUPONS AND TALONS

PART 1

FORM OF TEMPORARY BEARER GLOBAL COVERED BOND

[ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 1650(j)] AND 1287(a) OF THE INTERNAL REVENUE CODE.]¹

[THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN ACCORDANCE WITH THE PRINCIPAL AGENCY AGREEMENT IN RESPECT OF THIS SECURITY (THE "PRINCIPAL AGENCY AGREEMENT") AND PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT. UNTIL THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE COVERED BONDS OF THE TRANCHE OF WHICH THIS TEMPORARY BEARER GLOBAL COVERED BOND FORMS PART, SALES MAY NOT BE MADE IN THE UNITED STATES OR TO U.S. PERSONS UNLESS MADE (I) PURSUANT TO RULE 903 OR 904 OR REGULATION S UNDER THE SECURITIES ACT OR (II) TO QUALIFIED INSTITUTIONAL BUYERS AS DEFINED IN, AND IN TRANSACTIONS PURSUANT TO, RULE 144A UNDER THE SECURITIES ACT.]

[(*) The following legend will appear on the face of each Temporary Bearer Global Covered Bond which is exchangeable for Bearer Covered Bonds in definitive form according to the relevant Final Terms:]

[NO OFFSHORE ASSOCIATE OF THE ISSUER (AS DEFINED BELOW), RESIDENT OF AUSTRALIA OR NON-RESIDENT OF AUSTRALIA WHO HAS ENGAGED IN CARRYING ON BUSINESS IN AUSTRALIA AT OR THROUGH A PERMANENT ESTABLISHMENT WITHIN AUSTRALIA MAY (DIRECTLY OR INDIRECTLY) ACQUIRE THIS COVERED BOND OR ANY INTEREST IN OR RIGHT IN RESPECT OF THIS COVERED BOND (OTHER THAN AN OFFSHORE ASSOCIATE WHO ACQUIRES THIS COVERED BOND OR SUCH INTEREST OR RIGHT IN THE CAPACITY OF A DEALER, MANAGER OR UNDERWRITER IN RELATION TO THE PLACEMENT OF THE COVERED BOND, INTEREST OR RIGHT, OR A CLEARING HOUSE, CUSTODIAN, FUNDS MANAGER OR RESPONSIBLE ENTITY OF A REGISTERED SCHEME WITHIN THE MEANING OF THE CORPORATIONS ACT 2001 OF AUSTRALIA).

"OFFSHORE ASSOCIATE" MEANS AN ASSOCIATE (AS DEFINED IN SECTION 128F OF THE INCOME TAX ASSESSMENT ACT 1936 (THE "TAX ACT", WHICH TERM INCLUDES

¹ Delete where the original maturity of the Bonds is 1 year or less.

ANY SUCCESSOR LEGISLATION)) OF THE ISSUER THAT IS EITHER A NON-RESIDENT OF THE COMMONWEALTH OF AUSTRALIA WHICH DOES NOT ACQUIRE THE COVERED BONDS IN CARRYING ON A BUSINESS AT OR THROUGH A PERMANENT ESTABLISHMENT IN AUSTRALIA OR, ALTERNATIVELY, A RESIDENT OF AUSTRALIA THAT ACQUIRES THE COVERED BONDS IN CARRYING ON BUSINESS AT OR THROUGH A PERMANENT ESTABLISHMENT OUTSIDE OF AUSTRALIA.

EACH PERSON WHO SO ACQUIRES THIS COVERED BOND OR SUCH INTEREST OR RIGHT IS TAKEN TO HAVE WARRANTED IN FAVOUR OF THE ISSUER THAT THE PERSON IS NOT AN OFFSHORE ASSOCIATE, RESIDENT OF AUSTRALIA OR NON-RESIDENT OF AUSTRALIA WHO HAS ENGAGED IN CARRYING ON BUSINESS IN AUSTRALIA AT OR THROUGH A PERMANENT ESTABLISHMENT WITHIN AUSTRALIA.

ANY OFFSHORE ASSOCIATE, RESIDENT OF AUSTRALIA OR NON-RESIDENT OF AUSTRALIA WHO HAS ENGAGED IN CARRYING ON BUSINESS IN AUSTRALIA AT OR THROUGH A PERMANENT ESTABLISHMENT WITHIN AUSTRALIA WHO SO ACQUIRES THIS COVERED BOND OR ANY INTEREST OR RIGHT IN RESPECT OF THIS COVERED BOND MAY BE SUBJECT TO AUSTRALIAN TAX AND, IF SO, WILL NOT BE ENTITLED TO RECEIVE ANY PAYMENT OF ADDITIONAL AMOUNTS FROM THE ISSUER ON ACCOUNT OF SUCH TAX FROM AMOUNTS PAYABLE UNDER OR IN RESPECT OF THIS COVERED BOND.]

[(*) The following legend will appear on the face of each Temporary Bearer Global Covered Bond other than any Temporary Bearer Global Covered Bond which is exchangeable for Bearer Covered Bonds in definitive form according to the relevant Final Terms:]

[NO OFFSHORE ASSOCIATE OF THE ISSUER (AS DEFINED BELOW) MAY (DIRECTLY OR INDIRECTLY) ACQUIRE THIS COVERED BOND OR ANY INTEREST IN OR RIGHT IN RESPECT OF THIS COVERED BOND (OTHER THAN AN OFFSHORE ASSOCIATE WHO ACQUIRES THIS COVERED BOND OR SUCH INTEREST OR RIGHT IN THE CAPACITY OF A DEALER, MANAGER OR UNDERWRITER IN RELATION TO THE PLACEMENT OF THE COVERED BOND, INTEREST OR RIGHT, OR A CLEARING HOUSE, CUSTODIAN, FUNDS MANAGER OR RESPONSIBLE ENTITY OF A REGISTERED SCHEME WITHIN THE MEANING OF THE CORPORATIONS ACT 2001 OF AUSTRALIA).

"OFFSHORE ASSOCIATE" MEANS AN ASSOCIATE (AS DEFINED IN SECTION 128F OF THE INCOME TAX ASSESSMENT ACT 1936 (THE **"TAX ACT"**, WHICH TERM INCLUDES ANY SUCCESSOR LEGISLATION)) OF THE ISSUER THAT IS EITHER A NON-RESIDENT OF THE COMMONWEALTH OF AUSTRALIA WHICH DOES NOT ACQUIRE THE COVERED BONDS IN CARRYING ON A BUSINESS AT OR THROUGH A PERMANENT ESTABLISHMENT IN AUSTRALIA OR, ALTERNATIVELY, A RESIDENT OF AUSTRALIA THAT ACQUIRES THE COVERED BONDS IN CARRYING ON BUSINESS AT OR THROUGH A PERMANENT ESTABLISHMENT OUTSIDE OF AUSTRALIA.

EACH PERSON WHO SO ACQUIRES THIS COVERED BOND OR SUCH INTEREST OR RIGHT IS TAKEN TO HAVE WARRANTED IN FAVOUR OF THE ISSUER THAT THE PERSON IS NOT AN OFFSHORE ASSOCIATE.

ANY OFFSHORE ASSOCIATE WHO SO ACQUIRES THIS COVERED BOND OR ANY INTEREST OR RIGHT IN RESPECT OF THIS COVERED BOND MAY BE SUBJECT TO

AUSTRALIAN TAX AND, IF SO, WILL NOT BE ENTITLED TO RECEIVE ANY PAYMENT OF ADDITIONAL AMOUNTS FROM THE ISSUER IN RESPECT OF ANY AMOUNT DEDUCTED BY THE ISSUER ON ACCOUNT OF SUCH TAX FROM AMOUNTS PAYABLE UNDER OR IN RESPECT OF THE COVERED BOND.]

[ORIGINAL ISSUE DISCOUNT: IF THE STATED REDEMPTION PRICE AT MATURITY OF A COVERED BOND EXCEEDS THE ISSUE PRICE OF THE COVERED BOND BY AT LEAST $\frac{1}{4}$ OF 1 PER CENT. OF THE STATED REDEMPTION PRICE AT MATURITY OF THE COVERED BOND MULTIPLIED BY THE NUMBER OF COMPLETE YEARS TO MATURITY OF THE COVERED BOND, THEN SUCH EXCESS, WHICH IS REFERRED TO AS AN ORIGINAL ISSUE DISCOUNT, IS INCLUDED FOR UNITED STATES FEDERAL INCOME TAX PURPOSES IN INCOME OVER THE TERM OF THE COVERED BOND BY THE HOLDER OF SUCH NOTE BEFORE THE RECEIPT OF CASH IN RESPECT THEREOF. THE AMOUNT OF ANY ORIGINAL ISSUE DISCOUNT WHICH IS INCLUDED IN INCOME FOR A TAXABLE YEAR IS EQUAL TO THE SUM OF THE DAILY PORTIONS OF THE ORIGINAL ISSUE DISCOUNT FOR EACH DAY DURING THE TAXABLE YEAR DURING WHICH THE COVERED BOND WAS HELD. THE DAILY PORTION IS DETERMINED BY ALLOCATING TO EACH DAY IN EACH ACCRUAL PERIOD THE RATABLE PORTION FOR SUCH DAY OF THE INCREASE IN THE ADJUSTED PRICE DURING THE ACCRUAL PERIOD, WHICH IS THE EXCESS OF (A) THE PRODUCT OF THE ADJUSTED PRICE AT THE BEGINNING OF THE ACCRUAL PERIOD AND THE YIELD TO MATURITY OF SUCH COVERED BOND (DETERMINED ON THE BASIS OF COMPOUNDING AT THE CLOSE OF EACH ACCRUAL PERIOD AND ADJUSTED FOR THE LENGTH OF THE ACCRUAL PERIOD) OVER (B) THE SUM OF THE QUALIFIED STATED INTEREST WHICH IS ALLOCABLE TO THE ACCRUAL PERIOD.]

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED
(Australian Business Number 11 005 357 522)
(the Issuer)

TEMPORARY BEARER GLOBAL COVERED BOND
Unconditionally and irrevocably guaranteed as to payment of interest and principal by

PERPETUAL CORPORATE TRUST LIMITED
(AS TRUSTEE OF THE ANZ RESIDENTIAL COVERED BOND TRUST)
(incorporated with limited liability under the laws of New South Wales)
(the Covered Bond Guarantor)

This Covered Bond is a **Temporary Bearer Global Covered Bond** in respect of a duly authorised issue of Covered Bonds of the Issuer (the **Covered Bonds**) of the Principal Amount Outstanding, Specified Currency(ies) and Specified Denomination(s) as are specified in the Final Terms applicable to the Covered Bonds (the **Final Terms**), a copy of which is annexed hereto. References herein to the Conditions shall be to the Terms and Conditions of the Covered Bonds as set out in Schedule 1 (Terms and Conditions of the Covered Bonds) to the Bond Trust Deed (as defined below) as supplemented, replaced and modified by the Final Terms but, in the event of any conflict between the provisions of the said Conditions and the information in the Final Terms, the Final Terms will prevail.

Words and expressions defined in the Conditions shall bear the same meanings when used in this Temporary Bearer Global Covered Bond.

This Temporary Bearer Global Covered Bond is issued subject to, and with the benefit of, the Conditions and a bond trust deed (such bond trust deed as modified and/or supplemented and/or restated from time to time, the **Bond Trust Deed**) dated 14 November 2011 and made between the Issuer, the Covered Bond Guarantor and DB Trustees (Hong Kong) Limited.

For value received, the Issuer, subject as hereinafter provided and subject to and in accordance with the Conditions and the Bond Trust Deed, promises to pay to the bearer hereof on each Instalment Date (if the Covered Bonds are repayable in instalments) and on the Final Maturity Date and/or on such earlier date(s) as all or any of the Covered Bonds represented by this Temporary Bearer Global Covered Bond may become due and repayable in accordance with the Conditions and the Bond Trust Deed, the amount payable under the Conditions in respect of such Covered Bonds on each such date and to pay interest (if any) on the Principal Amount Outstanding of the Covered Bonds from time to time represented by this Temporary Bearer Global Covered Bond calculated and payable as provided in the Conditions and the Bond Trust Deed together with any other sums payable under the Conditions and the Bond Trust Deed, upon presentation and, at maturity, surrender of this Temporary Bearer Global Covered Bond to or to the order of the relevant Principal Paying Agent or any of the other Paying Agents located outside the United States and its territories and possessions (except as provided in the Conditions) from time to time appointed by the Issuer in respect of the Covered Bonds.

If the Final Terms indicate that this Temporary Bearer Global Covered Bond is intended to be a New Global Covered Bond, the nominal amount of Covered Bonds represented by this Temporary Bearer Global Covered Bond shall be the aggregate amount from time to time entered in the records of both Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking, société anonyme (**Clearstream, Luxembourg** and together with Euroclear, the **relevant Clearing Systems**). The records of the relevant Clearing Systems (which expression in this Temporary Bearer Global Covered Bond means the records that each relevant Clearing System holds for its customers which reflect the amount of such customer's interest in the Covered Bonds) shall be conclusive evidence of the nominal amount of Covered Bonds represented by this Temporary Bearer Global Covered Bond and, for these purposes, a statement issued by a relevant Clearing System (which statement shall be made available to the bearer upon request) stating the nominal amount of

Covered Bonds represented by this Temporary Bearer Global Covered Bond at any time shall be conclusive evidence of the records of the relevant Clearing System at that time.

If the Final Terms indicate that this Temporary Bearer Global Covered Bond is not intended to be a New Global Covered Bond, the nominal amount of the Covered Bonds represented by this Temporary Bearer Global Covered Bond shall be the amount stated in the Final Terms or, if lower, the nominal amount most recently entered by or on behalf of the Issuer in the relevant column in Part II, III or IV of Schedule One or Schedule Two (*Exchanges*).

On any redemption or payment of an instalment or interest being made in respect of, or purchase and cancellation of, any of the Covered Bonds represented by this Temporary Bearer Global Covered Bond, the Issuer shall procure that:

- (a) if the Final Terms indicate that this Temporary Bearer Global Covered Bond is intended to be a New Global Covered Bond, details of such redemption, payment or purchase and cancellation (as the case may be) shall be entered pro rata in the records of the relevant Clearing Systems, and, upon any such entry being made, the nominal amount of the Covered Bonds recorded in the records of the relevant Clearing Systems and represented by this Temporary Bearer Global Covered Bond shall be reduced by this aggregate nominal amount of the Covered Bonds so redeemed or purchased and cancelled or by the aggregate amount of such instalment so paid; or
- (b) if the Final Terms indicate that this Temporary Bearer Global Covered Bond is not intended to be a New Global Covered Bond, details of such redemption, payment, purchase and cancellation (as the case may be) shall be entered by or on behalf of the Issuer in Schedule 1 hereto and the relevant space in Schedule 1 hereto recording any such redemption, payment, purchase and cancellation (as the case may be) shall be signed by or on behalf of the Issuer. Upon any such redemption, payment of an instalment, purchase and cancellation the Principal Amount Outstanding of this Temporary Bearer Global Covered Bond and the Covered Bonds represented by this Temporary Bearer Global Covered Bond shall be reduced by the Principal Amount Outstanding of such Covered Bonds so redeemed or purchased and cancelled or the amount of such instalment.

Payments due in respect of Covered Bonds for the time being represented by this Temporary Bearer Global Covered Bond shall be made to the bearer of this Temporary Bearer Global Covered Bond and each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries referred to above shall not affect such discharge.

Payments of principal and interest (if any) due prior to the Exchange Date (as defined below) will only be made to the bearer hereof to the extent that there is presented to the relevant Principal Paying Agent by a relevant Clearing System a certificate to the effect that it has received from or in respect of a person entitled to a particular principal amount of the Covered Bonds represented by this Temporary Bearer Global Covered Bond (as shown by its records) as certificate of non-US beneficial ownership in the form required by it. The bearer of this Temporary Bearer Global Covered Bond will not (unless upon due presentation of this Temporary Bearer Global Covered Bond for exchange, delivery of the appropriate number of Bearer Definitive Covered Bonds (together, if applicable, with the Receipts, Coupons and Talons appertaining thereto in or substantially in the forms set out in Part 3, Part 4, Part 5 and Part 6 of Schedule 2 (*Forms of Global and Definitive Covered Bonds, Receipts, Coupons and Talons*) to the Bond Trust Deed) or, as the case may be, issue and delivery (or, as the case may be, endorsement) of the Permanent Bearer Global Covered Bond is improperly withheld or refused and such withholding or refusal is continuing at the relevant payment date) be entitled to receive any payment hereon due on or after the Exchange Date.

On or after the date (the **Exchange Date**) which is 40 days after the Issue Date, this Temporary Bearer Global Covered Bond may be exchanged (free of charge) in whole or in part for, as specified in the Final Terms, either (a) security printed Bearer Definitive Covered Bonds and (if applicable) Receipts, Coupons

and/or Talons (on the basis that all the appropriate details have been included on the face of such Bearer Definitive Covered Bonds and (if applicable) Receipts, Coupons and/or Talons and the relevant information supplementing, replacing or modifying the Conditions appearing in the Final Terms has been endorsed or attached to such Bearer Definitive Covered Bonds) or (b) either, if the Final Terms indicate that this Temporary Bearer Global Covered Bond is intended to be a New Global Covered Bond, interests recorded in the records of the relevant Clearing Systems in a Permanent Bearer Global Covered Bond or, if the Final Terms indicate that this Temporary Bearer Global Covered Bond is not intended to be a New Global Covered Bond, a Permanent Bearer Global Covered Bond, which, in either case, is in or substantially in the form set out in Part 2 of Schedule 2 (Form of Permanent Bearer Global Covered Bond) to the Bond Trust Deed (together with the Final Terms attached thereto), in each case upon notice being given by a relevant Clearing System acting on the instruction of any holder of an interest in this Temporary Bearer Global Covered Bond and subject, in the case of Bearer Definitive Covered Bonds, to such notice period as is specified in the Final Terms.

If Bearer Definitive Covered Bonds and (if applicable) Receipts, Coupon and/or Talons have already been issued in exchange for all the Covered Bonds represented for the time being by the Permanent Bearer Global Covered Bond, then this Temporary Bearer Global Covered Bond may only thereafter be exchanged for Bearer Definitive Covered Bonds and (if applicable) Receipts, Coupons and/or Talons pursuant to the terms hereof.

This Temporary Bearer Global Covered Bond may be exchanged by the bearer hereof on any Business Day in London. The Issuer shall procure that Bearer Definitive Covered Bonds or (as the case may be) the interests in the Permanent Bearer Global Covered Bond shall be (in the case of Bearer Definitive Covered Bonds) issue and delivered and (in the case of the Permanent Bearer Global Covered Bond where the Final Terms indicate that this Temporary Bearer Global Covered Bond is intended to be a New Global Covered Bond) recorded in the records of the relevant Clearing System in exchange for only that portion of this Temporary Bearer Global Covered Bond in respect of which there shall have been presented to the relevant Principal Paying Agent by a relevant Clearing System a certificate to the effect that it has received from or in respect of a person entitled to a beneficial interest in particular nominal amount of the Covered Bonds represented by this Temporary Bearer Global Covered Bond (as shown by its records) a certificate of non-US beneficial ownership in the form required by it.

On an exchange of the whole of this Temporary Bearer Global Covered Bond, this Temporary Bearer Global Covered Bond shall be surrendered to or to the order of the relevant Principal Paying Agent. On an exchange of part only of this Temporary Bearer Global Covered Bond, the Issuer shall procure that:

- (a) if the Final Terms indicate that this Temporary Bearer Global Covered Bond is intended to be a New Global Covered Bond, details of such exchange shall be entered pro rata in the records of the relevant Clearing Systems; or
- (b) if the Final Terms indicate that this Temporary Bearer Global Covered Bond is not intended to be a New Global Covered Bond on an exchange of part only of this Temporary Bearer Global Covered Bond, details of such exchange shall be entered by or on behalf of the Issuer in Schedule Two hereto and the relevant space in Schedule Two hereto recording such exchange shall be signed by or on behalf of the Issuer, whereupon the nominal amount of this Temporary Bearer Global Covered Bond and the Covered Bonds represented by this Temporary Bearer Global Covered Bond shall be reduced by the Principal Amount Outstanding of this Temporary Bearer Global Covered Bond so exchanged. On any exchange of this Temporary Bearer Global Covered Bond for a Permanent Bearer Global Covered Bond, details of such exchange shall be entered by or on behalf of the Issuer in Schedule 2 to the Permanent Bearer Global Covered Bond and the relevant space in Schedule 2 thereto recording such exchange shall be signed by or on behalf of the Issuer.

Until the exchange of the whole of this Temporary Bearer Global Covered Bond as aforesaid, the bearer hereof shall (subject as provided in the next paragraph) in all respects (except as otherwise provided herein)

be entitled to the same benefits as if he were the bearer of Bearer Definitive Covered Bonds and the relative Receipts, Coupons and/or Talons (if any) in the form(s) set out in Parts 3, 4, 5 and 6 (as applicable) of Schedule 2 (Forms of Global and Definitive Covered Bonds, Receipts, Coupons and Talons) to the Bond Trust Deed.

Each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular principal amount of the Covered Bonds represented by this Temporary Bearer Global Covered Bond (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Covered Bonds standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Covered Bond Guarantor, the Bond Trustee, the Security Trustee, the Principal Paying Agent and any other Paying Agent as the holder of such principal amount of such Covered Bonds for all purposes other than with respect to the payment of principal and interest on such principal amount of such Covered Bonds, the right to which shall be vested, as against the Issuer, solely in the bearer of this Temporary Bearer Global Covered Bond in accordance with and subject to the terms of this Temporary Bearer Global Covered Bond and the Bond Trust Deed.

This Temporary Bearer Global Covered Bond and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, English law.

A person who is not a party to this Temporary Bearer Global Covered Bond has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Temporary Bearer Global Covered Bond, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

This Temporary Bearer Global Covered Bond shall not be valid unless authenticated by Deutsche Bank AG, Hong Kong Branch as Principal Paying Agent and, if the Final Terms indicate that this Temporary Bearer Global Covered Bond is intended to be a New Global Covered Bond (i) which is intended to be held in a manner which would allow Eurosystem eligibility or (ii) in respect of which the Issuer has notified the Principal Paying Agent that effectuation is to be applicable, effectuated by the entity appointed as common safekeeper by the relevant Clearing Systems.

IN WITNESS WHEREOF the Issuer has caused this Temporary Bearer Global Covered Bond to be signed manually or in facsimile by a person duly authorised on its behalf.

Issued as of the Issue Date specified in the Final Terms.

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED

By:
Authorised Officer

By:
Authorised Officer

Authenticated by
[Deutsche Bank AG, Hong Kong Branch]
as Principal Paying Agent

By:
Authorised Officer

²Effectuated without recourse,
warranty or liability by

.....
as common safekeeper
By:

Important Notes:

The Covered Bond Guarantor has guaranteed certain obligations of the Issuer in respect of this Temporary Bearer Global Covered Bond only in its role as trustee of the Trust and in no other capacity. Any obligation or liability of the Covered Bond Guarantor arising under or in any way connected with the Trust, the Bond Trust Deed, this Temporary Bearer Global Covered Bond or any other Programme Document is limited to the extent to which it can be satisfied out of the assets of the Trust out of which the Covered Bond Guarantor is actually indemnified for the obligation or liability. This limitation will not apply to any obligation or liability of the Covered Bond Guarantor only to the extent that it is not so satisfied because of any fraud, gross negligence or wilful default on the part of the Covered Bond Guarantor. Full terms of the Covered Bond Guarantor's limitation of liability (including certain exceptions to it) are set out in the Programme Documents.

² This should only be completed where the Final Terms indicates that this Global Covered Bond is intended to be a New Global Covered Bond.

Schedule One³ to Part 1
PART I
INTEREST PAYMENTS

[illegible]

³ Schedule One should only be completed where the Final Terms indicate that this Global Covered Bond is not intended to be a New Global Covered Bond

PART II

PAYMENT OF INSTALMENT AMOUNTS

[illegible]

* See most recent entry in Part II, III or IV or Schedule One in order to determine this amount.

PART III

REDEMPTIONS

[illegible]

* See most recent entry in Part II, III or IV or Schedule One in order to determine this amount.

PART IV

PURCHASES AND CANCELLATIONS

[illegible]

* See most recent entry in Part II, III or IV or Schedule One in order to determine this amount.

Schedule Two⁴ to Part 1

EXCHANGES

The following exchanges of a part of this Temporary Bearer Global Covered Bond for Bearer Definitive Covered Bonds or a part of a Permanent Bearer Global Covered Bond have been made.

[illegible]

4 Schedule Two should only be completed where the Final Terms indicates that this Global Covered Bond is not intended to be a New Global Covered Bond

* See most recent entry in Part II, III or IV of Schedule One or in this Schedule Two in order to determine this amount.

PART 2

FORM OF PERMANENT BEARER GLOBAL COVERED BOND

NO OFFSHORE ASSOCIATE OF THE ISSUER (AS DEFINED BELOW) MAY (DIRECTLY OR INDIRECTLY) ACQUIRE THIS COVERED BOND OR ANY INTEREST IN OR RIGHT IN RESPECT OF THIS COVERED BOND (OTHER THAN AN OFFSHORE ASSOCIATE WHO ACQUIRES THIS COVERED BOND OR SUCH INTEREST OR RIGHT IN THE CAPACITY OF A DEALER, MANAGER OR UNDERWRITER IN RELATION TO THE PLACEMENT OF THE COVERED BOND, INTEREST OR RIGHT, OR A CLEARING HOUSE, CUSTODIAN, FUNDS MANAGER OR RESPONSIBLE ENTITY OF A REGISTERED SCHEME WITHIN THE MEANING OF THE CORPORATIONS ACT 2001 OF AUSTRALIA).

"OFFSHORE ASSOCIATE" MEANS AN ASSOCIATE (AS DEFINED IN SECTION 128F OF THE INCOME TAX ASSESSMENT ACT 1936 (THE **"TAX ACT"**, WHICH TERM INCLUDES ANY SUCCESSOR LEGISLATION)) OF THE ISSUER THAT IS EITHER A NON-RESIDENT OF THE COMMONWEALTH OF AUSTRALIA WHICH DOES NOT ACQUIRE THE COVERED BONDS IN CARRYING ON A BUSINESS AT OR THROUGH A PERMANENT ESTABLISHMENT IN AUSTRALIA OR, ALTERNATIVELY, A RESIDENT OF AUSTRALIA THAT ACQUIRES THE COVERED BONDS IN CARRYING ON BUSINESS AT OR THROUGH A PERMANENT ESTABLISHMENT OUTSIDE OF AUSTRALIA.

EACH PERSON WHO SO ACQUIRES THIS COVERED BOND OR SUCH INTEREST OR RIGHT IS TAKEN TO HAVE WARRANTED IN FAVOUR OF THE ISSUER THAT THE PERSON IS NOT AN OFFSHORE ASSOCIATE.

ANY OFFSHORE ASSOCIATE WHO SO ACQUIRES THIS COVERED BOND OR ANY INTEREST OR RIGHT IN RESPECT OF THIS COVERED BOND MAY BE SUBJECT TO AUSTRALIAN TAX AND, IF SO, WILL NOT BE ENTITLED TO RECEIVE ANY PAYMENT OF ADDITIONAL AMOUNTS FROM THE ISSUER IN RESPECT OF ANY AMOUNT DEDUCTED BY THE ISSUER ON ACCOUNT OF SUCH TAX FROM AMOUNTS PAYABLE UNDER OR IN RESPECT OF THE COVERED BOND.

ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.

THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT), OR ANY APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN ACCORDANCE WITH THE PRINCIPAL AGENCY AGREEMENT IN RESPECT OF THIS SECURITY (THE "PRINCIPAL AGENCY AGREEMENT") AND PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT.

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED

(Australian Business Number 11 005 357 522)

(the Issuer)

PERMANENT BEARER GLOBAL COVERED BOND

Unconditionally and irrevocably guaranteed as to payment of interest and principal by

PERPETUAL CORPORATE TRUST LIMITED

(AS TRUSTEE OF THE ANZ RESIDENTIAL COVERED BOND TRUST)

(incorporated with limited liability under the laws of New South Wales)

(the Covered Bond Guarantor)

This Covered Bond is a **Permanent Bearer Global Covered Bond** in respect of a duly authorised issue of Covered Bonds of the Issuer (the **Covered Bonds**) of the Principal Amount Outstanding, Specified Currency(ies) and Specified Denomination(s) as are specified in the Final Terms applicable to the Covered Bonds (the **Final Terms**), a copy of which is annexed hereto, and which are constituted by a Bond Trust Deed (as defined below). References herein to the **Conditions** shall be to the Terms and Conditions of the Covered Bonds as set out in Schedule 1 (*Terms and Conditions of the Covered Bonds*) to the Bond Trust Deed (as defined below) as supplemented, replaced and modified by the Final Terms but, in the event of any conflict between the provisions of the said Conditions and the information in the Final Terms, the Final Terms will prevail.

Words and expressions defined in the Conditions shall bear the same meanings when used in this Permanent Bearer Global Covered Bond.

This Permanent Bearer Global Covered Bond is issued subject to, and with the benefit of, the Conditions and a bond trust deed (such bond trust deed as modified and/or supplemented and/or restated from time to time, the **Bond Trust Deed**) dated 14 November 2011 and made between the Issuer, the Covered Bond Guarantor and ANZ Capel Court Limited as Trust Manager and DB Trustees (Hong Kong) Limited.

For value received, the Issuer, subject as hereinafter provided and subject to and in accordance with the Conditions and the Bond Trust Deed, promises (i) to pay to the bearer hereof on each Instalment Date (if the Covered Bonds are repayable in instalments) and on the Final Maturity Date and/or on such earlier date(s) as all or any of the Covered Bonds represented by this Permanent Bearer Global Covered Bond may become due and repayable in accordance with the Conditions and the Bond Trust Deed, the amount payable under the Conditions in respect of such Covered Bonds on each such date and to pay interest (if any) on the Principal Amount Outstanding of the Covered Bonds from time to time represented by this Permanent Bearer Global Covered Bond calculated and payable as provided in the Conditions and the Bond Trust Deed together with any other sums payable under the Conditions and the Bond Trust Deed, upon presentation and (ii) to perform all of its obligations to deliver Asset Amounts under the Conditions on such date(s) as such Asset Amounts become deliverable and, at maturity, surrender of this Permanent Bearer Global Covered Bond to or to the order of the relevant Principal Paying Agent or any of the other Paying Agents located outside the United States, its territories and possessions (except as provided in the Conditions) from time to time appointed by the Issuer in respect of the Covered Bonds.

If the Final Terms indicates that this Permanent Bearer Global Covered Bond is intended to be a New Global Covered Bond, the Principal Amount Outstanding of Covered Bonds represented by this Permanent Bearer Global Covered Bond shall be the aggregate amount from time to time entered in the records of both Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking, société anonyme (**Clearstream, Luxembourg** and together with Euroclear, the **relevant Clearing Systems**). The records of the relevant Clearing Systems (which expression in this Permanent Bearer Global Covered Bond means the records that each relevant Clearing System holds for its customers which reflect the amount of each such customer's interest in the Covered Bonds) shall be conclusive evidence of the Principal Amount Outstanding of Covered Bonds represented by this Permanent Bearer Global Covered Bond and, for these purposes, a statement issued by a relevant Clearing System (which statement shall be made available to the bearer upon request)

stating the Principal Amount Outstanding of Covered Bonds represented by this Permanent Bearer Global Covered Bond at any time shall be conclusive evidence of the records of the relevant Clearing System at that time.

If the Final Terms indicates that this Permanent Bearer Global Covered Bond is not intended to be a New Global Covered Bond, the Principal Amount Outstanding of the Covered Bonds represented by this Permanent Bearer Global Covered Bond shall be the amount stated in the Final Terms or, if lower, the Principal Amount Outstanding most recently entered by or on behalf of the Issuer in the relevant column in Part II, III, or IV of Schedule One hereto or in Schedule Two hereto.

On any redemption of, or payment of an instalment or interest being made in respect of, or purchase and cancellation of, any of the Covered Bonds represented by this Permanent Bearer Global Covered Bond the Issuer shall procure that:

- (a) if the Final Terms indicates that this Permanent Bearer Global Covered Bond is intended to be a New Global Covered Bond, details of such redemption, payment, or purchase and cancellation (as the case may be) shall be entered pro rata in the records of the relevant Clearing Systems and, upon any such entry being made, the Principal Amount Outstanding of the Covered Bonds recorded in the records of the relevant Clearing Systems and represented by this Permanent Bearer Global Covered Bond shall be reduced by the aggregate nominal amount of the Covered Bonds so redeemed or purchased and cancelled or by the aggregate amount of such instalment so paid; or
- (b) if the Final Terms indicates that this Permanent Bearer Global Covered Bond is not intended to be a New Global Covered Bond, details of such redemption, payment, or purchase and cancellation (as the case may be) shall be entered by or on behalf of the Issuer in Schedule Two hereto and the relevant space in Schedule Two hereto recording such redemption, payment, or purchase and cancellation (as the case may be) shall be signed by or on behalf of the Issuer, whereupon the Principal Amount Outstanding of this Permanent Bearer Global Covered Bond and the Covered Bonds represented by this Permanent Bearer Global Covered Bond shall be reduced by the nominal amount of such Covered Bonds so redeemed or purchased and cancelled or the amount of such instalment so paid.

Payments due in respect of Covered Bonds for the time being represented by this Permanent Bearer Global Covered Bond shall be made to the bearer of this Permanent Bearer Global Covered Bond and each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries referred to above shall not affect such discharge.

If the Covered Bonds represented by this Permanent Bearer Global Covered Bond were, on issue, represented by a Temporary Bearer Global Covered Bond then on any exchange of such Temporary Bearer Global Covered Bond for this Permanent Bearer Global Covered Bond or any part hereof, the Issuer shall procure that:

- (a) if the Final Terms indicate that this Permanent Bearer Global Covered Bond is intended to be a New Global Covered Bond, details of such exchange shall be entered pro rata in the records of the relevant Clearing Systems such that the nominal amount of the Covered Bonds recorded in the records of the relevant Clearing Systems and represented by this Permanent Bearer Global Covered Bond shall be increased by the nominal amount of the Temporary Bearer Global Covered Bond so exchanged; or
- (b) if the Final Terms indicate that this Permanent Bearer Global Covered Bond is not intended to be a New Global Covered Bond, details of such exchange shall be entered by or on behalf of the Issuer in Schedule Two hereto and the relevant space in Schedule Two hereto recording such exchange shall be signed by or on behalf of the Issuer, whereupon the Principal Amount Outstanding of this

Permanent Bearer Global Covered Bond and the Covered Bonds represented by this Bearer Global Covered Bond shall be increased by the nominal amount of the Temporary Bearer Global Covered Bond so exchanged.

This Permanent Bearer Global Covered Bond may be exchanged (free of charge) in whole, but not in part, for Bearer Definitive Covered Bonds and (if applicable) Receipts, Coupons and/or Talons in or substantially in the forms set out in Part 3 (*Form of Bearer Definitive Covered Bond*), Part 4 (*Form of Receipt*), Part 5 (*Form of Coupon*) and Part 6 (*Form of Talon*) of Schedule 2 (*Forms of Global and Definitive Covered Bonds, Receipts, Coupons and Talons*) to the Bond Trust Deed (on the basis that all the appropriate details have been included on the face of such Bearer Definitive Covered Bonds and (if applicable) Receipts, Coupons and/or Talons and the relevant information supplementing, replacing or modifying the Conditions appearing in the Final Terms has been endorsed on or attached to such Bearer Definitive Covered Bonds) either, as specified in the applicable Final Terms:

- (a) upon not less than 60 days' written notice being given to the relevant Principal Paying Agent by Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in this Permanent Bearer Global Covered Bond); or
- (b) upon the occurrence of an Exchange Event.

An **Exchange Event** means the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, whether statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available.

If this Permanent Bearer Global Covered Bond is exchangeable following the occurrence of an Exchange Event:

- (a) the Issuer will promptly give notice to Covered Bondholders in accordance with Condition 14 (Notices) upon the occurrence of such Exchange Event; and
- (b) Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in this Permanent Bearer Global Covered Bond) or the Bond Trustee may give notice to the relevant Principal Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (b) above, the Issuer may also give notice to the relevant Principal Paying Agent requesting exchange.

Any such exchange shall occur on a date specified in the notice not more than 45 days after the date of receipt of the first relevant notice by the relevant Principal Paying Agent.

The first notice requesting exchange in accordance with the above provisions shall give rise to the issue of Bearer Definitive Covered Bonds for the Principal Amount Outstanding of Covered Bonds represented by this Permanent Bearer Global Covered Bond.

Any such exchange as aforesaid will be made upon presentation of this Permanent Bearer Global Covered Bond by the bearer hereof on any Business Day in London at the office of the relevant Principal Paying Agent specified above.

The aggregate Principal Amount Outstanding of Bearer Definitive Covered Bonds issued upon an exchange of this Permanent Bearer Global Covered Bond will be equal to the aggregate Principal Amount Outstanding of this Permanent Bearer Global Covered Bond. Upon exchange of this Permanent Bearer Global Covered Bond for Bearer Definitive Covered Bonds, the relevant Principal Paying Agent shall cancel it or procure that it is cancelled.

Until the exchange of the whole of this Permanent Bearer Global Covered Bond as aforesaid, the bearer hereof shall (subject as provided in the next paragraph) in all respects be entitled to the same benefits as if he were the bearer of Bearer Definitive Covered Bonds and the relative Receipts, Coupons and/or Talons (if any) in the form(s) set out in Part 3 (*Form of Bearer Definitive Covered Bond*), Part 4 (*Form of Receipt*), Part 5 (*Form of Coupon*) and Part 6 (*Form of Talon*) (as applicable) of Schedule 2 (*Forms of Global and Definitive Covered Bonds, Receipts, Coupons and Talons*) to the Bond Trust Deed.

Each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular principal amount of the Covered Bonds represented by this Permanent Bearer Global Covered Bond (each an **Accountholder**) (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Covered Bonds standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Covered Bond Guarantor, the Bond Trustee, the Security Trustee, the relevant Principal Paying Agent and any other Paying Agent as the holder of such principal amount of such Covered Bonds for all purposes other than with respect to the payment of principal and interest on such principal amount of such Covered Bonds, the right to which shall be vested, as against the Issuer and the Covered Bond Guarantor, solely in the bearer of this Permanent Bearer Global Covered Bond in accordance with and subject to the terms of this Permanent Bearer Global Covered Bond and the Bond Trust Deed. Each Accountholder must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of each payment or delivery made to the bearer of this Permanent Bearer Global Covered Bond.

This Permanent Bearer Global Covered Bond and any non-contractual obligations arising out of or in connection with it shall be governed by, and shall be construed in accordance with, English law.

A person who is not a party to this Permanent Bearer Global Covered Bond has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Permanent Bearer Global Covered Bond, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

This Permanent Bearer Global Covered Bond shall not be valid unless authenticated by [Deutsche Bank AG, Hong Kong Branch] as Principal Paying Agent and, if the applicable Final Terms indicates that this Permanent Bearer Global Covered Bond is intended to be held in a manner which would allow Eurosystem eligibility, effectuated by the entity appointed as common safekeeper by the relevant Clearing Systems.

IN WITNESS whereof the Issuer has caused this Permanent Bearer Global Covered Bond to be signed manually or in facsimile by a person duly authorised on its behalf.

Issued as of the Issue Date specified in the Final Terms.

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED

By:
Authorised Officer

By:
Authorised Officer

Authenticated by
[Deutsche Bank AG, Hong Kong Branch]
as Principal Paying Agent

By:
Authorised Officer

⁵Effectuated without recourse,
warranty or liability by

.....
as common safekeeper
By:

⁵ This should only be completed where the Final Terms indicates that this Global Covered Bond is intended to be a New Global Covered Bond.

Schedule One to Part 2⁶
PART I
INTEREST PAYMENTS

[illegible]

⁶ Schedule One should only be completed where the Final Terms indicates that this Global Covered Bond is not intended to be a New Global Covered Bond

PART II

PAYMENT OF INSTALMENT AMOUNTS

[illegible]

* See most recent entry in Part II, III or IV or Schedule Two in order to determine this amount.

PART III

REDEMPTIONS

[illegible]

* See most recent entry in Part II, III or IV or Schedule Two in order to determine this amount.

PART IV

PURCHASES AND CANCELLATIONS

[illegible]

* See most recent entry in Part II, III or IV or Schedule Two in order to determine this amount.

EXCHANGES

on issue, represented by a Temporary Bearer Global Covered Bond)

[illegible]

7 Schedule Two should only be completed where the Final Terms indicates that this Global Covered Bond is not intended to be a New Global Covered Bond

* See most recent entry in Part II, III or IV of Schedule One or in this Schedule Two in order to determine this amount.

PART 3

FORM OF BEARER DEFINITIVE COVERED BOND

NO OFFSHORE ASSOCIATE OF THE ISSUER (AS DEFINED BELOW), RESIDENT OF AUSTRALIA OR NON-RESIDENT OF AUSTRALIA WHO HAS ENGAGED IN CARRYING ON BUSINESS IN AUSTRALIA AT OR THROUGH A PERMANENT ESTABLISHMENT WITHIN AUSTRALIA MAY (DIRECTLY OR INDIRECTLY) ACQUIRE THIS NOTE OR ANY INTEREST IN OR RIGHT IN RESPECT OF THIS NOTE (OTHER THAN AN OFFSHORE ASSOCIATE WHO ACQUIRES THIS NOTE OR SUCH INTEREST OR RIGHT IN THE CAPACITY OF A DEALER, MANAGER OR UNDERWRITER IN RELATION TO THE PLACEMENT OF THE NOTE, INTEREST OR RIGHT, OR A CLEARING HOUSE, CUSTODIAN, FUNDS MANAGER OR RESPONSIBLE ENTITY OF A REGISTERED SCHEME WITHIN THE MEANING OF THE CORPORATIONS ACT 2001 OF AUSTRALIA).

"OFFSHORE ASSOCIATE" MEANS AN ASSOCIATE (AS DEFINED IN SECTION 128F OF THE INCOME TAX ASSESSMENT ACT 1936 (THE "**TAX ACT**", WHICH TERM INCLUDES ANY SUCCESSOR LEGISLATION)) OF THE ISSUER THAT IS EITHER A NON-RESIDENT OF THE COMMONWEALTH OF AUSTRALIA WHICH DOES NOT ACQUIRE THE NOTES IN CARRYING ON A BUSINESS AT OR THROUGH A PERMANENT ESTABLISHMENT IN AUSTRALIA OR, ALTERNATIVELY, A RESIDENT OF AUSTRALIA THAT ACQUIRES THE NOTES IN CARRYING ON BUSINESS AT OR THROUGH A PERMANENT ESTABLISHMENT OUTSIDE OF AUSTRALIA.

EACH PERSON WHO SO ACQUIRES THIS NOTE OR SUCH INTEREST OR RIGHT IS TAKEN TO HAVE WARRANTED IN FAVOUR OF THE ISSUER THAT THE PERSON IS NOT AN OFFSHORE ASSOCIATE, RESIDENT OF AUSTRALIA OR NON-RESIDENT OF AUSTRALIA WHO HAS ENGAGED IN CARRYING ON BUSINESS IN AUSTRALIA AT OR THROUGH A PERMANENT ESTABLISHMENT WITHIN AUSTRALIA.

ANY OFFSHORE ASSOCIATE, RESIDENT OF AUSTRALIA OR NON-RESIDENT OF AUSTRALIA WHO HAS ENGAGED IN CARRYING ON BUSINESS IN AUSTRALIA AT OR THROUGH A PERMANENT ESTABLISHMENT WITHIN AUSTRALIA WHO SO ACQUIRES THIS NOTE OR ANY INTEREST OR RIGHT IN RESPECT OF THIS NOTE MAY BE SUBJECT TO AUSTRALIAN TAX AND, IF SO, WILL NOT BE ENTITLED TO RECEIVE ANY PAYMENT OF ADDITIONAL AMOUNTS FROM THE ISSUER ON ACCOUNT OF SUCH TAX FROM AMOUNTS PAYABLE UNDER OR IN RESPECT OF THIS NOTE.

[ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.]⁸

⁸ Delete where the original maturity of the Covered Bonds is 1 year or less.

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED
(ABN 11 005 357 522) (the **Issuer**)

[Specified Currency and Nominal Amount of Tranche]

COVERED BONDS DUE

[Year of Maturity]

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

PERPETUAL CORPORATE TRUST LIMITED
(AS TRUSTEE OF THE ANZ RESIDENTIAL COVERED BOND TRUST)
(incorporated with limited liability under the laws of New South Wales)
(the Covered Bond Guarantor)

This Covered Bond is a **Bearer Definitive Covered** Bond in respect of a duly authorised issue of Covered Bonds of [Specified Currency(ies) and Specified Denomination(s)] each of the Issuer (**Covered Bonds**) of the Principal Amount Outstanding, Specified Currency(ies) and Specified Denomination(s) as are specified in the Final Terms applicable to the Covered Bonds (the **Final Terms**), a copy of which is annexed hereto. References herein to the **Conditions** shall be to the Terms and Conditions [endorsed hereon/set out in Schedule 1 (*Terms and Conditions of the Covered Bonds*) to the Bond Trust Deed (as defined below) which shall be incorporated by reference herein and have effect as if set out herein] as supplemented, replaced and modified by the relevant information appearing in the Final Terms (the **Final Terms**) endorsed hereon but, in the event of any conflict between the provisions of the said Conditions and such information in the Final Terms, such information will prevail.

Words and expressions defined in the Conditions shall bear the same meanings when used in this Bearer Definitive Covered Bond.

This Bearer Definitive Covered Bond is issued subject to, and with the benefit of, the Conditions and a bond trust deed (such bond trust deed as modified and/or supplemented and/or restated from time to time, the **Bond Trust Deed**) dated 14 November 2011 and made between the Issuer, the Covered Bond Guarantor and DB Trustees (Hong Kong) Limited (the **Bond Trustee**).

For value received, the Issuer, subject to and in accordance with the Conditions and the Bond Trust Deed, hereby promises to pay to the bearer hereof on [each Instalment Date and] the Final Maturity Date and/or on such earlier date as this Bearer Definitive Covered Bond may become due and repayable in accordance with the Conditions and the Bond Trust Deed, the amount payable or Asset Amount deliverable on redemption of this Bearer Definitive Covered Bond and to pay interest (if any) on the Principal Amount Outstanding of this Bearer Definitive Covered Bond calculated and payable as provided in the Conditions and the Bond Trust Deed together with any other sums payable under the Conditions and the Bond Trust Deed.

This Bearer Definitive Covered Bond and any non-contractual obligations arising out of or in connection with it shall be governed by, and shall be construed in accordance with, English law.

Neither this Bearer Definitive Covered Bond nor the Receipts or Coupons appertaining hereto shall be valid or obligatory for any purpose unless and until this Bearer Definitive Covered Bond has been authenticated by [Deutsche Bank AG, Hong Kong Branch] as Principal Paying Agent.

IN WITNESS whereof this Bearer Definitive Covered Bond has been executed on behalf of the Issuer.
Issued as of [●], 20[●].

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED

By:
Authorised Officer

By:
Authorised Officer

Authenticated by
[Deutsche Bank AG, Hong Kong Branch]
as Principal Paying Agent

By:
Authorised Officer

Important Note:

The Covered Bond Guarantor has guaranteed certain obligations of the Issuer in respect of this Bearer Definitive Covered Bond only in its role as trustee of the Trust and in no other capacity. Any obligation or liability of the Covered Bond Guarantor arising under or in any way connected with the Trust, the Bond Trust Deed, this Bearer Definitive Covered Bond or any other Programme Document is limited to the extent to which it can be satisfied out of the assets of the Trust out of which the Covered Bond Guarantor is actually indemnified for the obligation or liability. This limitation will not apply to any obligation or liability of the Covered Bond Guarantor only to the extent that it is not so satisfied because of any fraud, gross negligence or wilful default on the part of the Covered Bond Guarantor. Full terms of the Covered Bond Guarantor's limitation of liability (including certain exceptions to it) are set out in the full Programme Documents.

[0,000/00,000]	[ISIN]	[Series]	[Serial No.]

[CONDITIONS]

[Conditions to be as set out in Schedule 1 (*Terms and Conditions of the Covered Bonds*) to this Bond Trust Deed or such other form as may be agreed between the Issuer, the relevant Principal Paying Agent, the Bond Trustee and the relevant Dealer(s), but shall not be endorsed if not required by the relevant Stock Exchange (if any)]

FINAL TERMS

[Here to be set out the text of the relevant information supplementing, replacing or modifying the Conditions which appears in the Final Terms relating to the Covered Bonds]

PART 4

FORM OF RECEIPT

[*Face of Receipt*]

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED
(ABN 11 005 357 522)

[Specified Currency and Nominal Amount of Tranche]
COVERED BONDS DUE [Year of Maturity]

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

PERPETUAL CORPORATE TRUST LIMITED
(AS TRUSTEE OF THE ANZ RESIDENTIAL COVERED BOND TRUST)
(incorporated with limited liability under the laws of New South Wales)
(the Covered Bond Guarantor)

Series No. [●]

[ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.]⁹

Receipt for the sum of [●] being the instalment of principal payable in accordance with the Terms and Conditions applicable to the Covered Bond to which this Receipt appertains (the **Conditions**) on [●].

This Receipt is issued subject to and in accordance with the Conditions which shall be binding upon the holder of this Receipt (whether or not it is for the time being attached to such Covered Bond) and is payable at the specified office of any of the Paying Agents set out on the reverse hereof (and/or any other or further Paying Agents and/or specified offices as may from time to time be duly appointed and notified to the Covered Bondholders).

This Receipt must be presented for payment or delivery of the relevant Asset Amount together with the Covered Bond to which it appertains. The Issuer shall have no obligation in respect of any Receipt presented without the Covered Bond to which it appertains or any unmatured Receipts.

⁹ Delete where the original maturity of the Covered Bonds is 1 year or less.

PART 5

FORM OF COUPON

[Face of Coupon]

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED
(ABN 11 005 357 522)
(the Issuer)

Specified Currency/Nominal Amount
COVERED BONDS DUE [Year of Maturity]

unconditionally and irrevocably guaranteed as to payments of interest and principal by
PERPETUAL CORPORATE TRUST LIMITED
(AS TRUSTEE OF THE ANZ RESIDENTIAL COVERED BOND TRUST)
(incorporated with limited liability under the laws of New South Wales)
(the Covered Bond Guarantor)

Series No. [●]*

NO OFFSHORE ASSOCIATE OF THE ISSUER (AS DEFINED ABOVE), RESIDENT OF AUSTRALIA OR NON-RESIDENT OF AUSTRALIA WHO HAS ENGAGED IN CARRYING ON BUSINESS IN AUSTRALIA AT OR THROUGH A PERMANENT ESTABLISHMENT WITHIN AUSTRALIA MAY (DIRECTLY OR INDIRECTLY) ACQUIRE THIS COUPON OR ANY INTEREST IN OR RIGHT IN RESPECT OF THIS COUPON (OTHER THAN AN OFFSHORE ASSOCIATE WHO ACQUIRES THIS COUPON OR SUCH INTEREST OR RIGHT IN THE CAPACITY OF A DEALER, MANAGER OR UNDERWRITER IN RELATION TO THE PLACEMENT OF THE COUPON, INTEREST OR RIGHT, OR A CLEARING HOUSE, CUSTODIAN, FUNDS MANAGER OR RESPONSIBLE ENTITY OF A REGISTERED SCHEME WITHIN THE MEANING OF THE CORPORATIONS ACT 2001 OF AUSTRALIA).

"OFFSHORE ASSOCIATE" MEANS AN ASSOCIATE (AS DEFINED IN SECTION 128F OF THE INCOME TAX ASSESSMENT ACT 1936 (THE "TAX ACT", WHICH TERM INCLUDES ANY SUCCESSOR LEGISLATION)) OF THE ISSUER THAT IS EITHER A NON-RESIDENT OF THE COMMONWEALTH OF AUSTRALIA WHICH DOES NOT ACQUIRE THE COVERED BONDS IN CARRYING ON A BUSINESS AT OR THROUGH A PERMANENT ESTABLISHMENT IN AUSTRALIA OR, ALTERNATIVELY, A RESIDENT OF AUSTRALIA THAT ACQUIRES THE COVERED BONDS IN CARRYING ON BUSINESS AT OR THROUGH A PERMANENT ESTABLISHMENT OUTSIDE OF AUSTRALIA.

EACH PERSON WHO SO ACQUIRES THIS COUPON OR SUCH INTEREST OR RIGHT IS TAKEN TO HAVE WARRANTED IN FAVOUR OF THE ISSUER THAT THE PERSON IS NOT AN OFFSHORE ASSOCIATE, RESIDENT OF AUSTRALIA OR NON-RESIDENT OF AUSTRALIA WHO HAS ENGAGED IN CARRYING ON BUSINESS IN AUSTRALIA AT OR THROUGH A PERMANENT ESTABLISHMENT WITHIN AUSTRALIA.

ANY OFFSHORE ASSOCIATE, RESIDENT OF AUSTRALIA OR NON-RESIDENT OF AUSTRALIA WHO HAS ENGAGED IN CARRYING ON BUSINESS IN AUSTRALIA AT OR THROUGH A PERMANENT ESTABLISHMENT WITHIN AUSTRALIA WHO SO ACQUIRES THIS COUPON OR ANY INTEREST OR RIGHT IN RESPECT OF THIS COUPON MAY BE

SUBJECT TO AUSTRALIAN TAX AND, IF SO, WILL NOT BE ENTITLED TO RECEIVE ANY PAYMENT OF ADDITIONAL AMOUNTS FROM THE ISSUER ON ACCOUNT OF SUCH TAX FROM AMOUNTS PAYABLE UNDER OR IN RESPECT OF THIS COUPON.

[ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.]¹⁰

[Coupon appertaining to a Covered Bond in the denomination of [Specified Currency and Specified Denomination]].¹¹

Part A

[For Fixed Rate Covered Bonds:

This Coupon is payable to bearer, separately Coupon for negotiable and subject to the Terms and Conditions [●] of the said Covered Bonds. due on [●], [●]]

Part B

[For Floating Rate Covered Bonds or Variable Interest Covered Bonds:

Coupon for the amount due in accordance with the Terms and Conditions endorsed on, attached to or incorporated by reference into the said Covered Bonds on [the Interest Payment Date falling in [●] [●]/[●]].

This Coupon is payable to bearer, separately negotiable and subject to such Terms and Conditions, under which it may become void before its due date.

[No.]	[0,000/00,000]	[ISIN]	[Series]	[Serial No.]

1. ¹⁰ Delete where the original maturity of the Covered Bonds is 1 year or less.

2. ¹¹ Delete where the Covered Bonds are all of the same denomination

PART 6

FORM OF TALON

NO OFFSHORE ASSOCIATE OF THE ISSUER (AS DEFINED BELOW), RESIDENT OF AUSTRALIA OR NON-RESIDENT OF AUSTRALIA WHO HAS ENGAGED IN CARRYING ON BUSINESS IN AUSTRALIA AT OR THROUGH A PERMANENT ESTABLISHMENT WITHIN AUSTRALIA MAY (DIRECTLY OR INDIRECTLY) ACQUIRE THIS TALON OR ANY INTEREST IN OR RIGHT IN RESPECT OF THIS TALON (OTHER THAN AN OFFSHORE ASSOCIATE WHO ACQUIRES THIS TALON OR SUCH INTEREST OR RIGHT IN THE CAPACITY OF A DEALER, MANAGER OR UNDERWRITERS IN RELATION TO THE PLACEMENT OF THE TALON, INTEREST OR RIGHT, OR A CLEARING HOUSE, CUSTODIAN, FUNDS MANAGER OR RESPONSIBLE ENTITY OF A REGISTERED SCHEME WITHIN THE MEANING OF THE CORPORATIONS ACT 2001 OF AUSTRALIA).

"OFFSHORE ASSOCIATE" MEANS AN ASSOCIATE (AS DEFINED IN SECTION 128F OF THE INCOME TAX ASSESSMENT ACT 1936 (THE **"TAX ACT"**, WHICH TERM INCLUDES ANY SUCCESSOR LEGISLATION)) OF THE ISSUER THAT IS EITHER A NON-RESIDENT OF THE COMMONWEALTH OF AUSTRALIA WHICH DOES NOT ACQUIRE THE COVERED BONDS IN CARRYING ON A BUSINESS AT OR THROUGH A PERMANENT ESTABLISHMENT IN AUSTRALIA OR, ALTERNATIVELY, A RESIDENT OF AUSTRALIA THAT ACQUIRES THE COVERED BONDS IN CARRYING ON BUSINESS AT OR THROUGH A PERMANENT ESTABLISHMENT OUTSIDE OF AUSTRALIA.

EACH PERSON WHO SO ACQUIRES THIS TALON OR SUCH INTEREST OR RIGHT IS TAKEN TO HAVE WARRANTED IN FAVOUR OF THE ISSUER THAT THE PERSON IS NOT AN OFFSHORE ASSOCIATE, RESIDENT OF AUSTRALIA OR NON-RESIDENT OF AUSTRALIA WHO HAS ENGAGED IN CARRYING ON BUSINESS IN AUSTRALIA AT OR THROUGH A PERMANENT ESTABLISHMENT WITHIN AUSTRALIA.

ANY OFFSHORE ASSOCIATE, RESIDENT OF AUSTRALIA OR NON-RESIDENT OF AUSTRALIA WHO HAS ENGAGED IN CARRYING ON BUSINESS IN AUSTRALIA AT OR THROUGH A PERMANENT ESTABLISHMENT WITHIN AUSTRALIA WHO SO ACQUIRES THIS TALON OR ANY INTEREST OR RIGHT IN RESPECT OF THIS TALON CONTRARY TO THE RESTRICTIONS ABOVE MAY BE SUBJECT TO AUSTRALIAN TAX AND, IF SO, WILL NOT BE ENTITLED TO RECEIVE ANY PAYMENT OF ADDITIONAL AMOUNTS FROM THE ISSUER ON ACCOUNT OF SUCH TAX FROM AMOUNTS PAYABLE UNDER OR IN RESPECT OF THIS TALON.

[ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.]¹²

[Face of Talon]

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED
(ABN 11 005 357 522)
(the **Issuer**)

3. ¹² Delete where the original maturity of the Covered Bonds is 1 year or less.

Specified Currency/Nominal Amount
COVERED BONDS DUE [Year of Maturity]

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

PERPETUAL CORPORATE TRUST LIMITED
(AS TRUSTEE OF THE ANZ RESIDENTIAL COVERED BOND TRUST)
(incorporated with limited liability under the laws of New South Wales)
(the Covered Bond Guarantor)

Series No. [●]

[Talon appertaining to a Covered Bond in the denomination of Specified Currency/Nominal Amount]¹³
On and after [●] further Coupons [and a further Talon]¹⁴ appertaining to the Covered Bond to which this Talon appertains will be issued at the specified office of any of the Paying Agents set out on the reverse hereof (and/or any other or further Paying Agents and/or specified offices as may from time to time be duly appointed and notified to the Covered Bondholders) upon production and surrender of this Talon.

This Talon may, in certain circumstances, become void under the Terms and Conditions endorsed on the Covered Bond to which this Talon appertains.

[No.]	[0,000/00,000]	[ISIN]	[Series]	[Serial No.]

-
4. ¹³ Delete where the Covered Bonds are all of the same denomination.
5. ¹⁴ Not required on last Coupon sheet.

PART 7

FORM OF REGISTERED GLOBAL COVERED BOND

NO OFFSHORE ASSOCIATE OF THE ISSUER (AS DEFINED BELOW) MAY (DIRECTLY OR INDIRECTLY) ACQUIRE THIS COVERED BOND OR ANY INTEREST IN OR RIGHT IN RESPECT OF THIS COVERED BOND (OTHER THAN AN OFFSHORE ASSOCIATE WHO ACQUIRES THIS COVERED BOND OR SUCH INTEREST OR RIGHT IN THE CAPACITY OF A DEALER, MANAGER OR UNDERWRITER IN RELATION TO THE PLACEMENT OF THE COVERED BOND, INTEREST OR RIGHT, OR A CLEARING HOUSE, CUSTODIAN, FUNDS MANAGER OR RESPONSIBLE ENTITY OF A REGISTERED SCHEME WITHIN THE MEANING OF THE CORPORATIONS ACT 2001 OF AUSTRALIA).

"OFFSHORE ASSOCIATE" MEANS AN ASSOCIATE (AS DEFINED IN SECTION 128F OF THE INCOME TAX ASSESSMENT ACT 1936 (THE **"TAX ACT"**, WHICH TERM INCLUDES ANY SUCCESSOR LEGISLATION)) OF THE ISSUER THAT IS EITHER A NON-RESIDENT OF THE COMMONWEALTH OF AUSTRALIA WHICH DOES NOT ACQUIRE THE COVERED BONDS IN CARRYING ON A BUSINESS AT OR THROUGH A PERMANENT ESTABLISHMENT IN AUSTRALIA OR, ALTERNATIVELY, A RESIDENT OF AUSTRALIA THAT ACQUIRES THE COVERED BONDS IN CARRYING ON BUSINESS AT OR THROUGH A PERMANENT ESTABLISHMENT OUTSIDE OF AUSTRALIA.

EACH PERSON WHO SO ACQUIRES THIS COVERED BOND OR SUCH INTEREST OR RIGHT IS TAKEN TO HAVE WARRANTED IN FAVOUR OF THE ISSUER THAT THE PERSON IS NOT AN OFFSHORE ASSOCIATE.

ANY OFFSHORE ASSOCIATE WHO SO ACQUIRES THIS COVERED BOND OR ANY INTEREST OR RIGHT IN RESPECT OF THIS COVERED BOND MAY BE SUBJECT TO AUSTRALIAN WITHHOLDING TAX AND, IF SO, WILL NOT BE ENTITLED TO RECEIVE ANY PAYMENT OF ADDITIONAL AMOUNTS FROM THE ISSUER IN RESPECT OF ANY AMOUNT DEDUCTED BY THE BANK ON ACCOUNT OF SUCH TAX FROM AMOUNTS PAYABLE UNDER OR IN RESPECT OF THIS COVERED BOND.

[NEITHER THIS SECURITY NOR ANY GUARANTEE IN RESPECT THEREOF HAS BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, NEITHER MAY BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING THIS SECURITY AND ANY GUARANTEE IN RESPECT THEREOF FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS; (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THIS SECURITY AND ANY GUARANTEE IN RESPECT THEREOF EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT IN RESPECT OF THIS SECURITY AND ANY GUARANTEE IN RESPECT THEREOF (THE AGENCY AGREEMENT) AND, PRIOR TO THE DATE WHICH IS ONE YEAR AFTER THE LATER OF THE LAST ISSUE DATE FOR THE SERIES AND THE LAST DATE ON WHICH THE ISSUER OR AN AFFILIATE OF THE ISSUER WAS THE OWNER OF SUCH SECURITY AND ANY GUARANTEE IN RESPECT THEREOF OTHER THAN (1) TO THE ISSUER OR ANY AFFILIATE THEREOF, (2)

INSIDE THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING THE SECURITY AND ANY GUARANTEE IN RESPECT THEREOF FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (3) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT, (4) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT AS CONFIRMED IN AN OPINION OF COUNSEL SATISFACTORY TO THE ISSUER OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION; AND (C) IT AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY AND ANY GUARANTEE IN RESPECT THEREOF IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

THIS SECURITY AND ANY GUARANTEE IN RESPECT THEREOF AND RELATED DOCUMENTATION (INCLUDING, WITHOUT LIMITATION, THE AGENCY AGREEMENT REFERRED TO HEREIN) MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, WITHOUT THE CONSENT OF, BUT UPON NOTICE TO, THE HOLDER OF SUCH SECURITY SENT TO ITS REGISTERED ADDRESS, TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR REALES AND OTHER TRANSFERS OF THIS SECURITY TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO REALES OR OTHER TRANSFERS OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS SECURITY SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THIS SECURITY AND ANY SECURITIES ISSUED IN EXCHANGE OR SUBSTITUTION THEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON).]¹

EXCEPT AS OTHERWISE PROVIDED IN THE APPLICABLE FINAL TERMS, BY ITS PURCHASE AND HOLDING OF THIS COVERED BOND (OR ANY INTEREST THEREIN), EACH PURCHASER AND HOLDER WILL BE DEEMED TO HAVE REPRESENTED AND AGREED, THAT EITHER (1) IT IS NOT AN "EMPLOYEE BENEFIT PLAN" AS DESCRIBED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (ERISA) AND SUBJECT TO TITLE 1 OF ERISA, OR A "PLAN" SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE CODE), OR AN ENTITY WHOSE UNDERLYING ASSETS ARE DEEMED FOR PURPOSES OF ERISA OR THE CODE TO INCLUDE THE ASSETS OF ANY SUCH EMPLOYEE BENEFIT PLAN OR PLAN, OR A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (SIMILAR LAW), OR (2) ITS PURCHASE, HOLDING AND DISPOSITION OF THIS COVERED BOND DOES NOT AND WILL NOT CONSTITUTE OR RESULT IN A PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (OR IN THE CASE OF A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, ANY SUCH SUBSTANTIALLY SIMILAR LAW) FOR WHICH AN EXEMPTION IS NOT AVAILABLE.

[THIS SECURITY AND ANY GUARANTEE IN RESPECT THEREOF HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT), OR ANY APPLICABLE U.S. STATE SECURITIES LAWS AND,

¹ This legend shall be borne by each Rule 144A Global Covered Bond.

ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN ACCORDANCE WITH THE PRINCIPAL AGENCY AGREEMENT IN RESPECT OF THIS SECURITY (THE PRINCIPAL AGENCY AGREEMENT) AND PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT. THE FOREGOING SHALL NOT APPLY FOLLOWING THE EXPIRATION OF FORTY (40) DAYS FROM THE LATER OF (I) THE DATE ON WHICH THIS SECURITY AND ANY GUARANTEE IN RESPECT THEREOF WAS FIRST OFFERED AND (II) THE DATE OF ISSUANCE OF THIS SECURITY AND ANY GUARANTEE IN RESPECT THEREOF.

[FOR THE PURPOSES OF APPLYING THE ORIGINAL ISSUE DISCOUNT RULES UNDER THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, (1) THE ISSUE DATE OF THIS REGISTERED GLOBAL COVERED BOND IS []; (2) THE YIELD TO MATURITY IS []% (COMPOUNDED SEMI-ANNUALLY); (3) THIS COVERED BOND IS BEING ISSUED WITH ORIGINAL ISSUE DISCOUNT IN THE AMOUNT OF U.S.\$[] PER U.S.\$1,000 PRINCIPAL AMOUNT; (4) THE [] METHOD SPECIFIED IN THE PROPOSED TREASURY REGULATIONS HAS BEEN USED TO DETERMINE YIELD AND THE AMOUNT OF ORIGINAL ISSUE DISCOUNT ALLOCABLE TO THE SHORT INITIAL ACCRUAL PERIOD BEGINNING [] AND ENDING []; AND (5) THE AMOUNT OF ORIGINAL ISSUE DISCOUNT ALLOCABLE TO SUCH ACCRUAL PERIOD IS U.S.\$[] PER U.S.\$[] PRINCIPAL AMOUNT.]³

[THIS REGISTERED GLOBAL COVERED BOND IS A GLOBAL COVERED BOND WITHIN THE MEANING OF THE BOND TRUST DEED REFERRED TO HEREINAFTER. THIS REGISTERED GLOBAL COVERED BOND MAY NOT BE EXCHANGED, IN WHOLE OR IN PART, FOR A COVERED BOND REGISTERED IN THE NAME OF ANY PERSON OTHER THAN THE DEPOSITORY TRUST COMPANY OR A NOMINEE THEREOF EXCEPT IN THE LIMITED CIRCUMSTANCES SET FORTH IN THIS REGISTERED GLOBAL COVERED BOND, AND MAY NOT BE TRANSFERRED, IN WHOLE OR IN PART, EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THIS REGISTERED GLOBAL COVERED BOND. BENEFICIAL INTERESTS IN THIS REGISTERED GLOBAL COVERED BOND MAY NOT BE TRANSFERRED EXCEPT IN ACCORDANCE WITH THIS REGISTERED GLOBAL COVERED BOND.]⁴

[UNLESS THIS REGISTERED GLOBAL COVERED BOND IS PRESENTED BY AN AUTHORISED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION, (DTC), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY REGISTERED GLOBAL COVERED BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUIRED BY AN AUTHORISED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUIRED BY AN AUTHORISED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL IN AS MUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.]⁵

³ Insert and complete if original issue discount applies.

⁴ Insert and complete if original issue discount applies.

⁵ This legend shall be borne by each Registered Global Covered Bond held by DTC.

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED
(ABN 11 005 357 522)

(the **Issuer**)

REGISTERED GLOBAL COVERED BOND

Unconditionally and irrevocably guaranteed as to payment of interest and principal by

PERPETUAL CORPORATE TRUST LIMITED
(AS TRUSTEE OF THE ANZ RESIDENTIAL COVERED BOND TRUST)
(incorporated with limited liability under the laws of New South Wales)

(the Covered Bond Guarantor)

This Covered Bond is a **Registered Global Covered Bond** in respect of a duly authorised issue of Covered Bonds of the Issuer (the **Covered Bonds**) of the Principal Amount Outstanding, Specified Currency(ies) and Specified Denomination(s) as are specified in the Final Terms applicable to the Covered Bonds (the **Final Terms**), a copy of which is annexed hereto. References herein to the Conditions shall be to the Conditions of the Covered Bonds as set out in Schedule 1 (*Terms and Conditions of the Covered Bonds*) to the Bond Trust Deed (as defined below) as supplemented, replaced and modified by the Final Terms but, in the event of any conflict between the provisions of the said Conditions and the information in the Final Terms, the Final Terms will prevail.

Words and expressions defined in the Conditions shall bear the same meanings when used in this Registered Global Covered Bond.

This Registered Global Covered Bond is issued subject to, and with the benefit of, the Conditions and a bond trust deed (as modified and/or supplemented and/or restated from time to time, the **Bond Trust Deed**) dated 14 November 2011 and made between the Issuer, the Covered Bond Guarantor and DB Trustees (Hong Kong) Limited (the **Bond Trustee**).

The Issuer, subject to and in accordance with the Conditions, the Final Terms and the Bond Trust Deed, agrees to pay to such registered holder on the Final Maturity Date and/or on such earlier date(s) as all or any of the Covered Bonds represented by this Registered Global Covered Bond may become due and repayable in accordance with the Conditions, the Final Terms and the Bond Trust Deed, the amount payable under the Conditions and the Final Terms in respect of such Covered Bonds on each such date and to pay interest (if any) on the Principal Amount Outstanding of the Covered Bonds from time to time represented by this Registered Global Covered Bond calculated and payable as provided in the Conditions and the Bond Trust Deed together with any other sums payable under the Conditions, the Final Terms and the Bond Trust Deed, upon presentation and, at maturity, surrender of this Registered Global Covered Bond at the specified office of the Registrar at [●] or such other specified office as may be specified in the Final Terms. On any redemption in whole or in part or payment of interest being made in respect of, or purchase and cancellation of, any of the Covered Bonds represented by this Registered Global Covered Bond details of such redemption, payment or purchase and cancellation (as the case may be) shall be entered by or on behalf of the Issuer in Schedule One hereto and the relevant space in Schedule One hereto recording any such redemption, payment or purchase and cancellation (as the case may be) shall be signed by or on behalf of the Issuer. Upon any such redemption or purchase and cancellation the Principal Amount Outstanding of this Registered Global Covered Bond and the Covered Bonds held by the registered holder hereof shall be reduced by the Principal Amount Outstanding of such Covered Bonds so redeemed or purchased and cancelled. The Principal Amount Outstanding of this Registered Global Covered Bond and of the Covered Bonds held by the registered holder hereof following any such redemption or purchase and cancellation as aforesaid or any transfer or exchange as referred to below shall be the Principal Amount Outstanding most recently entered in the relevant column in Part II or III of Schedule One hereto or in Schedule Two hereto.

This Registered Global Covered Bond may be exchanged (free of charge) in whole, but not in part, for Registered Definitive Covered Bonds without Receipts, Coupons or Talons attached only upon the occurrence of an Exchange Event.

An "**Exchange Event**" means:

- (a) if Austraclear is closed for business for a continuous period of 14 days (other than by reason of holidays (statutory or otherwise)) or announces an intention permanently to cease business or in fact does so (other than in the case of a merger, disposal or consolidation not interrupting or degrading the services provided to its customers);
- (b) in the case of Covered Bonds registered in the name of the Depository Trust Company at its office at 55 Water Street, New York, NY 10041, United States of America (**DTC**) or its nominee, either DTC has notified the Issuer that it is unwilling or unable to continue to act as depository for the Covered Bonds and no alternative clearing system is available or DTC has ceased to constitute a clearing agency registered under the Exchange Act; or
- (c) in the case of Covered Bonds registered in the name of a common depository or common safekeeper (as applicable) for Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking, société anonyme (**Clearstream, Luxembourg**) or its nominee, the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, whether statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available.

Upon the occurrence of an Exchange Event:

- (i) the Issuer will promptly give notice to Covered Bondholders in accordance with Condition 14 (Notices) of the occurrence of such Exchange Event; and
- (ii) Euroclear and/or Clearstream, Luxembourg and/or DTC and/or Austraclear (acting on the instructions of any holder of an interest in this Registered Global Covered Bond) or the Bond Trustee may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (c) above, the Issuer may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

Covered Bonds represented by this Registered Global Covered Bond are transferable only in accordance with, and subject to, the provisions hereof and of the applicable Principal Agency Agreement (as amended, supplemented, restated and/or novated from time to time) and the rules and operating procedures of Euroclear and/or Clearstream, Luxembourg and/or DTC and/or Austraclear.

On any exchange or transfer pursuant to which either (i) Covered Bonds represented by this Registered Global Covered Bond are no longer to be so represented or (ii) Covered Bonds not so represented are to be so represented, details of such exchange or transfer shall be entered by or on behalf of the Issuer in Schedule Two hereto and the relevant space in Schedule Two hereto recording such transfer shall be signed by or on behalf of the Issuer, whereupon the Principal Amount Outstanding of this Registered Global Covered Bond and the Covered Bonds held by the registered holder hereof shall be increased or reduced (as the case may be) by the Principal Amount Outstanding so exchanged or transferred.

Subject as provided in the following two paragraphs, until the exchange of the whole of this Registered Global Covered Bond as aforesaid, the registered holder hereof shall in all respects be entitled to the same benefits as if he were the registered holder of Registered Definitive Covered Bonds in the form set out in Part

8 (Form of *Registered Definitive Covered Bond*) of Schedule 2 (*Forms of Global and Definitive Covered Bonds, Receipts, Coupons and Talons*) to the Bond Trust Deed.

Where this Registered Global Covered Bond is registered in the name of a common depositary or common safekeeper (as applicable) for Euroclear and/or Clearstream, Luxembourg or its nominee, and subject as provided in the Bond Trust Deed, each person who is for the time being shown in the records of Euroclear and/or Clearstream, Luxembourg as entitled to a particular Principal Amount Outstanding of the Covered Bonds represented by this Registered Global Covered Bond (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the Principal Amount Outstanding of such Covered Bonds standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be deemed to be the holder of such Principal Amount Outstanding of the Covered Bonds for all purposes other than with respect to payments of principal and interest on such Principal Amount Outstanding of such Covered Bonds for which purpose the registered holder of this Registered Global Covered Bond shall be deemed to be the holder of such Principal Amount Outstanding of the Covered Bonds in accordance with and subject to the terms of this Registered Global Covered Bond and the Bond Trust Deed.

Where this Registered Global Covered Bond is registered in the name of DTC or its nominee, and subject as provided in the Bond Trust Deed and in the Principal Agency Agreement, each person who is for the time being shown in the records of DTC as entitled to a particular Principal Amount Outstanding of the Covered Bonds represented by this Registered Global Covered Bond (in which regard any certificate or other document issued by DTC as to the Principal Amount Outstanding of such Covered Bonds standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be deemed to be the holder of such Principal Amount Outstanding of the Covered Bonds for all purposes other than with respect to payments of principal and interest on and voting, giving consents and making requests in respect of, such Principal Amount Outstanding of such Covered Bonds for which purpose the registered holder of this Registered Global Covered Bond shall be deemed to be the holder of such Principal Amount Outstanding of the Covered Bonds in accordance with and subject to the terms of this Registered Global Covered Bond, the Bond Trust Deed and in the Principal Agency Agreement.

[Where this Registered Global Covered Bond is registered in the name of [Austraclear] or another Depository (as defined in the rules and regulations of the Austraclear System), and subject as provided in the Bond Trust Deed, each person who is for the time being shown in the records of Austraclear as entitled to a particular Principal Amount Outstanding of the Covered Bonds represented by this Registered Global Covered Bond (in which regard any certificate or other document issued by Austraclear as to the Principal Amount Outstanding of such Covered Bonds standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be deemed to be the holder of such Principal Amount Outstanding of the Covered Bonds for all purposes other than with respect to payments of such Principal Amount Outstanding of such Covered Bonds for which purpose the registered holder of this Registered Global Covered Bond shall be deemed to be the holder of such Principal Amount Outstanding of the Covered Bonds in accordance with and subject to the terms of the Registered Global Covered Bond and the Bond Trust Deed.]

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

This Registered Global Covered Bond and any non-contractual obligations arising out of or in connection with it shall be governed by, and shall be construed in accordance with, English law.

This Registered Global Covered Bond shall not be valid unless authenticated by [●], as Registrar and, if this Global Covered Bond is held under the NSS, effectuated by the entity appointed as Common Safekeeper by Euroclear or Clearstream, Luxembourg.

IN WITNESS whereof the Issuer has caused this Registered Global Covered Bond to be signed manually or in facsimile by a person duly authorised on its behalf

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED

By:
Authorised Officer

By:
Authorised Officer

[Authenticated by
[DEUTSCHE BANK LUXEMBOURG S.A.]
as Luxembourg Registrar

By:
Authorised Officer

**[Effectuated without recourse, warranty or liability
by [common safekeeper] as Common Safekeeper**

By:]¹⁵

[Authenticated by
DEUTSCHE BANK TRUST COMPANY AMERICAS
as US Registrar

By: Deutsche Bank National Trust Company

By:
Authorised Officer]

Important Note:

The Covered Bond Guarantor has guaranteed certain obligations of the Issuer in respect of this Bearer Definitive Covered Bond only in its role as trustee of the Trust and in no other capacity. Any obligation or liability of the Covered Bond Guarantor arising under or in any way connected with the Trust, the Bond Trust Deed, this Bearer Definitive Covered Bond or any other Programme Document is limited to the extent to which it can be satisfied out of the assets of the Trust out of which the Covered Bond Guarantor is actually indemnified for the obligation or liability. This limitation will not apply to any obligation or liability of the Covered Bond Guarantor only to the extent that it is not so satisfied because of any fraud, gross negligence or wilful default on the part of the Covered Bond Guarantor. Full terms of the Covered Bond Guarantor's limitation of liability (including certain exceptions to it) are set out in the full Programme Documents

¹⁵ Only use if this Global Covered Bond is held under NSS

Schedule One to Part 7
Part I
INTEREST PAYMENTS

[illegible]

Part II

REDEMPTIONS

[illegible]

* See most recent entry in Part II or III or Schedule Two in order to determine this amount.

Part III

PURCHASES AND CANCELLATIONS

[illegible]

* See most recent entry in Part II or III or Schedule Two in order to determine this amount.

Schedule Two to Part 7
SCHEDULE OF TRANSFERS

The following transfers affecting the Principal Amount Outstanding of this Registered Global Covered Bond have been made:

[illegible]

* See most recent entry in Part II or III of Schedule One or in this Schedule Two in order to determine this amount.

PART 8

FORM OF REGISTERED DEFINITIVE COVERED BOND

NO OFFSHORE ASSOCIATE (AS DEFINED IN SECTION 128F(9) OF THE INCOME TAX ASSESSMENT ACT 1936 OF THE COMMONWEALTH OF AUSTRALIA) OF THE ISSUER (AS DEFINED BELOW) ("**ASSOCIATE**") MAY (DIRECTLY OR INDIRECTLY) ACQUIRE THIS COVERED BOND OR ANY INTEREST IN OR RIGHT IN RESPECT OF THIS COVERED BOND (OTHER THAN AN OFFSHORE ASSOCIATE WHO ACQUIRES THIS COVERED BOND OR SUCH INTEREST OR RIGHT IN THE CAPACITY OF A DEALER, MANAGER OR UNDERWRITER IN RELATION TO THE PLACEMENT OF THE COVERED BOND, INTEREST OR RIGHT, OR A CLEARING HOUSE, CUSTODIAN, FUNDS MANAGER OR RESPONSIBLE ENTITY OF A REGISTERED SCHEME WITHIN THE MEANING OF THE CORPORATIONS ACT 2001 OF AUSTRALIA).

"OFFSHORE ASSOCIATE" MEANS AN ASSOCIATE (AS DEFINED IN SECTION 128F OF THE INCOME TAX ASSESSMENT ACT 1936 (THE "**TAX ACT**", WHICH TERM INCLUDES ANY SUCCESSOR LEGISLATION)) OF THE ISSUER THAT IS EITHER A NON-RESIDENT OF THE COMMONWEALTH OF AUSTRALIA WHICH DOES NOT ACQUIRE THE COVERED BONDS IN CARRYING ON A BUSINESS AT OR THROUGH A PERMANENT ESTABLISHMENT IN AUSTRALIA OR, ALTERNATIVELY, A RESIDENT OF AUSTRALIA THAT ACQUIRES THE COVERED BONDS IN CARRYING ON BUSINESS AT OR THROUGH A PERMANENT ESTABLISHMENT OUTSIDE OF AUSTRALIA.

EACH PERSON WHO SO ACQUIRES THIS COVERED BOND OR SUCH INTEREST OR RIGHT IS TAKEN TO HAVE WARRANTED IN FAVOUR OF THE ISSUER THAT THE PERSON IS NOT AN OFFSHORE ASSOCIATE.

ANY OFFSHORE ASSOCIATE WHO SO ACQUIRES THIS COVERED BOND OR ANY INTEREST OR RIGHT IN RESPECT OF THIS COVERED BOND MAY BE SUBJECT TO AUSTRALIAN WITHHOLDING TAX AND, IF SO, WILL NOT BE ENTITLED TO RECEIVE ANY PAYMENT OF ADDITIONAL AMOUNTS FROM THE ISSUER IN RESPECT OF ANY AMOUNT DEDUCTED BY THE BANK ON ACCOUNT OF SUCH TAX FROM AMOUNTS PAYABLE UNDER OR IN RESPECT OF THIS COVERED BOND.

[NEITHER THIS SECURITY NOR ANY GUARANTEE IN RESPECT THEREOF HAS BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, NEITHER MAY BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING THIS SECURITY AND ANY GUARANTEE IN RESPECT THEREOF FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS; (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THIS SECURITY AND ANY GUARANTEE IN RESPECT THEREOF EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT IN RESPECT OF THIS SECURITY AND ANY GUARANTEE IN RESPECT THEREOF (THE AGENCY AGREEMENT) AND, PRIOR TO THE DATE WHICH IS ONE YEAR AFTER THE LATER OF THE LAST ISSUE DATE FOR THE SERIES AND THE LAST DATE ON WHICH THE ISSUER OR AN AFFILIATE

OF THE ISSUER WAS THE OWNER OF SUCH SECURITY AND ANY GUARANTEE IN RESPECT THEREOF OTHER THAN (1) TO THE ISSUER OR ANY AFFILIATE THEREOF, (2) INSIDE THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING THE SECURITY AND ANY GUARANTEE IN RESPECT THEREOF FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (3) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT, (4) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT AS CONFIRMED IN AN OPINION OF COUNSEL SATISFACTORY TO THE ISSUER OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION; AND (C) IT AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY AND ANY GUARANTEE IN RESPECT THEREOF IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

THIS SECURITY AND ANY GUARANTEE IN RESPECT THEREOF AND RELATED DOCUMENTATION (INCLUDING, WITHOUT LIMITATION, THE AGENCY AGREEMENT REFERRED TO HEREIN) MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, WITHOUT THE CONSENT OF, BUT UPON NOTICE TO, THE HOLDER OF SUCH SECURITY SENT TO ITS REGISTERED ADDRESS, TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR REALES AND OTHER TRANSFERS OF THIS SECURITY TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO REALES OR OTHER TRANSFERS OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS SECURITY SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THIS SECURITY AND ANY SECURITIES ISSUED IN EXCHANGE OR SUBSTITUTION THEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON).

IF REQUESTED BY THE ISSUER OR BY A DEALER, THE PURCHASER AGREES TO PROVIDE THE INFORMATION NECESSARY TO DETERMINE WHETHER THE TRANSFER OF THIS REGISTERED DEFINITIVE COVERED BOND IS PERMISSIBLE UNDER THE SECURITIES ACT. THIS REGISTERED DEFINITIVE COVERED BOND AND RELATED DOCUMENTATION MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR REALES AND OTHER TRANSFERS OF THIS REGISTERED DEFINITIVE COVERED BOND TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO THE REALE OR TRANSFERS OF RESTRICTED SECURITIES GENERALLY. BY THE ACCEPTANCE OF THIS REGISTERED DEFINITIVE COVERED BOND, THE HOLDER HEREOF SHALL BE DEEMED TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT.¹

EXCEPT AS OTHERWISE PROVIDED IN THE APPLICABLE FINAL TERMS, BY ITS PURCHASE AND HOLDING OF THIS COVERED BOND (OR ANY INTEREST THEREIN), EACH PURCHASER AND HOLDER WILL BE DEEMED TO HAVE REPRESENTED AND AGREED, THAT EITHER (1) IT IS NOT AN “EMPLOYEE BENEFIT PLAN” AS DESCRIBED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS

¹ This legend shall be borne by Registered Definitive Covered Bonds issued in exchange for a Rule 144A Global Covered Bond.

AMENDED (ERISA) AND SUBJECT TO TITLE 1 OF ERISA, OR A “PLAN” SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE CODE), OR AN ENTITY WHOSE UNDERLYING ASSETS ARE DEEMED FOR PURPOSES OF ERISA OR THE CODE TO INCLUDE THE ASSETS OF ANY SUCH EMPLOYEE BENEFIT PLAN OR PLAN, OR A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (SIMILAR LAW), OR (2) ITS PURCHASE, HOLDING AND DISPOSITION OF THIS COVERED BOND DOES NOT AND WILL NOT CONSTITUTE OR RESULT IN A PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (OR IN THE CASE OF A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, ANY SUCH SUBSTANTIALLY SIMILAR LAW) FOR WHICH AN EXEMPTION IS NOT AVAILABLE.

[THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT), OR ANY APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN ACCORDANCE WITH THE PRINCIPAL AGENCY AGREEMENT IN RESPECT OF THIS SECURITY (THE PRINCIPAL AGENCY AGREEMENT) AND PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT. THE FOREGOING SHALL NOT APPLY FOLLOWING THE EXPIRATION OF FORTY (40) DAYS FROM THE LATER OF (I) THE DATE ON WHICH THIS SECURITY AND ANY GUARANTEE IN RESPECT THEREOF WAS FIRST OFFERED AND (II) THE DATE OF ISSUANCE OF THIS SECURITY AND ANY GUARANTEE IN RESPECT THEREOF.

[FOR THE PURPOSES OF APPLYING THE ORIGINAL ISSUE DISCOUNT RULES UNDER THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, (1) THE ISSUE DATE OF THIS REGISTERED DEFINITIVE COVERED BOND IS []; (2) THE YIELD TO MATURITY IS []% (COMPOUNDED SEMI- ANNUALLY); (3) THIS REGISTERED DEFINITIVE COVERED BOND IS BEING ISSUED WITH ORIGINAL ISSUE DISCOUNT IN THE AMOUNT OF U.S.\$[] PER U.S.\$1,000 PRINCIPAL AMOUNT; (4) THE [] METHOD SPECIFIED IN THE TREASURY REGULATIONS HAS BEEN USED TO DETERMINE YIELD AND THE AMOUNT OF ORIGINAL ISSUE DISCOUNT ALLOCABLE TO THE SHORT INITIAL ACCRUAL PERIOD BEGINNING [] AND ENDING []; AND (5) THE AMOUNT OF ORIGINAL ISSUE DISCOUNT ALLOCATED TO SUCH ACCRUAL PERIOD IS U.S.\$[] PER U.S.\$[] PRINCIPAL AMOUNT.]³

³ Insert and complete if original issue discount applies.

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED
(ABN 11 005 357 522)

(the **Issuer**)

REGISTERED DEFINITIVE COVERED BOND

Unconditionally and irrevocably guaranteed as to payment of interest and principal by

PERPETUAL CORPORATE TRUST LIMITED
(AS TRUSTEE OF THE ANZ RESIDENTIAL COVERED BOND TRUST)

(incorporated with limited liability under the laws of New South Wales)

(the Covered Bond Guarantor)

This Covered Bond is a **Registered Definitive Covered Bond** in respect of a duly authorised issue of Covered Bonds of [Specified Currency(ies) and Specified Denomination(s)] each of the Issuer (the **Covered Bonds**) of the Aggregate Principal Amount Outstanding, Specified Currency(ies) and the Specified Denomination(s) as are specified in the Final Terms applicable to the Covered Bonds (the **Final Terms**), a copy of which is annexed hereto. References herein to the Conditions shall be to the Terms and Conditions of the Covered Bonds as set out in Schedule 1 (*Terms and Conditions of the Covered Bonds*) to the Bond Trust Deed (as defined below) as supplemented, replaced and modified by the Final Terms but, in the event of any conflict between the provisions of the said Conditions and the information in the Final Terms, the Final Terms will prevail.

Words and expressions defined in the Conditions shall bear the same meanings when used in this Registered Definitive Covered Bond.

This Registered Definitive Covered Bond is issued subject to, and with the benefit of, the Conditions and a bond trust deed (such bond trust deed as modified and/or supplemented and/or restated from time to time, the **Bond Trust Deed**) dated 14 November 2011 and made between (*inter alios*) the Issuer, the Covered Bond Guarantor and DB Trustees (Hong Kong) Limited.

THIS IS TO CERTIFY that [] is/are the registered holder(s) of one or more of the above-mentioned Registered Definitive Covered Bonds and is/are entitled on the Final Maturity Date and/or on such earlier date as this Registered Definitive Covered Bond may become due and repayable in accordance with the Conditions and the Bond Trust Deed, to the amount payable or assets deliverable, as the case may be, on redemption of this Registered Definitive Covered Bond and to receive interest (if any) on the Principal Amount Outstanding of this Registered Definitive Covered Bond calculated and payable as provided in the Conditions and the Bond Trust Deed together with any other sums payable under the Conditions and the Bond Trust Deed.

This Registered Definitive Covered Bond and any non-contractual obligations arising out of or in connection with it shall be governed by, and shall be construed in accordance with, English law.

This Registered Definitive Covered Bond shall not be valid unless authenticated by [●], as Registrar.

IN WITNESS whereof this Registered Definitive Covered Bond has been executed on behalf of the Issuer.
Issued as of [], 20[].

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED

By:
Authorised Officer

By:
Authorised Officer

[Authenticated by
DEUTSCHE BANK LUXEMBOURG S.A.
as Luxembourg Registrar
By:
Authorised Officer]

[Authenticated by
DEUTSCHE BANK TRUST COMPANY AMERICAS
as US Registrar

By Deutsche Bank National Trust Company

By:
Authorised Officer]

- FORM OF TRANSFER OF REGISTERED DEFINITIVE COVERED BOND -

FOR VALUE RECEIVED the undersigned hereby sell(s), assign(s) and transfer(s) to

.....
.....
.....

(Please print or type name and address (including postal code) of transferee)

[Specified Currency][] Principal Amount Outstanding of this Registered Definitive Covered Bond and all rights hereunder, hereby irrevocably constituting and appointing as attorney to transfer such Principal Amount Outstanding of this Registered Definitive Covered Bond in the Register maintained by the Registrar on behalf of AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED with full power of substitution.

Signature(s).....
.....

Date:

N.B.: This form of transfer must be accompanied by such documents, evidence and information as may be required pursuant to the Conditions and must be executed under the hand of the transferor or, if the transferor is a corporation, either under its common seal or under the hand of two of its officers duly authorised in writing and, in such latter case, the document so authorising such officers must be delivered with this form of transfer.

[Conditions]

[Conditions to be as set out in Schedule 1 (*Terms and Conditions of the Covered Bonds*) to this Bond Trust Deed or such other form as may be agreed between the Issuer, the relevant Principal Paying Agent, the Bond Trustee and the relevant Dealer(s), but shall not be endorsed if not required by the relevant Stock Exchange (if any).]

Final Terms

[Here to be set out text of the relevant information supplementing, replacing or modifying the Conditions which appear in the Final Terms relating to the Covered Bonds]

SCHEDULE 3

FORM OF NOTICE TO PAY

[On the letterhead of the Bond Trustee]

To: Perpetual Corporate Trust Limited (as trustee of the ANZ Residential Covered Bond Trust) (the **Covered Bond Guarantor**)
[●]

cc: ANZ Capel Court Limited as trust manager

[insert date]

Dear Sirs,

Notice to Pay under Covered Bond Guarantee

We refer to the US\$20,000,000,000 ANZ Covered Bond Programme of the Issuer and the bond trust deed dated 14 November 2011 made between the Issuer, the Covered Bond Guarantor and the Bond Trustee (the **Bond Trust Deed**).

We hereby confirm that an Issuer Event of Default has occurred and that we have served an Issuer Acceleration Notice on the Issuer. Accordingly, this notice shall constitute a Notice to Pay which is served upon the Covered Bond Guarantor pursuant to Clause 7 (Covered Bond Guarantee) of the Bond Trust Deed.

Unless the context otherwise requires, capitalised terms used in this Notice to Pay and not defined herein shall have the meanings provided in the Definitions Schedule entered into between, *inter alios*, the Issuer, the Covered Bond Guarantor and the Bond Trustee.

Yours faithfully,

DB Trustees (Hong Kong) Limited

SCHEDULE 4

PROVISIONS FOR MEETINGS OF COVERED BONDHOLDERS

1. (a) As used in this Schedule the following expressions shall have the following meanings unless the context otherwise requires:
 - (i) **voting certificate** shall mean an English language certificate issued by a Paying Agent and dated in which it is stated:
 - (A) that on the date thereof Bearer Covered Bonds (whether in definitive form or represented by a Bearer Global Covered Bond and not being Bearer Covered Bonds in respect of which a block voting instruction has been issued and is outstanding in respect of the meeting specified in such voting certificate or any adjourned such meeting) were deposited with such Paying Agent or (to the satisfaction of such Paying Agent) were held to its order or under its control or blocked in an account with a clearing system and that no such Bearer Covered Bonds will cease to be so deposited or held or blocked until the first to occur of:
 - I. the conclusion of the meeting specified in such certificate or, if later, of any adjourned such meeting; and
 - II. the surrender of the certificate to the Paying Agent who issued the same; and
 - (B) that the bearer thereof is entitled to attend and vote at such meeting and any adjourned such meeting in respect of the Bearer Covered Bonds represented by such certificate;
 - (ii) **block voting instruction** shall mean an English language document issued by a Paying Agent and dated in which:
 - (A) it is certified that Bearer Covered Bonds (whether in definitive form or represented by a Bearer Global Covered Bond and not being Bearer Covered Bonds in respect of which a voting certificate has been issued and is outstanding in respect of the meeting specified in such block voting instruction and any adjourned such meeting) have been deposited with such Paying Agent or (to the satisfaction of such Paying Agent) were held to its order or under its control or blocked in an account with a clearing system and that no such Bearer Covered Bonds will cease to be so deposited or held or blocked until the first to occur of:
 - I. the conclusion of the meeting specified in such document if later, of any adjourned such meeting; and
 - II. the surrender to the Paying Agent not less than 48 hours before the time for which such meeting or any adjourned such meeting is convened of the receipt issued by such Paying Agent in respect of each such deposited Bearer Covered Bond which is to be released or (as the case may require) the Bearer Covered Bond or Bearer Covered Bonds ceasing with the agreement of the Paying Agent to

be held to its order or under its control or so blocked and the giving of notice by the Paying Agent to the Issuer in accordance with paragraph 17 hereof of the necessary amendment to the block voting instruction;

- (B) it is certified that each holder of such Bearer Covered Bonds has instructed such Paying Agent that the vote(s) attributable to the Bearer Covered Bond or Bearer Covered Bonds so deposited or held or blocked should be cast in a particular way in relation to the resolution or resolutions to be put to such meeting or any adjourned such meeting and that all such instructions are during the period commencing 48 hours prior to the time for which such meeting or any adjourned such meeting is convened and ending at the conclusion or adjournment thereof neither revocable nor capable of amendment;
 - (C) the aggregate principal amount of the Bearer Covered Bonds so deposited or held or blocked are listed distinguishing with regard to each such resolution between those in respect of which instructions have been given as aforesaid that the votes attributable thereto should be cast in favour of the resolution and those in respect of which instructions have been so given that the votes attributable thereto should be cast against the resolution; and
 - (D) one or more persons named in such document (each hereinafter called a proxy) is or are authorised and instructed by such Paying Agent to cast the votes attributable to the Bearer Covered Bonds so listed in accordance with the instructions referred to in (B) above as set out in such document;
- (iii) **24 hours** shall mean a period of 24 hours including all or part of a day upon which banks are open for business in both the place where the relevant meeting is to be held and in each of the places where the Paying Agents have their specified offices (disregarding for this purpose the day upon which such meeting is to be held) and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of a day upon which banks are open for business in all of the places as aforesaid; and
- (iv) **48 hours** shall mean a period of 48 hours including all or part of two days upon which banks are open for business both in the place where the relevant meeting is to be held and in each of the places where the Paying Agents have their specified offices (disregarding for this purpose the day upon which such meeting is to be held) and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of two days upon which banks are open for business in all of the places as aforesaid.
- (b) A holder of a Bearer Covered Bond (whether in definitive form or represented by a Bearer Global Covered Bond) may obtain a voting certificate in respect of such Covered Bond from a Paying Agent or require a Paying Agent to issue a block voting instruction in respect of such Covered Bond by depositing such Bearer Covered Bond with such Paying Agent or (to the satisfaction of such Paying Agent) by such Bearer Covered Bond being held to its order or under its control or being blocked in an account with a clearing system, in each case not less than 48 hours before the time fixed for the relevant meeting and on the terms set out in subparagraph 1(a)(i)(A) or 1(a)(ii)(A) above (as the case may be), and (in the case of a block voting instruction) instructing such Paying Agent to the effect set out in subparagraph 1(a)(ii)(B) above. The holder of any voting certificate or the proxies named in

any block voting instruction shall for all purposes in connection with the relevant meeting or adjourned meeting of Covered Bondholders be deemed to be the holder of the Bearer Covered Bonds to which such voting certificate or block voting instruction relates and the Paying Agent with which such Bearer Covered Bonds have been deposited or the person holding the same to the order or under the control of such Paying Agent or the clearing system in which such Bearer Covered Bonds have been blocked shall be deemed for such purposes not to be the holder of those Bearer Covered Bonds.

- (c)
 - (i) A holder of Registered Covered Bonds (including, for the avoidance of doubt, an Australian Registered Covered Bond) (whether in definitive form or represented by a Registered Global Covered Bond) may, by an instrument in writing in the English language (a **form of proxy**) signed by the holder or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation and delivered to the specified office of the Registrar not less than 48 hours before the time fixed for the relevant meeting, appoint any person (a **proxy**) to act on his or its behalf in connection with any meeting of the Covered Bondholders and any adjourned such meeting.
 - (ii) Any holder of Registered Covered Bonds (whether in definitive form or represented by a Registered Global Covered Bond) which is a corporation may by resolution of its directors or other governing body authorise any person to act as its representative (a **representative**) in connection with any meeting of the Covered Bondholders and any adjourned such meeting.
 - (iii) Any proxy appointed pursuant to subparagraph (i) above or representative appointed pursuant to subparagraph (ii) above shall so long as such appointment remains in force be deemed, for all purposes in connection with the relevant meeting or adjourned meeting of the Covered Bondholders, to be the holder of the Registered Covered Bonds to which such appointment relates and the holder of the Registered Covered Bonds shall be deemed for such purposes not to be the holder.
 - (iv) For so long as any of the Registered Covered Bonds is represented by a Global Covered Bond registered in the name of DTC or its nominee, DTC may mail an Omnibus Proxy to the Issuer in accordance with and in the form used by DTC as part of its usual procedures from time to time in relation to meetings of Covered Bondholders. Such Omnibus Proxy shall assign the voting rights in respect of the relevant meeting to DTC's direct participants as of the record date specified therein. Any such assignee participant may, by an instrument in writing in the English language (a form of sub-proxy) signed by such assignee participant, or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation and delivered to the specified office of the Registrar or any Transfer Agent before the time fixed for the relevant meeting, appoint any person (a **sub-proxy**) to act on his or its behalf in connection with any meeting of Covered Bondholders and any adjourned such meeting. All references to proxy or proxies in this Schedule other than in this paragraph shall be read so as to include references to sub-proxy or sub-proxies and all references to a form of proxy or forms of proxy shall be read to include references to form of sub proxy or forms of sub proxy.
 - (v) For so long as the Covered Bonds are eligible for settlement through DTC's book entry settlement system, the Issuer and/or the Covered Bond Guarantor may fix a record date for the purpose of any meeting, provided such date is not more than 10 days prior to the date fixed for such a meeting or such other number of days prior

thereto as the Bond Trustee shall in its absolute discretion determine. The person in whose name a Covered Bond is registered on the record date shall be the holder for the purposes of the relevant meeting.

2. The Issuer, the Covered Bond Guarantor or the Bond Trustee or (in relation to a meeting for the passing of a Programme Resolution) the Covered Bondholders of any Series may at any time and the Issuer shall upon a requisition in writing in the English language signed by the holders of not less than one tenth of the Principal Amount Outstanding of the Covered Bonds for the time being outstanding convene a meeting of the Covered Bondholders and if the Issuer makes default for a period of seven days in convening such a meeting the same may be convened by the Bond Trustee or the requisitionists. Every such meeting shall be held at such time and place as the Bond Trustee may approve. The Bond Trustee may convene a single meeting of the holders of Covered Bonds of more than one Series if in the opinion of the Bond Trustee there is no conflict between the respective interests of the holders of the relevant Series, in which event the provisions of this Schedule shall apply thereto *mutatis mutandis*.
3. At least 21 days' notice (exclusive of the day on which the notice is given and the day on which the meeting is to be held) specifying the place, day and hour of meeting shall be given to the holders of the relevant Covered Bonds prior to any meeting of such holders in the manner provided by Condition 14 (Notices). Such notice, which shall be in the English language, shall state generally the nature of the business to be transacted at the meeting thereby convened but (except for an Extraordinary Resolution) it shall not be necessary to specify in such notice the terms of any resolution to be proposed. Such notice shall include statements, if applicable, to the effect that: (a) Bearer Covered Bonds may, not less than 48 hours before the time fixed for the meeting, be deposited with Paying Agents or (to their satisfaction) held to their order or under their control or blocked in an account with a clearing system for the purpose of obtaining voting certificates or appointing proxies; and (b) the holders of Registered Covered Bonds may appoint proxies by executing and delivering a form of proxy in the English language to the specified office of the Registrar not less than 48 hours before the time fixed for the meeting or, in the case of corporations, may appoint representatives by resolution of their directors or other governing body. A copy of the notice shall be sent to the Bond Trustee (unless the meeting is convened by the Bond Trustee), and to the Issuer (unless the meeting is convened by the Issuer) and to the Covered Bond Guarantor (unless the meeting is convened by the Covered Bond Guarantor).
4. A person (who may but need not be a Covered Bondholder) nominated in writing by the Bond Trustee shall be entitled to take the chair at the relevant meeting or adjourned meeting but if no such nomination is made or if at any meeting or adjourned meeting the person nominated shall not be present within 15 minutes after the time appointed for holding the meeting or adjourned meeting the Covered Bondholders present shall choose one of their number to be Chairman, failing which the Issuer may appoint a Chairman. The Chairman of an adjourned meeting need not be the same person as was Chairman of the meeting from which the adjournment took place.
5. At any such meeting two or more persons present holding Bearer Definitive Covered Bonds or voting certificates or being proxies or representatives and holding or representing in the aggregate not less than one-twentieth of the aggregate Principal Amount Outstanding of the Covered Bonds of the relevant Series for the time being outstanding shall (except for the purpose of passing an Extraordinary Resolution or a Programme Resolution) (as defined in Condition 11(a)) form a quorum for the transaction of business and no business (other than the choosing of a Chairman) shall be transacted at any meeting unless the requisite quorum be present at the commencement of the relevant business. The quorum at any such meeting for passing an Extraordinary Resolution (other than in the case of an Extraordinary Resolution in relation to a Programme Resolution) (subject as provided below) shall be two or more persons present holding Bearer Definitive Covered Bonds or voting certificates or being proxies or representatives and holding or representing more than 50 per

cent of the aggregate Principal Amount Outstanding of the Covered Bonds or in the case of an Extraordinary Resolution in relation to a Programme Resolution shall be two or more persons present holding Bearer Definitive Covered Bonds or voting certificates or being proxies or representatives and holding or representing more than two-thirds of the aggregate Principal Amount Outstanding of the Covered Bonds of all Series, in each case, for the time being outstanding PROVIDED THAT at any meeting the business of which includes any of the following matters (each of which shall, subject only to Clause 20.1, only be capable of being effected after having been approved by Extraordinary Resolution) namely:

- (a) the amendment to the dates of maturity or redemption of the Covered Bonds, or any date for payment of interest or Interest Amounts on the Covered Bonds or the obligation of the Issuer to pay additional amounts pursuant to Condition 7 (Taxation);
- (b) the reduction or cancellation of the Principal Amount Outstanding of, or any premium payable on redemption of, the Covered Bonds;
- (c) the reduction of the rate or rates of interest in respect of the Covered Bonds or the variation to the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Covered Bonds;
- (d) if a Minimum and/or a Maximum Rate of Interest, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount is set out in the Final Terms, the reduction of any such amount;
- (e) the variation of any method of, or basis for, calculating the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, including the method of calculating the Amortised Face Amount;
- (f) the variation of the currency or currencies of payment or Specified Denomination of the Covered Bonds;
- (g) the taking of any steps that as specified in the Final Terms may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply; or
- (h) the modification of the provisions concerning the quorum required at any meeting of Covered Bondholders or the majority required to pass the Extraordinary Resolution,

(each a **Series Reserved Matter**), the quorum shall be two or more persons present holding Definitive Covered Bonds or voting certificates or being proxies or representatives and holding or representing in the aggregate not less than two-thirds of the aggregate Principal Amount Outstanding of the Covered Bonds of the relevant Series (in the case of an Extraordinary Resolution not in relation to a Programme Resolution) or all Series (in the case of an Extraordinary Resolution in relation to a Programme Resolution) for the time being outstanding.

6. If within 15 minutes (or such longer period not exceeding 30 minutes as the Chairman may decide) after the time appointed for any such meeting a quorum is not present for the transaction of any particular business, then, subject and without prejudice to the transaction of the business (if any) for which a quorum is present, the meeting shall if convened upon the requisition of Covered Bondholders be dissolved. In any other case it shall stand adjourned to the same day in the next week (or if such day is a public holiday the next succeeding business day) at the same time and place (except in the case of a meeting at which an Extraordinary Resolution is to be proposed in which case it shall stand adjourned for such period, being not less than 13 clear days nor more than 42 clear days, and to such place as may be appointed by the Chairman either at or subsequent to such meeting

and approved by the Bond Trustee). If within 15 minutes (or such longer period not exceeding 30 minutes as the Chairman may decide) after the time appointed for any adjourned meeting a quorum is not present for the transaction of any particular business, then, subject and without prejudice to the transaction of the business (if any) for which a quorum is present, the meeting shall be dissolved. At any adjourned meeting (in the case of an Extraordinary Resolution not in relation to a Programme Resolution) two or more persons present holding Bearer Definitive Covered Bonds or voting certificates or being proxies or representatives (whatever the Principal Amount Outstanding of the Covered Bonds then outstanding so held or represented by them) of the relevant Series or (in the case of an Extraordinary Resolution in relation to a Programme Resolution) two or more persons present holding Bearer Definitive Covered Bonds or voting certificates or being proxies or representatives holding or representing more than one-third of the aggregate Principal Amount Outstanding of the Covered Bonds of all Series shall (subject as provided below) form a quorum and shall have power to pass any Extraordinary Resolution, or other resolution and to decide upon all matters which could properly have been dealt with at the meeting from which the adjournment took place had the requisite quorum been present PROVIDED THAT at any adjourned meeting the quorum for the transaction of business comprising any Series Reserved Matter shall be two or more persons present holding Bearer Definitive Covered Bonds or voting certificates or being proxies or representatives and holding or representing in the aggregate not less than one-third of the aggregate Principal Amount Outstanding of the Covered Bonds of the relevant Series (in the case of an Extraordinary Resolution not in relation to a Programme Resolution) or all Series (in the case of an Extraordinary Resolution in relation to a Programme Resolution) for the time being outstanding.

7. Notice of any adjourned meeting at which an Extraordinary Resolution is to be submitted shall be given in the same manner as notice of an original meeting but as if 10 were substituted for 21 in paragraph 3 above and such notice shall state the relevant quorum. Subject as aforesaid it shall not be necessary to give any notice of an adjourned meeting.
8. Every question submitted to a meeting shall be decided in the first instance by a show of hands and in case of equality of votes the Chairman shall both on a show of hands and on a poll have a casting vote in addition to the vote or votes (if any) to which he may be entitled as a Covered Bondholder or as a holder of a voting certificate or as a proxy or as a representative.
9. At any meeting unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairman, the Issuer the Covered Bond Guarantor, the Bond Trustee or any person present holding a Definitive Covered Bond or a voting certificate or being a proxy or representative (whatever the Principal Amount Outstanding of the Covered Bonds so held or represented by him) a declaration by the Chairman that a resolution has been carried or carried by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
10. Subject to paragraph 12 below, if at any such meeting a poll is so demanded it shall be taken in such manner and subject as hereinafter provided either at once or after an adjournment as the Chairman directs and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded as at the date of the taking of the poll. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the motion on which the poll has been demanded.
11. The Chairman may with the consent of (and shall if directed by) any such meeting adjourn the same from time to time and from place to place but no business shall be transacted at any adjourned meeting except business which might lawfully (but for lack of required quorum) have been transacted at the meeting from which the adjournment took place.

12. Any poll demanded at any such meeting on the election of a Chairman or on any question of adjournment shall be taken at the meeting without adjournment.
13. The Bond Trustee and its lawyers and any director, officer or employee of a corporation being a bond trustee of the Trust Presents and any director or officer of the Issuer or, as the case may be, the Covered Bond Guarantor and its or their lawyers and any other person authorised so to do by the Bond Trustee may attend and speak at any meeting. Save as aforesaid, but without prejudice to the proviso to the definition of outstanding in the Definitions Schedule, no person shall be entitled to attend and speak nor shall any person be entitled to vote at any meeting of Covered Bondholders or join with others in requesting the convening of such a meeting or to exercise the rights conferred on Covered Bondholders by Condition 9 unless he either produces the Bearer Definitive Covered Bond or Bearer Definitive Covered Bonds of which he is the holder or a voting certificate or is a proxy or a representative or is the holder of a Registered Definitive Covered Bond or Registered Definitive Covered Bonds. No person shall be entitled to vote at any meeting in respect of Covered Bonds held by, for the benefit of, or on behalf of, the Issuer or the Covered Bond Guarantor, any Subsidiary of the Issuer or the Covered Bond Guarantor, any holding company of the Issuer or the Covered Bond Guarantor or any other Subsidiary of any such holding company. Nothing herein shall prevent any of the proxies named in any block voting instruction or form of proxy or any representative from being a director, officer or representative of or otherwise connected with the Issuer or the Covered Bond Guarantor.
14. Subject as provided in paragraph 13 hereof at any meeting:
 - (a) on a show of hands every person who is present in person and produces a Bearer Definitive Covered Bond or voting certificate or is a holder of a Registered Definitive Covered Bond or is a proxy or representative shall have one vote; and
 - (b) on a poll every person who is so present shall have one vote in respect of each A\$1 or such other amount as the Bond Trustee may in its absolute discretion stipulate (or, in the case of meetings of holders of Covered Bonds denominated in another currency, such amount in such other currency as the Bond Trustee in its absolute discretion may stipulate) in the Principal Amount Outstanding of the Bearer Definitive Covered Bonds so produced or represented by the voting certificate so produced or in respect of which he is a proxy or representative or in respect of which (being a Registered Definitive Covered Bond) he is the registered holder.

Without prejudice to the obligations of the proxies named in any block voting instruction or form of proxy any person entitled to more than one vote need not use all his votes or cast all the votes to which he is entitled in the same way.

15. The proxies named in any block voting instruction or form of proxy and representatives need not be Covered Bondholders.
16. Each block voting instruction together (if so requested by the Bond Trustee) with proof satisfactory to the Bond Trustee of its due execution on behalf of the relevant Paying Agent and each form of proxy shall be deposited by the relevant Paying Agent or (as the case may be) by the Registrar or the Transfer Agent at such place as the Bond Trustee shall approve not less than 24 hours before the time appointed for holding the meeting or adjourned meeting at which the proxies named in the block voting instruction or form of proxy propose to vote and in default the block voting instruction or form of proxy shall not be treated as valid unless the Chairman of the meeting decides otherwise before such meeting or adjourned meeting proceeds to business. A copy of each block voting instruction and form of proxy shall (if the Bond Trustee so requires) be deposited with the Bond Trustee before the commencement of the meeting or adjourned meeting but the Bond Trustee shall

not thereby be obliged to investigate or be concerned with the validity of or the authority of the proxies named in any such block voting instruction or form of proxy.

17. Any vote given in accordance with the terms of a block voting instruction or form of proxy shall be valid notwithstanding the previous revocation or amendment of the block voting instruction or form of proxy or of any of the relevant Covered Bondholders' instructions pursuant to which it was executed PROVIDED THAT no intimation in writing of such revocation or amendment shall have been received from the relevant Paying Agent or in the case of a Registered Covered Bond from the holder thereof by the Issuer at its registered office (or such other place as may have been required or approved by the Bond Trustee for the purpose) by the time being 24 hours and 48 hours respectively before the time appointed for holding the meeting or adjourned meeting at which the block voting instruction or form of proxy is to be used.
18. A meeting of the Covered Bondholders shall in addition to the powers hereinbefore given have the following powers exercisable only by Extraordinary Resolution (subject to the provisions relating to quorum contained in paragraphs 5 and 6 above) namely:
 - (a) Power to sanction any compromise or arrangement proposed to be made between the Issuer, the Covered Bond Guarantor, the Bond Trustee, the Security Trustee, any Appointee and the Covered Bondholders, Receipt holders and Couponholders or any of them.
 - (b) Power to sanction any abrogation, modification, compromise or arrangement in respect of the rights of the Bond Trustee, any Appointee, the Covered Bondholders, the Receiptholders, Couponholders, the Issuer or the Covered Bond Guarantor or against any other or others of them or against any of their property whether such rights shall arise under the Trust Presents or otherwise.
 - (c) Power to assent to any modification of the provisions of the Trust Presents which shall be proposed by the Issuer, the Covered Bond Guarantor, the Bond Trustee, the Security Trustee or any Covered Bondholder.
 - (d) Power to sanction any consent or approval or direction to be given by the Bond Trustee or the Security Trustee under or in relation to any of the Programme Documents.
 - (e) Power to give any authority or sanction which under the provisions of the Trust Presents is required to be given by Extraordinary Resolution.
 - (f) Power to appoint any persons (whether Covered Bondholders or not) as a committee or committees to represent the interests of the Covered Bondholders and to confer upon such committee or committees any powers or discretions which the Covered Bondholders could themselves exercise by Extraordinary Resolution.
 - (g) Power to approve of a person to be appointed a trustee and power to remove any trustee or trustees for the time being of the Trust Presents.
 - (h) Power to discharge or exonerate the Bond Trustee and/or any Appointee from all liability in respect of any act or omission for which the Bond Trustee and/or such Appointee may have become responsible under the Trust Presents.
 - (i) Power to authorise the Bond Trustee and/or any Appointee to concur in and execute and do all such deeds, instruments, acts and things as may be necessary to carry out and give effect to any Extraordinary Resolution.

- (j) Power to sanction any scheme or proposal for the exchange or sale of the Covered Bonds for or the conversion of the Covered Bonds into or the cancellation of the Covered Bonds in consideration of shares, stock, covered bonds, bonds, debentures, debenture stock and/or other obligations and/or securities of the Issuer or any other company formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of such shares, stock, bonds, covered bonds, debentures, debenture stock and/or other obligations and/or securities as aforesaid and partly for or into or in consideration of cash and for the appointment of some person with power on behalf of the Covered Bondholders to execute an instrument of transfer of the Registered Covered Bonds held by them in favour of the persons with or to whom the Covered Bonds are to be exchanged or sold respectively.
 - (k) Power to approve the substitution or replacement of any entity for the Issuer or the Covered Bond Guarantor (or any previous substitute or replacement) as principal debtor or guarantor under this Bond Trust Deed.
- 19. Any resolution (i) passed at a meeting of the Covered Bondholders duly convened and held in accordance with the Trust Presents, (ii) passed as a resolution in writing in accordance with the Trust Presents or (iii) passed by way of electronic consents given by holders through the relevant clearing system(s) in accordance with the Trust Presents shall be binding upon all the Covered Bondholders whether present or not present at any meeting and whether or not voting on the resolution and upon all Receipholders and Couponholders and each of them shall be bound to give effect thereto accordingly and the passing of any such resolution shall be conclusive evidence that the circumstances justify the passing thereof. Notice of the result of the voting on any resolution duly considered by the Covered Bondholders shall be published in accordance with Condition 14 (Notices) by the Issuer within 14 days of such result being known PROVIDED THAT in each case, the non-publication of such notice shall not invalidate such result.
- 20. The expression **Extraordinary Resolution** when used in the Trust Presents means: (a) a resolution passed at a meeting of the Covered Bondholders duly convened and held in accordance with the Trust Presents by a majority consisting of not less than seventy five per cent. of the persons voting thereat upon a show of hands or if a poll is duly demanded by a majority consisting of not less than three-fourths of the votes cast on such poll; or (b) a resolution in writing signed by or on behalf of Covered Bondholders holding not less than seventy five per cent. 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 (c) passed by way of electronic consents given by holders through the relevant clearing system(s) (in a form satisfactory to the Bond Trustee) by or on behalf of the Covered Bondholders of not less than three fourths in Principal Amount Outstanding for the time being outstanding.
- 21. Minutes of all resolutions and proceedings at every meeting of the Covered Bondholders shall be made and entered in books to be from time to time provided for that purpose by the Issuer and any such minutes as aforesaid if purporting to be signed by the Chairman of the meeting at which such resolutions were passed or proceedings transacted shall be conclusive evidence of the matters therein contained and until the contrary is proved every such meeting in respect of the proceedings of which minutes have been made shall be deemed to have been duly held and convened and all resolutions passed or proceedings transacted thereat to have been duly passed or transacted.
- 22. (a) If and whenever the Issuer shall have issued and have outstanding Covered Bonds of more than one Series the foregoing provisions of this Schedule shall have effect subject to the following modifications:

- (i) a resolution which in the opinion of the Bond Trustee affects the Covered Bonds of only one Series shall be deemed to have been duly passed if passed at a separate meeting of the holders of the Covered Bonds of that Series;
 - (ii) a resolution which in the opinion of the Bond Trustee affects the Covered Bonds of more than one Series but does not give rise to a conflict of interest between the holders of Covered Bonds of any of the Series so affected shall be deemed to have been duly passed if passed at a single meeting of the holders of the Covered Bonds of all the Series so affected;
 - (iii) a resolution which in the opinion of the Bond Trustee affects the Covered Bonds of more than one Series and gives or may give rise to a conflict of interest between the holders of the Covered Bonds of one Series or group of Series so affected and the holders of the Covered Bonds of another Series or group of Series so affected shall be deemed to have been duly passed only if passed at separate meetings of the holders of the Covered Bonds of each Series or group of Series so affected;
 - (iv) a Programme Resolution shall be deemed to have been duly passed only if passed at a single meeting of the Covered Bondholders of all Series; and
 - (v) to all such meetings all the preceding provisions of this Schedule shall *mutatis mutandis* apply as though references therein to Covered Bonds and Covered Bondholders were references to the Covered Bonds of the Series or group of Series in question or to the holders of such Covered Bonds, as the case may be.
- (b) If the Issuer shall have issued and have outstanding Covered Bonds which are not denominated in Australian Dollars, in the case of any meeting of holders of Covered Bonds of more than one currency, the Principal Amount Outstanding of such Covered Bonds shall:
- (i) for the purposes of paragraph 2 above be the equivalent in Australian dollars, converted at the relevant Swap Rate on the seventh dealing day prior to the day on which the requisition in writing is received by the Issuer; and
 - (ii) for the purposes of paragraphs 5, 6 and 14 above (whether in respect of the meeting or any adjourned such meeting or any poll resulting therefrom) be the equivalent in Australian dollars, converted at the relevant Swap Rate. In such circumstances, on any poll each person present shall have one vote for each A\$1 (or such other A\$ amount as the Bond Trustee may in its absolute discretion stipulate) in Principal Amount Outstanding of the Covered Bonds (converted as above) which he holds or represents.
23. Subject to all other provisions of the Trust Presents the Bond Trustee may without the consent of the Issuer, the Covered Bond Guarantor, the Covered Bondholders, the Receiptholders or the Couponholders prescribe such further, alternative or other regulations regarding the requisitioning and/or the holding of meetings of Covered Bondholders and attendance and voting thereat as the Bond Trustee may in its sole discretion think fit.

SIGNATORIES

Issuer

EXECUTED as a DEED by
AUSTRALIA AND NEW ZEALAND BANKING
GROUP LIMITED
acting by *RICK MOSCATI*
acting under the authority of that company
in the presence of:

R. Moscati

Witness's Signature: *Jean Mitchell*
Name: *JEAN MITCHELL*
Address: *833 WILKINS ST, DOCKLANDS*
Occupation: *SOLICITOR*

Covered Bond Guarantor

EXECUTED as a DEED by
PERPETUAL CORPORATE TRUST LIMITED
in its capacity as Covered Bond Guarantor
acting by
as attorney under power of attorney dated
in the presence of:

Witness's Signature:
Name:
Address:
Occupation:

Trust Manager

EXECUTED as a DEED by
ANZ CAPEL COURT LIMITED
acting by *KAMLESH DYALL*
as attorney under power of attorney dated
11 NOV 2011
in the presence of:

Kamlesh Dyall

Witness's Signature: *Emily Zhang*
Name: *EMILY ZHANG*
Address: *60 Bourke St*
Occupation: *Solicitor*

SIGNATORIES

Issuer

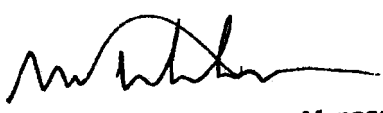
EXECUTED as a DEED by
AUSTRALIA AND NEW ZEALAND BANKING
GROUP LIMITED
acting by
acting under the authority of that company
in the presence of:

Witness's Signature:
Name:
Address:
Occupation:

Covered Bond Guarantor

EXECUTED as a DEED by
PERPETUAL CORPORATE TRUST LIMITED
in its capacity as Covered Bond Guarantor
acting by
as attorney under power of attorney dated 31/5/09
in the presence of:

Witness's Signature: 
Name: Alexandra Hunter
Address: 1 Farrer St, Sydney
Occupation: Solicitor


Mark Dickenson Senior Manager


Greg White
Senior Transaction Manager

Trust Manager

EXECUTED as a DEED by
ANZ CAPEL COURT LIMITED
acting by
as attorney under power of attorney dated
in the presence of:

Witness's Signature:
Name:
Address:
Occupation:

Bond Trustee

EXECUTED as a **DEED** by

and

as authorised signatories for

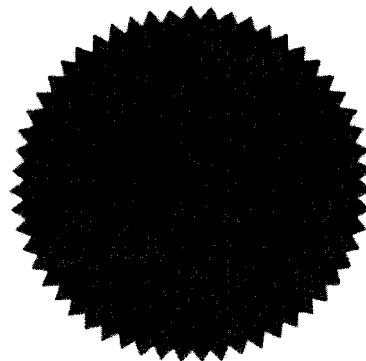
DB TRUSTEES (HONG KONG) LIMITED

in the presence of:

Chan Wai Suen
Authorised Signatory

Witness's Signature:

Name:



Annita Yeo Shiao Lian
Authorised Signatory

Eric Kay-Russell
Authorised Signatory

Security Trust Deed

Dated 31 October 2011

Perpetual Corporate Trust Limited (ABN 99 000 341 533) ("Trustee")
P.T. Limited (ABN 67 004 454 666) ("Security Trustee")
ANZ Capel Court Limited (ABN 30 004 768 807) ("Trust Manager")
DB Trustees (Hong Kong) Limited ("Bond Trustee")

Mallesons Stephen Jaques

Level 30
Waterfront Place
1 Eagle Street
Brisbane Qld 4000
Australia
T +61 7 3244 8000
F +61 7 3244 8999
DX 311 Brisbane
www.mallesons.com

Security Trust Deed

Contents

Details	1
General terms	3
Definitions and Interpretation	3
1.1 Definitions	3
1.2 Definitions Schedule	3
1.3 Miscellaneous	3
1.4 Programme Document	3
2 Declaration of Security Trust	3
2.1 Declaration of Security Trust	3
2.2 Commencement and Termination	4
2.3 Name of Security Trust	4
2.4 Rights of Secured Creditors	4
2.5 Non-petition	5
2.6 Subordination	5
3 Payments	7
3.1 Payment to Security Trustee	7
3.2 Discharge by Payment to Secured Creditors	7
3.3 Election by Security Trustee	7
4 Covenants by Trustee	8
4.1 General Covenants	8
4.2 Covenants in respect of Secured Property	10
4.3 Trust Manager Undertakings	10
5 Further assurances	11
5.1 Trustee Assurances	11
5.2 Completion of Instruments	11
5.3 Registration of Charge	11
6 Representations and warranties	12
6.1 Trustee and Security Trustee representations and warranties	12
6.2 Trustee representations and warranties	12
6.3 Security Trustee representations and warranties	12
6.4 Trust Manager representation and warranties	13
6.5 Repetition	13
7 General powers, rights and responsibilities	13
7.1 Power to Invest	13
7.2 Prior Notification	13
7.3 Charge immediately enforceable	13
7.4 Power to invest on or after enforcement	14
7.5 Bond Trustee not responsible for investment decisions	14
7.6 Other Powers	14
7.7 Discretion of Security Trustee as to Exercise of Powers	15
7.8 Limitation on Security Trustee's actions	15

7.9	Limitations on Security Trustee's responsibility	15
7.10	No Liability	16
7.11	Security Trustee not responsible for monitoring	16
7.12	Security Trustee's Further Duties	17
7.13	Acceptance of Certificates etc.	18
7.14	Act on Opinion of Experts	18
7.15	Right to Rectify	19
7.16	Consent to Dealings	19
7.17	Ascertain Covered Bond Guarantor Event of Default	19
7.18	No duty to investigate	19
7.19	Liability must be limited and Security Trustee must be indemnified	20
7.20	Not use own funds	20
7.21	Cover for costs	20
7.22	Receipt of instructions	20
7.23	Dispute or ambiguity	21
7.24	No liability for documents	21
7.25	Conflict of duty	21
7.26	Indemnity	22
7.27	Delegation	22
7.28	No Liability	23
7.29	Authorisation or waiver of breach	23
8	Crystallisation of floating charge	24
8.1	Crystallisation	24
8.2	Replacement of fixed charge with floating charge	25
8.3	Subsequent dealing	25
8.4	Further charge	25
9	Security Trustee to obtain instructions	26
9.1	If Covered Bonds are outstanding	26
9.2	If no Covered Bonds are outstanding	26
9.3	Actions	26
9.4	Notice	27
9.5	No obligation to appoint Receiver	27
9.6	Trust Manager to act	27
9.7	Notice of Trustee Default or Covered Bond Guarantor Event of Default	28
9.8	Notice of action to remedy Trustee Default or Covered Bond Guarantor Event of Default	28
9.9	Security Trustee may seek directions at any time	28
9.10	Voting Secured Creditors may convene meeting	28
9.11	Limitation on rights of Secured Creditors	28
10	Meeting of Voting Secured Creditors	29
10.1	Application of this clause 10	29
10.2	Notice of Meeting	29
10.3	Advertisement of Meeting in Newspaper	29
10.4	Quorum	30
10.5	Quorum at Adjourned Meeting	30
10.6	Chairman	30
10.7	Voting	30
10.8	Votes	31
10.9	Voting by Corporation	31
10.10	Voting by a person of unsound mind	31
10.11	Objection to Voter's Qualification	31

10.12	Method of Voting	32
10.13	Proxy Instrument	32
10.14	Attendance at Meetings and Appointment of Proxy	32
10.15	Voting Authority to be Deposited with Security Trustee	32
10.16	Form of Proxy	32
10.17	Proxy - Effect of Death or Insanity	33
10.18	Determination of Voting	33
10.19	Adjournment	33
10.20	Effect of Resolution	33
10.21	Minutes	33
11	Appointment of Receiver	33
11.1	Appointment	33
11.2	New Receiver	34
11.3	No Liability for Receiver	34
11.4	Two or more Receivers	34
11.5	Appointment over part	34
11.6	Indemnity to Receiver	34
11.7	Remuneration of Receiver	34
12	Powers of receiver	35
12.1	General powers	35
12.2	Disposal of Secured Property	37
13	Powers of security trustee and exclusion of statutory notices	38
13.1	Security Trustee has powers of Receiver	38
13.2	No liability as mortgagee in possession	38
13.3	Give up possession of Secured Property	38
13.4	Exclusion of notices	38
13.5	No duty as chargee	39
14	Costs, charges, expenses and indemnities	39
14.1	Indemnity by Trustee	39
14.2	Extent of Indemnity	39
14.3	Costs of experts	40
14.4	GST	40
15	Application of money	40
15.1	Application	40
15.2	Crediting	41
15.3	Suspense account	41
16	Remuneration and retirement of Security Trustee and dealings with Security Trust	41
16.1	Remuneration	41
16.2	Additional Remuneration	42
16.3	Disputes	42
16.4	Expenses	42
16.5	Indemnity	42
16.6	GST documentation	43
16.7	Interest	43
16.8	Mandatory Retirement	43
16.9	Removal by Trust Manager	44
16.10	Voluntary Retirement	44

16.11	Appointment of new Security Trustee by Voting Secured Creditors	44
16.12	Rating	45
16.13	Power of Security Trustee	45
16.14	Multiple Security Trustees	45
16.15	Release of Security Trustee	45
16.16	Vesting of Trust Fund in new Security Trustee	46
16.17	New Security Trustee to Execute Deed	46
16.18	Security Trustee Further Assurance	46
16.19	Dealings with Trust	46
17	Preservation of Security Trustee's rights	48
17.1	Liabilities of Trustee not affected	48
17.2	Continuing Security	48
17.3	Other rights unaffected	49
17.4	Purchaser from Security Trustee	49
18	Power of attorney	49
18.1	Attorney of Trustee	49
18.2	Attorney's Powers	49
18.3	Ratification by Trustee	50
18.4	Indemnity	50
19	Notices	50
19.1	Form	50
19.2	Time effective	50
19.3	Receipt	50
20	Release and assignment	51
20.1	Release	51
20.2	Assignment	51
20.3	Disposal of Authorised Investments and Substitution Assets	51
20.4	Withdrawals from Trust Accounts	52
20.5	Sale and repurchase of the Purchased Receivables	52
20.6	Release of Swap Collateral Excluded Amount	52
21	Miscellaneous	52
21.1	Certificate	52
21.2	Exercise of rights	52
21.3	Supervening legislation	53
21.4	Approvals and consent	53
21.5	Remedies cumulative	53
21.6	Indemnities	53
21.7	Time of the essence	53
21.8	Receipts	53
21.9	Acknowledgment	54
22	Modifications	54
22.1	Modifications	54
22.2	Required modifications N Covered Bonds	54
22.3	Consent not required	55
22.4	Obligation to concur	55
22.5	Further acts	56
22.6	Modifications binding and notification	56
22.7	Tax reform	57

22.8	Trust Manager certification	58
22.9	Modifications affecting more than one Trust	58
23	Governing law and jurisdiction	58
23.1	Governing law and jurisdiction	58
23.2	Service	59
24	Counterparts	59
25	Limited Recourse	59
25.1	Limitation on Trustee's liability	59
25.2	Claims against Trustee	59
25.3	Breach of trust	59
25.4	Acts or omissions	59
25.5	No obligation	60
25.6	Security Trustee Liability	60
26	Relevant Bond Trustee	60
26.1	Capacity	60
26.2	Exercise of rights	60
26.3	Instructions or directions	61
26.4	Voting and directions	61
26.5	Payments	61
26.6	Limitation of relevant Bond Trustee's Liability	61
	Signing page	62

Security Trust Deed

Details

Parties	Trustee, Security Trustee, Trust Manager and Bond Trustee	
Trustee	Name	Perpetual Corporate Trust Limited
	ABN	99 000 341 533
	Address	Level 12, 123 Pitt Street Sydney NSW 2000
	Telephone	+61 2 9229 9000
	Fax	+61 2 8256 1424
	Attention	Manager, Transaction Management Trust and Fund Services
Security Trustee	Name	P.T. Limited
	ABN	67 004 454 666
	Address	Level 12, 123 Pitt Street Sydney NSW 2000
	Telephone	+61 2 9229 9000
	Fax	+61 2 8256 1424
	Attention	Manager, Transaction Management Trust and Fund Services
Trust Manager	Name	ANZ Capel Court Limited
	ABN	30 004 768 807
	Address	Level 10, 100 Queen Street Melbourne VIC 3000
	Telephone	+61 3 9273 1851
	Fax	+61 3 8542 5283
	Attention	Manager, DCM Services
Bond Trustee	Name	DB Trustees (Hong Kong) Limited
	Place of Incorporation	Hong Kong
	Address	Level 52 International Commerce Centre 1 Austin Road West Kowloon

Hong Kong

Telephone +852 2203 8888

Fax +852 2203 7320/7327

Attention Managing Director

-
Recitals	A	The Trustee is the trustee, and the Trust Manager is the manager, of each Trust which is or will be established pursuant to the Trust Terms Deed and a Notice of Creation of Trust, and which will be regulated by a Supplemental Deed which provides for this deed to apply to that Trust.
	B	The Issuer proposes to issue Covered Bonds in accordance with the Bond Trust Deed and, in the case of Australian Registered Covered Bonds, the Deed Poll and the Trustee has the power to guarantee any such Covered Bonds and proposes to do so in accordance with the terms of the Trust Terms Deed, the Supplemental Deed and the Bond Trust Deed.
	C	As security for its obligations to the Secured Creditors of a Trust, the Trustee, as trustee of that Trust, will grant to the Security Trustee a charge over all of the Assets of that Trust for the benefit of those Secured Creditors.
	D	The Trustee of a Trust has the power under the Trust Terms Deed to grant the Charge evidenced in the relevant Deed of Charge.
	E	The Security Trustee of each Security Trust will act as trustee for the Secured Creditors and hold the benefit of the Charge on trust for the Secured Creditors and otherwise act in accordance with this deed and the relevant Deed of Charge.
	F	For so long as Covered Bonds are outstanding in relation to a Trust, the Bond Trustee (on behalf the Covered Bondholders) will be the only Voting Secured Creditor of that Trust.
	G	The Bond Trustee (acting on behalf of the Covered Bondholders in relation to a Trust) may give directions to the Security Trustee as Voting Secured Creditor of that Trust and in doing so will act only as fiduciary of the Covered Bondholders and has no obligations to any other Secured Creditors or other parties to the Programme Documents.
-

Governing law	The State of Victoria, Australia

Date of deed	See Signing page

Security Trust Deed

General terms

Definitions and Interpretation

1.1 Definitions

The following words have these meanings in this deed unless the contrary intention appears.

Definitions Schedule means the deed called “ANZ Residential Covered Bonds Trust Definitions Schedule” to be dated on or after the date of this deed and made between, among others, the Trustee, the Security Trustee, the Trust Manager, the Bond Trustee and Australia and New Zealand Banking Group Limited ABN 11 005 357 522.

1.2 Definitions Schedule

Except to the extent to which words and phrases are otherwise defined in this deed, words and phrases defined in the Definitions Schedule shall bear the same meaning in this deed when used in respect of the Trust. In the event of any inconsistency between a definition in this deed and a definition in the Definitions Schedule, the definitions in this deed will prevail. No change to the Definitions Schedule or to the Supplemental Deed for a Trust will affect the interpretation of this deed unless the change has been agreed to by the Security Trustee.

1.3 Miscellaneous

- (a) Clauses 2.1 to 2.5 (inclusive) of the Definitions Schedule are deemed to be incorporated in this deed as if they were set out in full.
- (b) The Trustee, the Trust Manager, the Security Trustee and the Bond Trustee will only have rights and obligations under this deed where the Supplemental Deed specifies that this deed (and the Deed of Charge) is to apply to the Trust.

1.4 Programme Document

This deed is a Programme Document in respect of each Trust for the purposes of the Trust Terms Deed.

2 Declaration of Security Trust

2.1 Declaration of Security Trust

The Security Trustee declares that it holds the sum of \$10 and will hold the Trust Fund in respect of each Security Trust on trust for persons who are the Secured Creditors of the Trust referable to that Security Trust from time to time.

2.2 Commencement and Termination

A Security Trust will commence on the date on which the Notice of Creation of Trust in respect of that Security Trust is executed and terminates on the earlier of:

- (a) the Vesting Date in respect of that Security Trust; and
- (b) the date on which the related Trust is terminated in accordance with the Trust Terms Deed.

The Trust Manager must provide a copy of the executed Notice of Creation of Trust in respect of each Security Trust to the Bond Trustee, provided that a failure to do so will not invalidate the creation of the relevant Security Trust.

2.3 Name of Security Trust

The name of each Security Trust will be a name agreed between the Trustee, the Security Trustee and the Trust Manager.

2.4 Rights of Secured Creditors

- (a) The Secured Creditors of a Security Trust are bound by, and are deemed to have notice of, the provisions of the Programme Documents of the Trust to which the Security Trust relates. The rights of the Secured Creditors of a Security Trust are limited by the terms of such Programme Documents.
- (b) Without limiting clause 2.4(a), no Secured Creditor in respect of a Trust is entitled (other than as permitted by this deed or any other Programme Document in respect of that Trust) to:
 - (i) interfere with any Trust or any rights or powers of the Trust Manager or the Trustee under the Trust Terms Deed or any other Programme Document in respect of that Trust;
 - (ii) exercise a right in respect of an Asset of any Trust or lodge a caveat or other notice affecting an Asset of any Trust or otherwise claim any interest in an Asset of any Trust;
 - (iii) subject to the Programme Documents for that Trust, require the transfer to it of any Asset of any Trust;
 - (iv) seek to terminate or wind up any Trust;
 - (v) have any recourse whatsoever to the Trustee or the Trust Manager in its personal capacity except in the case of fraud, gross negligence or wilful default on the part of the Trustee or the Trust Manager (as the case may be); or
 - (vi) seek to remove the Trustee or the Trust Manager.
- (c) However, nothing in this clause 2.4 prevents a Secured Creditor from:
 - (i) exercising its rights in connection with any Programme Document in respect of that Trust;

- (ii) taking proceedings to obtain an injunction or other order to restrain any breach of any Programme Document in respect of that Trust; or
- (iii) taking proceedings to obtain declaratory relief in relation to any Programme Document in respect of that Trust.

2.5 Non-petition

Only the Security Trustee may pursue the remedies available under the general law or under this deed and Deed of Charge to enforce the Charge and no Transaction Party shall be entitled to proceed directly against the Trustee to enforce the Charge. In particular, each Transaction Party (other than the Trustee and the Security Trustee) agrees with and acknowledges to each of the Trustee and the Security Trustee, and the Security Trustee agrees with and acknowledges to the Trustee, that except to the extent expressly provided in the Programme Documents:

- (a) none of the Transaction Parties (nor any person on their behalf, other than the Security Trustee where appropriate and the Bond Trustee in relation to the Covered Bond Guarantee) is entitled to direct the Security Trustee to enforce the Charge or take any proceedings against the Trustee to enforce the Charge;
- (b) none of the Transaction Parties (other than the Security Trustee and the Bond Trustee in relation to the Covered Bond Guarantee) shall have the right to take or join any person in taking any steps against the Trustee for the purpose of obtaining payment of any amount due from the Trustee 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 shall initiate or join any person in initiating an Insolvency Event in relation to the Trust other than a Receiver appointed under clause 11 of this deed; and
- (d) none of the Transaction Parties shall be entitled to take or join in the taking of any corporate action, legal proceedings or other procedure or step which would result in the Cashflow Allocation Methodology not being complied with.

2.6 Subordination

- (a) Each of the Secured Creditors agrees to be bound by the terms of the Cashflow Allocation Methodology set out in the Supplemental Deed. Without prejudice to clause 14.1, each of the Secured Creditors (other than the Bond Trustee in relation to the Covered Bond Guarantee) further agrees with each other party to this deed that, notwithstanding any other provision contained in this deed or in any other Programme Document:
 - (i) it will not demand or receive payment of, or any distribution in respect of or on account of, any amounts payable by the Trustee or the Security Trustee, as applicable, to that Secured Creditor under the Programme Documents, in cash or in kind, and will not, save to the extent permitted by or provided for in the Programme Documents, apply any money or assets in discharge

of any such amounts payable to it (whether by set-off or by any other method), unless all amounts then due and payable by the Trustee to all other Secured Creditors ranking higher in the Cashflow Allocation Methodology have been paid in full;

- (ii) if any amount is received by it (including by way of set-off) in respect of Secured Money owed to it:
 - (A) prior to the occurrence of a Covered Bond Guarantor Event of Default and service of a Covered Bond Guarantee Acceleration Notice on the Trustee or the enforcement of the Charge (or both), other than in accordance with the provisions of this deed and the Pre-acceleration Allocations or the Guarantee Allocations or as a result of the set-offs described in clause 7.5 of the Intercompany Loan Agreement and clause 9.3 of the Demand Loan Agreement, as applicable, then an amount equal to the difference between the amount so received by it and the amount that it would have received had it been paid in accordance with the provisions of this deed and the Pre-acceleration Allocations or the Guarantee Allocations, as applicable, shall be received and held by it as trustee for the Trustee and shall be paid over to the Trustee immediately upon receipt so that such amount can be applied in accordance with the provisions of this deed and the Pre-acceleration Allocations or the Guarantee Allocations, as applicable; and
 - (B) after the occurrence of a Covered Bond Guarantor Event of Default and service of a Covered Bond Guarantee Acceleration Notice on the Trustee or the enforcement of the Charge (or both), other than in accordance with the provisions of this deed and the Post-enforcement Allocations or as a result of the set-offs described in clause 7.5 of the Intercompany Loan Agreement and clause 9.3 of the Demand Loan Agreement then an amount equal to the difference between the amount so received by it and the amount that it would have received had it been paid in accordance with the provisions of this deed and the Post-enforcement Allocations shall be received and held by it as trustee for the Security Trustee and shall be paid over to the Security Trustee immediately upon receipt so that such amount can be applied in accordance with the provisions of this deed and the Post-enforcement Allocations;
- (iii) without prejudice to the foregoing, whether in the winding up of the Trust or any other party to the Programme Documents or otherwise, if any payment or distribution (or the proceeds of any enforcement of any Encumbrance) is received by a Secured Creditor (other than the Bond Trustee in relation to the Covered Bond Guarantee) in respect of any amount payable by the Trustee or the Security Trustee or any insolvency official of the Trust, as applicable, to that Secured Creditor under the relevant

Programme Document at a time when, by virtue of the provisions of the relevant Programme Document, the Supplemental Deed and this deed, no payment or distribution should have been made, the amount so received shall promptly be paid by that Secured Creditor to the Security Trustee and pending such payment shall be held by that Secured Creditor upon trust for the Security Trustee, and immediately upon receipt by the Security Trustee shall be applied in accordance with the terms of this deed and the other Programme Documents; and

- (iv) without prejudice to clause 2.5, it shall not claim, rank, prove or vote as creditor of the Trustee or its estate in competition with any prior ranking Secured Creditors in the Cashflow Allocation Methodology, the Security Trustee or the Bond Trustee, as applicable, or claim a right of set-off until all amounts then due and payable to Secured Creditors who rank higher in the Cashflow Allocation Methodology have been paid in full.
- (b) Neither the Trustee nor the Security Trustee shall pay or repay, or make any distribution in respect of, any amount owing to a Secured Creditor under the relevant Programme Documents (in cash or in kind) unless and until all amounts then due and payable by the Trustee or the Security Trustee to all other Secured Creditors ranking higher in the Cashflow Allocation Methodology have been paid in full.
- (c) The perpetuity period for the trusts in this clause 2.6 shall be 80 years.

3 Payments

3.1 Payment to Security Trustee

Subject to clause 3.2, the Trustee agrees to pay the Secured Money referable to a Trust to the Security Trustee in accordance with the terms of the Programme Documents for that Trust.

3.2 Discharge by Payment to Secured Creditors

- (a) The payment of the Secured Money of a Trust by the Trustee to a Secured Creditor of that Trust in accordance with the terms of the Programme Documents for that Trust will discharge the Trustee from any obligation to pay that amount to the Security Trustee in accordance with clause 3.1.
- (b) Clause 3.2(a) does not affect or limit the obligation of the Trustee to pay to the Security Trustee any Secured Money of a Trust payable to the Security Trustee on its own account pursuant to the terms of any Programme Document for that Trust.

3.3 Election by Security Trustee

The Security Trustee may elect, at any time after a Covered Bond Guarantor Event of Default has occurred in respect of a Trust and a Covered Bond Guarantee Acceleration Notice has been served on the Trustee and the Issuer, to require payment to it of all or part of the Secured Money for that Trust. Clause 3.2(a) will not apply if any such election is made by the Security Trustee.

The Security Trustee must make this election if so directed by an Extraordinary Resolution of the Voting Secured Creditors (where the Bond Trustee is not the Voting Secured Creditor) or so directed by the Bond Trustee (where the Bond Trustee is the Voting Secured Creditor).

4 Covenants by Trustee

4.1 General Covenants

The Trustee, in respect of each Trust, agrees to:

- (a) **(observe Trust Terms Deed)** observe the terms of the Trust Terms Deed, the Bond Trust Deed and the Supplemental Deed for that Trust in dealing with the Secured Property of that Trust;
- (b) **(details to Security Trustee)** at the same time or as soon as practicable after a notice referred to in clause 4.1(e) is given to the Security Trustee, provide to the Security Trustee:
 - (i) details (including notice details) of each Secured Creditor of that Trust; and
 - (ii) details of the Secured Money owing to each Secured Creditor of that Trust;
- (c) **(provide information)** upon request from the Security Trustee (acting reasonably), provide to the Security Trustee such information, copies of any accounting records and other documents, statements and reports required to be maintained by, or that are otherwise in the possession of, the Trustee, or which the Trustee is entitled to obtain from any person (including information and documents referred to in clause 4.1(b));
- (d) **(deposit documents)** if the Charge in respect of that Trust has taken effect as a fixed charge, deposit with the Security Trustee immediately or as soon as the Trustee receives them:
 - (i) anything evidencing an Encumbrance in respect of that Trust and any document of title given to the Trustee to secure the payment of a monetary obligation to the Trustee in respect of that Trust; and
 - (ii) any documents of title relating to property over which that Charge operates as a fixed charge;
- (e) **(Covered Bond Guarantor Event of Default)** notify and provide the Security Trustee and each Designated Rating Agency with details of any Covered Bond Guarantor Event of Default in respect of that Trust, Potential Covered Bond Guarantor Event of Default and service of a Covered Bond Guarantee Acceleration Notice (such notice to be effected by the delivery of a copy of the Covered Bond Guarantee Acceleration Notice to the Security Trustee), of which it becomes actually aware;
- (f) **(actions)** do all such things as are necessary or appropriate to give effect to the provisions of this deed and the Deed of Charge for that Trust;

- (g) **(other business)** not engage in any business or other activities other than those contemplated by the Programme Documents for the Trust;
- (h) **(insolvency proceedings)** not take any steps to commence or initiate any insolvency, dissolution, consolidation, merger or other similar proceedings in respect of the Trust unless a Rating Agency Notification is given;
- (i) **(other indebtedness)** not incur any financial indebtedness in respect of the Trust except as contemplated by the Programme Documents for the Trust;
- (j) **(separateness)** conduct the business and operations of the Trust in a manner which is separate from, and on an arm's length basis with all other business conducted by the Trustee;
- (k) **(bank accounts)** not open or maintain any bank accounts in respect of the Trust other than as contemplated by the Programme Documents for that Trust;
- (l) **(access to books and accounts)** at all times keep or procure the keeping of proper books of account and records separate from any person or entity and allow the Security Trustee and any person or persons appointed by the Security Trustee to whom the Trustee (or the Trust Manager on its behalf) shall have no reasonable objection free access to such books of account and records at all times during normal business hours upon reasonable notice in writing provided that such inspection shall only be for the purposes of carrying out its duties under or pursuant to this deed and any information so obtained shall only be used and passed on to any other person for the purpose of the Security Trustee carrying out its duties under this deed;
- (m) **(taxes)** acting on the directions of the Trust Manager, duly and promptly pay and discharge all Taxes imposed upon it or its assets unless such Taxes are being contested in good faith by the Trustee, to the extent it is able to meet such obligations taking into account the extent of its rights of indemnity out of the assets of the Trust and the Cashflow Allocation Methodology;
- (n) **(transfer of property)** not amalgamate, consolidate or merge with any other person or convey or (other than in accordance with the Programme Documents) transfer its properties or assets substantially as an entirety to any other person;
- (o) **(tax resident)** not do any act or thing the effect of which would be to make the Trustee a Tax resident in any jurisdiction other than Australia; and
- (p) **(equitable or beneficial interest)** not permit any other person other than itself, the Security Trustee and, pursuant to the terms of the Programme Documents, the Seller (in any capacity) to have any equitable or beneficial interest in any of its assets or any interest, estate, right title or benefit therein.

4.2 Covenants in respect of Secured Property

- (a) The Trustee, in respect of each Trust, will not and the Trust Manager must not direct the Trustee to:
 - (i) dispose of, deal with or part with possession of any interest in the Secured Property of that Trust over which the Charge in respect of that Trust is floating in any manner except as permitted by the Programme Documents;
 - (ii) without the prior written consent of the Security Trustee, dispose of, deal with or part with possession of any interest in, or permit a set-off or combination of, accounts in respect of the Secured Property of that Trust over which the Charge in respect of that Trust is fixed in any manner except as permitted by the Programme Documents; or
 - (iii) without the prior written consent of the Security Trustee, create or allow to come into existence an Encumbrance (other than pursuant to this deed or the Deed of Charge in respect of that Trust) which affects any Secured Property of that Trust (except an Encumbrance which is created by the operation of law or under or as permitted by the Programme Documents for that Trust).
- (b) If the Trustee creates or allows to exist an Encumbrance over any Secured Property of a Trust in breach of clause 4.2(a)(iii), without the consent of the Security Trustee, then, despite anything contained in this deed or any other agreement in connection with the provision of the Secured Money in respect of that Trust:
 - (i) the Trustee must immediately procure that; and
 - (ii) the Security Trustee and the Secured Creditors of that Trust need not provide any further accommodation which would form part of the Secured Money of that Trust until the Trustee procures that,

a priority agreement is entered into between the Trustee, the Security Trustee and the encumbrancer in a form acceptable to the Security Trustee. The Security Trustee's other rights which arise if the Trustee so creates or allows to exist an Encumbrance are not affected by this clause 4.2(b). The Trustee must provide each Designated Rating Agency with written notice of the creation or existence of the Encumbrance.

4.3 Trust Manager Undertakings

- (a) The Trust Manager undertakes to the Trustee and the Security Trustee that it will not knowingly give any direction to the Trustee under the Programme Documents which would, if complied with, result in the Trustee breaching the terms of this deed or any other Programme Document.
- (b) At the request of the Trustee or the Security Trustee, the Trust Manager must provide to the Trustee or the Security Trustee, as the case may be, the information and other material referred to in clauses 4.1(b)(i) and 4.1(b)(ii) and clause 4.1(c) to the extent that such information is in the

possession of the Trust Manager or which the Trust Manager is entitled to obtain from any person and the Trust Manager is permitted, under any applicable privacy legislation, to provide that information or material to the Trustee or the Security Trustee, as the case may be.

5 Further assurances

5.1 Trustee Assurances

The Trustee, in respect of each Trust, agrees to:

- (a) execute in favour of the Security Trustee, or as the Security Trustee directs, and in a form acceptable to the Security Trustee, further documents;
- (b) do the things the Security Trustee stipulates;
- (c) ensure that an Encumbrance created under the Deed of Charge is enforceable, perfected (including, where appropriate, by control in addition to registration) and otherwise effective; and
- (d) enable the Security Trustee to apply for any registration, give any notification, or take any other step, in connection with an Encumbrance created under the Deed of Charge so that the Encumbrance has the highest ranking priority reasonably possible,

to provide more effective security to the Security Trustee over the Secured Property of the relevant Trust, for the payment of the Secured Money of the relevant Trust and to enable the Security Trustee to exercise its rights in connection with that Secured Property except that the Trustee shall not be obliged to obtain an executed transfer of any Mortgage, or notify any relevant Debtor in respect of any Mortgage, unless a Title Perfection Event has occurred and is subsisting.

5.2 Completion of Instruments

An Authorised Officer of the Security Trustee may fill in any blanks in this deed, in any Deed of Charge and any related document and complete in favour of the Security Trustee or anyone purchasing under the powers given by this deed any instrument executed by or on behalf of the Trustee in blank and deposited with the Security Trustee in connection with this deed or any Deed of Charge.

5.3 Registration of Charge

Without limiting clause 5.1 and its obligations under the Supplemental Deed, the Trust Manager must register the Charge in respect of each Trust at the Trustee's expense as a charge on the register of charges maintained by the Australian Securities and Investments Commission under the Corporations Act. The Trustee agrees to procure execution of all documents that the Trust Manager directs the Trustee to execute and that the Trust Manager considers necessary to register each such Charge and to provide evidence to the Security Trustee promptly after registration is completed.

6 Representations and warranties

6.1 Trustee and Security Trustee representations and warranties

Each of the Trustee, as trustee of each Trust and the Security Trustee, as trustee of each Security Trust, represents and warrants that:

- (a) **(no breach)** it is not in breach of any material provision of the Trust Terms Deed, this deed, the Bond Trust Deed or the Supplemental Deed;
- (b) **(power)** it has power to enter into this deed, the Trust Terms Deed, the Bond Trust Deed, the Supplemental Deed and the Deed of Charge in respect of the Trust, and to observe its obligations under them and to allow them to be enforced;
- (c) **(authorisations)** it has in full force and effect the authorisations necessary to exercise the powers referred to in paragraph (b) above;
- (d) **(no contravention)** this deed, the Deed of Charge in respect of the Trust and the transactions under them do not contravene its constituent documents or any law, regulation or official directive or any of its obligations or undertakings by which it or any of its assets are bound; and
- (e) **(title)** to the best of its knowledge, it is the owner in equity, of the Secured Property.

6.2 Trustee representations and warranties

The Trustee, as trustee of each Trust, represents and warrants that:

- (a) **(creation of Trust)** the Trust has been validly created;
- (b) **(appointment of Trustee)** the Trustee has been validly appointed as the trustee of the Trust;
- (c) **(sole trustee)** the Trustee is the sole trustee of the Trust; and
- (d) **(no removal)** so far as the Trustee is aware, there are no proceedings to remove the Trustee as trustee.

6.3 Security Trustee representations and warranties

The Security Trustee, as trustee of each Security Trust, represents and warrants that:

- (a) **(creation of Security Trust)** the Security Trust has been validly created;
- (b) **(appointment of Security Trustee)** the Security Trustee has been validly appointed as the trustee of the Security Trust;
- (c) **(sole trustee)** the Security Trustee is the sole trustee of the Security Trust; and
- (d) **(no removal)** so far as the Security Trustee is aware, there are no proceedings to remove the Security Trustee as trustee.

6.4 Trust Manager representation and warranties

The Trust Manager, as manager of each Trust, represents and warrants that:

- (a) **(no breach)** it is not in breach of any material provision of the Trust Terms Deed;
- (b) **(power)** it has the power to enter into this deed and the Deed of Charge in respect of the Trust, and to observe its obligations under them and allow them to be enforced;
- (c) **(authorisations)** it has in full force and effect the authorisations necessary to exercise the powers referred to in paragraph (b);
- (d) **(no contravention)** this deed, the Deed of Charge and the transactions under them do not contravene its constituent documents or any law, regulation or official directive or any of its obligations or undertakings by which it or any of its assets are bound;
- (e) **(appointment of Trust Manager)** the Trust Manager has been validly appointed as trust manager of the Trust; and
- (f) **(no removal)** as far as the Trust Manager is aware, there are no proceedings to remove the Trust Manager as trust manager.

6.5 Repetition

The representations and warranties in clauses 6.1 to 6.4 are taken to be made in respect of a Trust on the date of execution of the Deed of Charge for that Trust.

7 General powers, rights and responsibilities

7.1 Power to Invest

Subject to clause 7.5, all moneys received by the Security Trustee and not required to be applied immediately under any of the discretions or powers contained in this deed may be placed at the time by the Security Trustee in Authorised Investments.

7.2 Prior Notification

The Security Trustee shall, if reasonably practicable, give prior notification to the Seller of the Security Trustee's intention to enforce the Charge, provided always that the failure of the Security Trustee to provide such notification shall not prejudice the ability of the Security Trustee to enforce the Charge.

7.3 Charge immediately enforceable

Without prejudice to the provisions of clause 13, the Charge shall become immediately enforceable at any time following service of a Covered Bond Guarantee Acceleration Notice or, if there are no Covered Bonds outstanding, following a default in the payment of any other Secured Money on its due date.

7.4 Power to invest on or after enforcement

Subject to clause 7.5, any monies which under the trusts of this deed ought to or may be invested by the Security Trustee (or by the Trust Manager or any other agent on its behalf) after the Charge has become enforceable may be invested in the name of the Security Trustee or in the name of any nominee on its behalf and under the control of the Security Trustee in any Authorised Investments and the Security Trustee may at any time vary or transfer (or direct the Trust Manager to vary or transfer) any of such Authorised Investments for or into other such Authorised Investments as the Security Trustee in its absolute discretion may determine, and shall not be responsible (save where any loss results from the Security Trustee's fraud, wilful default or gross negligence or that of its officers or employees) for any loss occasioned by reason of any such Authorised Investments whether by depreciation in value or otherwise, provided that such Authorised Investments were made in accordance with the foregoing provisions. If a bank or institution with which any monies placed on deposit in accordance with this clause is the Security Trustee or an affiliate of the Security Trustee, it need only account for an amount of interest equal to the amount of interest which would, at then current rates, be payable by it on such a deposit to an independent customer. The income from such Authorised Investments may be accumulated and such accumulations and investments shall then be applied in or towards satisfaction of any amounts owing to the Security Trustee under clause 18.1(a)(ii) of the Supplemental Deed and then in accordance with the Post-enforcement Allocations.

7.5 Bond Trustee not responsible for investment decisions

Notwithstanding any provision in this deed or any other Programme Document to the contrary, the Bond Trustee (on behalf of the Covered Bondholders) shall not direct the Security Trustee as to the investment of moneys pursuant to this clause 7 unless it is directed to do so by the Covered Bondholders in accordance with the Bond Trust Deed.

7.6 Other Powers

The Security Trustee may, whenever it thinks it expedient in the interests of the Secured Creditors of a Trust, apply to any court for directions in relation to any question of law or fact arising either before or after a Covered Bond Guarantor Event of Default in respect of that Trust and assent to, and approve of, or oppose any application to any court made by or at the instance of any Secured Creditor of that Trust, the Trustee or the Trust Manager.

Further, the Security Trustee:

- (a) **(defend Trust Fund)** may take such action as it is directed to take by an Extraordinary Resolution of Voting Secured Creditors of a Trust (where the Bond Trustee is not the Voting Secured Creditor) or a direction from the Bond Trustee (where the Bond Trustee is the Voting Secured Creditor) to defend the Trust Fund referable to that Trust against any legal proceedings that, if successful, might adversely affect the Trust Fund referable to that Trust; and
- (b) **(defend itself as Security Trustee)** may take such action as it considers necessary to defend itself as trustee of the Security Trust against any legal proceedings.

7.7 Discretion of Security Trustee as to Exercise of Powers

Subject to any express provision to the contrary contained in any Programme Document to which the Security Trustee is a party, the Security Trustee will, as regards all the powers, authorities and discretions vested in it by this deed and each other Programme Document to which the Security Trustee is a party, have absolute discretion as to the exercise of them in all respects and, in the absence of fraud, gross negligence or wilful default on its part, the Security Trustee will not be in any way responsible for any loss, costs, damages, claims or obligations that may result from the exercise or non-exercise of them.

7.8 Limitation on Security Trustee's actions

Notwithstanding knowledge by, or notice to, the Security Trustee of any Covered Bond Guarantor Event of Default or anticipatory or actual breach of, or default under, any covenant, obligation, condition or provision by the Trustee or the Trust Manager contained in or imposed by this deed or any other Programme Document, the Security Trustee is only required to take all such steps and do all such things as it is empowered to do having regard to the powers, authorities and discretions vested in it pursuant to the Programme Documents to which it is a party and the obligations imposed on the Security Trustee by this deed and the Programme Documents to which the Security Trustee is a party.

7.9 Limitations on Security Trustee's responsibility

The Security Trustee is not to and will not:

- (a) be held responsible if it acts upon any:
 - (i) resolution purporting to have been passed at any meeting of the Voting Secured Creditors of a Trust (where the Bond Trustee is not the Voting Secured Creditor) at which minutes were made and signed even though it may subsequently be found that there was some defect in the constitution of the meeting or the passing of the resolution or that for any other reason the resolution was not valid or binding upon any of those Voting Secured Creditors whom it purports to bind or upon the Security Trustee; or
 - (ii) direction from the Bond Trustee (where the Bond Trustee is the Voting Secured Creditor) even though it may subsequently be found that the direction was not valid or binding upon the Bond Trustee or the Covered Bondholders;
- (b) be obliged to notify the Secured Creditors of a Trust of the happening of any Issuer Event of Default, Trustee Default or Covered Bond Guarantor Event of Default insofar as they relate to that Trust except in the circumstances set out in clause 9.1;
- (c) be bound or concerned to examine or enquire into, nor be liable for any defect or failure in, the title of the Trustee to any Secured Property;
- (d) be under any liability whatsoever for acting in accordance with any direction obtained from the Secured Creditors or the Voting Secured Creditors (as the case may be) of a Trust at a meeting convened under clause 9 or otherwise obtained in accordance with this deed; and

- (e) be under any liability whatsoever for a failure to take any action in respect of any breach by the Trustee of its duties as trustee of the Trust of which the Security Trustee is not actually aware or in respect of any Issuer Event of Default, Trustee Default or Covered Bond Guarantor Event of Default in respect of a Trust of which the Security Trustee is not actually aware,

except to the extent that any such matter or liability is caused by the fraud, gross negligence or wilful default of the Security Trustee.

7.10 No Liability

The Security Trustee is not liable:

- (a) for any loss, costs, damages or expenses arising out of the exercise or non-exercise of a discretion or for any act or omission on its part under this deed;
- (b) for any loss, costs, damages or expenses arising out of the exercise or non-exercise of a discretion of the Trustee or the Trust Manager or the act or omission of the Trustee or the Trust Manager;
- (c) for any loss caused by its failure to check any information, document, form or list supplied or purported to be supplied to it by the Trustee or the Trust Manager;
- (d) to the Secured Creditors of a Trust or any other person for any liability or thing beyond the extent to which it can be satisfied out of property of the Trust Fund referable to that Trust out of which the Security Trustee is actually indemnified for the liability or thing;
- (e) to make a payment to any Secured Creditor except out of funds held for that purpose pursuant to this deed; or
- (f) for any other act or omission on its part,

except, in all cases, to the extent that the relevant matter is due to the fraud, gross negligence or wilful default of the Security Trustee.

7.11 Security Trustee not responsible for monitoring

- (a) Each Secured Creditor (other than the Bond Trustee) is taken to confirm that:
 - (i) it has made its own appraisal and investigation of the business, financial condition, status and affairs of the Trust Manager, the Servicer, the Account Bank, the Issuer, the Seller, the Trustee and each other party to each Programme Document, of the Assets of each Trust and of the property comprising the Trust Fund referable to that Trust;
 - (ii) it is solely responsible for continuing that appraisal and investigation after the date of this deed;
 - (iii) it has not entered into any Programme Document as the result of any inducement from, or representation or statement by, the Security Trustee; and

- (iv) it has made its own appraisal of its financial return under the Programme Documents.
- (b) Subject to clause 7.11(c), each Secured Creditor is taken to confirm that it has not relied, and will not rely, on the Security Trustee at any time, and is taken to confirm that the Security Trustee is not required (except as expressly provided in a Programme Document):
 - (i) to provide it with any information concerning the business, financial condition, status or affairs of the Trust Manager, the Servicer, the Account Bank, the Issuer, the Trustee or any other party to any Programme Document;
 - (ii) to investigate the adequacy, accuracy or completeness of any information provided by the Trust Manager, the Servicer, the Account Bank, the Issuer, the Trustee or any other party to any Programme Document in connection with the Programme Documents (whether or not the information is provided to that Secured Creditor by the Security Trustee);
 - (iii) to assess or keep under review the business, financial condition, status or affairs of the Trust Manager, the Servicer, the Account Bank, the Issuer, the Trustee or any other party to any Programme Document or to inspect any of their properties or books;
 - (iv) to investigate whether or not an Issuer Event of Default, a Trustee Default or a Covered Bond Guarantor Event of Default has occurred in respect of a Trust; or
 - (v) to investigate or keep itself informed as to the performance by any other party to any Programme Document of its obligations under any Programme Document, or any other document or agreement to which one or more of them is a party.
- (c) If the Security Trustee requests or requires directions from the Bond Trustee in relation to any matter, the Security Trustee shall provide all information in the Security Trustee's possession and which the Bond Trustee may properly require to be able to provide such direction.
- (d) Except to the extent contemplated by clause 7.11(c) or another Programme Document, the Security Trustee has no duty or responsibility, but is authorised in its absolute discretion, to provide any Secured Creditor of a Trust with any credit or other information concerning the assets, liabilities, financial condition or business of the Trustee, the Trust or (to the extent that it is relevant to the performance by that person of its obligations under the Programme Documents) the Trust Manager or the Servicer which may come into the possession of the Security Trustee.

7.12 Security Trustee's Further Duties

Subject to this deed, the Security Trustee must comply with the duties imposed on it by this deed and must:

- (a) act continuously as trustee of each Security Trust until it is terminated in accordance with this deed or until the Security Trustee has retired or been removed in accordance with this deed;
- (b) exercise all due diligence and vigilance in carrying out its functions and duties under this deed and each Deed of Charge;
- (c) subject to this deed, retain each Trust Fund in safe custody and hold it on trust for the Secured Creditors of the relevant Trust upon the terms of this deed and the relevant Deed of Charge; and
- (d) not sell, mortgage, charge or part with the possession of any part or the whole of the Trust Fund referable to a Trust (or permit any of its officers, agents and employees to do so) except as permitted or contemplated by this deed and the relevant Deed of Charge.

7.13 Acceptance of Certificates etc.

The Security Trustee is, for any purpose and at any time, entitled to rely on, act upon, accept and regard as conclusive and sufficient (without being in any way bound to call for further evidence or information or being responsible for any loss that may be occasioned by such reliance, acceptance or regard) any of the following:

- (a) any information, report, balance sheet, profit and loss account, certificate or statement supplied by the Trustee or the Trust Manager or by any officer, auditor or solicitor of the Trustee or the Trust Manager and any other details of the identity of, Secured Moneys owing to, and notice details of, any Secured Creditor of a Trust;
- (b) all statements (including statements made or given to the best of the maker's knowledge and belief or similarly qualified) contained in any information, report, balance sheet, profit and loss account, certificate or statement given pursuant to, or in relation to, this deed, the Supplemental Deed or the Trust Terms Deed; and
- (c) all accounts supplied to the Security Trustee pursuant to this deed and all reports of the Auditor supplied to the Security Trustee pursuant to this deed or the Supplemental Deed,

except, in each case, when it is actually aware that the information supplied pursuant to clauses (a) to (c) is incorrect.

7.14 Act on Opinion of Experts

The Security Trustee may in relation to this deed or any other Programme Document or the rights, powers or obligations conferred or imposed by this deed or any other Programme Document act on the advice or opinion or information received from any adviser of a kind appropriate to the particular case including any lawyer, banker, accountant, securities company, broker or valuer or other expert in Australia or elsewhere, whether obtained by the Security Trustee or otherwise (including by the Trustee or the Trust Manager). The Security Trustee is not responsible for any loss occasioned by so acting in good faith and any such advice or opinion or information may be given verbally or by letter or otherwise. The Security Trustee is not to be liable for any loss occasioned by acting in good faith on any opinion, advice and information purporting to be so conveyed although the same contains some error or is not authentic unless it has reasonable

grounds to believe such advice, opinion or information not to be authentic. For avoidance of doubt, the Bond Trustee is in no circumstances to be regarded as an adviser to the Security Trustee or as having any duty to provide advice the Security Trustee in relation to this deed or the Security Trust.

7.15 Right to Rectify

The Security Trustee may do anything which should have been done by the Trustee under this deed or under the Deed of Charge but which has not been done or which the Security Trustee considers has not been done properly, but the Security Trustee is under no obligation to do so.

7.16 Consent to Dealings

During such time that a Charge has effect as a floating charge over the relevant Secured Property, the Trustee may dispose of, or deal with, such Secured Property to the extent permitted by the Programme Documents for the relevant Trust.

7.17 Ascertain Covered Bond Guarantor Event of Default

The Security Trustee need not:

- (a) without limiting any other provision of this deed, notify any person of the execution of this deed or any Deed of Charge; or
- (b) take any steps to ascertain whether there has occurred any:
 - (i) Covered Bond Guarantor Event of Default in respect of a Trust; or
 - (ii) event which constitutes, or which with the giving of notice or the lapse of time would constitute, a Covered Bond Guarantor Event of Default in respect of a Trust.

Nothing in this clause limits or restricts the duties of the Security Trustee to take any action in accordance with clause 9.1 or clause 9.7 of this deed if it becomes actually aware of, or has actual notice of, a Covered Bond Guarantor Event of Default in respect of a Trust.

Until it has actual notice to the contrary, the Security Trustee may assume that no Covered Bond Guarantor Event of Default or Potential Covered Bond Guarantor Event of Default has occurred in respect of a Trust and that the Transaction Parties (other than the Security Trustee) are observing and performing all the obligations on their part contained in the Programme Documents in respect of the Trust and need not inquire whether that is, in fact, the case.

7.18 No duty to investigate

The Security Trustee has no duty to keep itself informed about the circumstances of the Transaction Parties (other than the Security Trustee), or the performance by such persons of their respective obligations under this deed, any Deed of Charge or the other Programme Documents or (subject to the express requirements of this deed) to consider or provide any Secured Creditor with any information with respect to such persons.

7.19 Liability must be limited and Security Trustee must be indemnified

Except for the obligations imposed on it under clause 9.1, the Security Trustee is not obliged to do or omit to do any thing including enter into any transaction or expend or risk its own funds or otherwise incur any liability (including forming any opinion or employing any legal, financial or other advisor) unless:

- (a) the Security Trustee's liability is limited in a manner which is consistent with clause 25; and
- (b) the Security Trustee is indemnified against any liability or loss arising from, and any costs, charges and expenses incurred in connection with doing or not doing that thing in a manner which is consistent with clause 14.

7.20 Not use own funds

Except as required by clause 9.1 or clause 9.7, the Security Trustee will not be under any obligation for whatever reason to advance or use its own funds for the payment of any costs, expenses or liabilities whatsoever.

7.21 Cover for costs

- (a) Before exercising a right, power or discretion or performing an obligation as Security Trustee (except the power to provide a notice to all Secured Creditors in accordance with clause 9.2(a) and to convene a meeting of Voting Secured Creditors in accordance with clause 9.2(b)), the Security Trustee need not act unless its liability is limited in a manner satisfactory to it or, if required by the Security Trustee, until the Voting Secured Creditors place it in funds equivalent to the amount which the Security Trustee determines may become liabilities of the Security Trustee in respect of that act (or until the Voting Secured Creditors provide an indemnity to the Security Trustee in respect of those liabilities in a form acceptable to it, acting reasonably), provided that no Voting Secured Creditor shall be under any obligation to either contribute to such placing of funds or provide such indemnity to the Security Trustee if that Secured Creditor has no Secured Moneys due or payable to it at that time.
- (b) If the Voting Secured Creditors do not place the Security Trustee in funds, or do not provide the indemnity, in the manner contemplated by paragraph (a), then the Security Trustee is not required to exercise the relevant right, power or discretion or perform the relevant obligation.
- (c) Nothing in this clause 7.21 requires the Bond Trustee to indemnify the Security Trustee or otherwise put the Security Trustee in funds using moneys held by the Bond Trustee in its personal capacity or as trustee (other than as trustee under the Bond Trust Deed subject in all cases to the terms of the Bond Trust Deed).

7.22 Receipt of instructions

- (a) Without limiting its rights, powers and discretions, but subject to its express duties or obligations under clause 9 of this deed, the Security Trustee will not be required to exercise any right, power or discretion (including to require anything to be done, form any opinion or view, make a determination or give any notice, consent, waiver or approval)

without first obtaining instructions from the Voting Secured Creditors of a Trust given by Extraordinary Resolution (where the Bond Trustee is not the Voting Secured Creditor) or a direction from the Bond Trustee (where the Bond Trustee is the Voting Secured Creditor). However, the Security Trustee may exercise a right, power or discretion without receiving any such instructions if the Security Trustee reasonably believes that it is in the best interests of the Secured Creditors of the Trust that it does so (and provided that the Security Trustee first notifies in writing the Voting Secured Creditors of its intention to do so).

- (b) The provisions of this clause 7.22 apply notwithstanding any other provision of any Programme Document which provides or which may be construed to the contrary.

7.23 Dispute or ambiguity

In the event of any dispute or ambiguity as to the construction or enforceability of this deed or any other Programme Document, or the Security Trustee's powers or obligations under or in connection with this deed or the determination or calculation of any amount or thing for the purpose of this deed or the construction or validity of any direction from Voting Secured Creditors, the Security Trustee may (but will have no obligation to):

- (a) obtain and rely on advice from any person referred to in clause 7.14; and
- (b) apply to a court or similar body for any direction or order the Security Trustee considers appropriate,

and provided the Security Trustee is using reasonable endeavours to resolve such ambiguity or dispute, the Security Trustee, in its absolute discretion, may (but will have no obligation to) refuse to act or refrain from acting in relation to matters affected by such dispute or ambiguity.

7.24 No liability for documents

The Security Trustee has no responsibility for the form or contents of this deed or any other Programme Document and will have no liability arising as a result of or in connection with any inadequacy, invalidity or unenforceability of any provision of this deed or the other Programme Documents except insofar as it applies to the Security Trustee or to any representation and warranty given by the Security Trustee.

7.25 Conflict of duty

- (a) If there is at any time a conflict between a duty owed by the Security Trustee to the Covered Bondholders and a duty owed by the Security Trustee to any other Secured Creditor or class of Secured Creditor, then the Security Trustee must give priority to the interests of the Covered Bondholders while any of the Covered Bonds remain outstanding and shall not be required to have regard to the interests of any other Secured Creditor or any other person or to act upon or comply with any direction or request of any other Secured Creditor or any other person while any amount remains owing to any Covered Bondholders.
- (b) Provided that the Security Trustee acts in good faith, it shall not incur any liability to any Secured Creditor for doing so.

- (c) Where the Security Trustee is required to have regard to the Covered Bondholders (or any Series thereof), it shall have regard to the general interests of the Covered Bondholders (or any Series thereof) as a class and shall not have regard to any interests arising from circumstances particular to individual Covered Bondholders, Receiptholders or 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 country, territory or any political subdivision thereof and the Security Trustee shall not be entitled to require, nor shall any Covered Bondholder, Receiptholder or Couponholder be entitled to claim from, the Issuers, the Trustee, 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, Receiptholders or Couponholders, except to the extent already provided for in the Conditions.
- (d) If, in connection with the exercise of its powers, trusts, authorities or discretions, the Security Trustee is of the opinion that the interests of the Covered Bondholders or, if there are no Covered Bonds outstanding, the Voting Secured Creditors, could or would be materially prejudiced thereby, the Security Trustee may determine that it shall not exercise such power, trust, authority or discretion without an Extraordinary Resolution from the Voting Secured Creditors of the relevant Trust (where the Bond Trustee is not the Voting Secured Creditor) or a direction from the Bond Trustee (where the Bond Trustee is the Voting Secured Creditor).
- (e) If the Security Trustee receives a direction from the Bond Trustee as Voting Secured Creditor, the Security Trustee is entitled to assume for the purposes of this clause 7.25 that the action directed is in the interests of the Covered Bondholders as a class.

7.26 Indemnity

Without prejudice to any right of indemnity given by law to trustees, the Security Trustee will be indemnified in respect of a Security Trust out of the Trust Fund of that Security Trust for all costs, fees, charges, expenses and liabilities incurred in or about the due execution of that Security Trust.

7.27 Delegation

- (a) The Security Trustee may in accordance with this clause authorise in writing specified parties to act as its delegate, attorney or agent to perform its functions under the Programme Documents (including the holding of Title Documents and a power to sub-delegate). The Security Trustee may include provisions in the authorisation to protect and assist those dealing with the delegate, attorney or agent as the Security Trustee thinks fit.
- (b) The Security Trustee must not delegate to any person any of its trusts, duties, powers, authorities and discretions under this deed or a Deed of Charge in relation to a Security Trust except:
 - (i) subject to this clause, to a Related Entity of the Security Trustee;

- (ii) to the Calculation Manager, the Trust Manager, the Servicer or a Receiver in accordance with the provisions of this deed or any other Programme Document relating to the Security Trust;
- (iii) to any Clearing System (in respect of which the Security Trustee is not liable for its acts or omissions); or
- (iv) in accordance with the provisions of this deed or the Supplemental Deed relating to that Security Trust,

provided that, in each case, the Security Trustee must not delegate to such third parties any material part of its powers, duties or obligations as Security Trustee.

Where the Security Trustee delegates any of its trusts, duties, powers, authorities and discretions to any person who is a Related Entity of the Security Trustee, the Security Trustee at all times remains liable for the acts or omissions of such Related Entity and for the payment of fees of that Related Entity when acting as delegate. Subject to this, the Security Trustee is not liable for the acts or omissions of any delegate, attorney or agent if it appointed the delegate, attorney or agent in good faith.

- (c) Any delegation made by the Security Trustee under clause 7.27(a) in respect of a Security Trust will automatically terminate if the Security Trustee retires, or is removed, in accordance with clause 16 of this deed in respect of that Security Trust.
- (d) The Security Trustee has no duties, obligations or responsibilities other than those expressly set out in this deed.

7.28 No Liability

Without limitation, the Security Trustee is not liable for:

- (a) any decline in the value or loss realised upon any sale or other dispositions made under this deed of any Secured Property or any other property charged to the Security Trustee by any other person in respect of or relating to the obligations of any person in respect of the Trustee or the Secured Money or relating in any way to the Secured Property;
- (b) any decline in value of the Secured Property directly or indirectly arising from the Security Trustee acting or failing to act as a consequence of an opinion reached by it; or
- (c) any omission, delay or mistake or any loss or irregularity in or about the exercise, attempted exercise, non-exercise or purported exercise of any of its powers under this deed or a Deed of Charge,

except to the extent caused or contributed to by any fraud, gross negligence or wilful default on the part of the Security Trustee.

7.29 Authorisation or waiver of breach

- (a) The Security Trustee may without the consent of the Covered Bondholders, Receiptholders 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 instructed to do so by resolution of Voting Secured Creditors (where the Bond Trustee is not the Voting Secured Creditor) or by a direction from the Bond Trustee (where the Bond Trustee is the Voting Secured Creditor), waive or authorise any breach or proposed breach of any of the covenants or provisions contained in the Covered Bonds of any Series, this deed or any other 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 shall not be treated as such for the purposes of this deed. Any such waiver, authorisation or determination may be given or made on such terms and subject to such conditions (if any) as the Voting Secured Creditors may determine by resolution where the Bond Trustee is not the Voting Secured Creditor) or as may be directed by the Bond Trustee (where the Bond Trustee is the Voting Secured Creditor), shall be binding on the Covered Bondholders, the related Receiptholders or the Couponholders and the other Secured Creditors and if, but only if, the resolution or direction (as the case may be) shall so require, shall be notified by the Bond Trustee to the Covered Bondholders in accordance with the Conditions as soon as practicable thereafter.

- (b) As between itself and the Secured Creditors, the Security Trustee has full power to determine (acting reasonably) all questions and doubts arising in relation to any of the provisions of this deed and every such determination, whether based upon a question actually raised or implied in the acts or proceedings of the Security Trustee, is conclusive and binds the Secured Creditors.

8 Crystallisation of floating charge

8.1 Crystallisation

If the Charge referable to a Trust has not otherwise taken effect as a fixed charge over all of the Secured Property referable to that Trust, it automatically takes effect as a fixed charge over the Secured Property of that Trust in respect of which the Charge has not previously taken effect as a fixed charge immediately prior to the occurrence of any of the following events:

- (a) a Covered Bond Guarantor Event of Default occurs in respect of that Trust;
- (b) the Trustee breaches any of the covenants in clause 4.2(a) of this deed in respect of that Trust;
- (c) the Australian Federal Commissioner of Taxation (or some person authorised to issue on his behalf) issues a notice in respect of tax due by the Trustee under sections 218 or 255 of the Income Tax Assessment Act 1936 (Cwth) or under section 74 of the Sales Tax Assessment Act 1992 (Cwth) or under any similar provision of any law;
- (d) the Trustee files an Australian tax return which results in Tax becoming due by the Trustee in its capacity as trustee of that Trust which is not paid on time; or

- (e) if the law provides that the Charge becomes fixed.

8.2 Replacement of fixed charge with floating charge

Subject to clauses 8.3 and 8.4 and in respect of any Relevant Secured Property of a Trust, the Security Trustee:

- (a) must give notice of the fixing of such Charge in respect of the Relevant Secured Property to the Trustee and each Designated Rating Agency promptly after becoming actually aware of the fixing of such Charge in respect of the Relevant Secured Property; and
- (b) may and, if directed by:
 - (i) the Bond Trustee if the Bond Trustee is the Voting Secured Creditor at the relevant time; or
 - (ii) otherwise, Voting Secured Creditors of that Trust who in aggregate are owed not less than 90% of the Secured Money of that Trust at the time,

the Security Trustee must, give a notice to the Trustee stating that, from the effective date specified in the notice, it no longer requires that Charge to operate as a fixed charge over the Relevant Secured Property of that Trust specified in the notice. Any such notification does not prejudice the rights of the Security Trustee to give a notice to the Trustee stating that the charge takes effect as a fixed charge or the fixing of the charge again in accordance with clause 8.1.

8.3 Subsequent dealing

From the effective date specified in a notice given under clause 8.2(b):

- (a) the Trustee may deal with the Relevant Secured Property the subject of the notice, if it was acquired by the Trustee before the effective date of the notice, as if it had always been charged by way of floating charge under this deed;
- (b) the floating charge given by the relevant Deed of Charge over the Relevant Secured Property the subject of the notice acquired by the Trustee on or after the effective date of the notice continues to operate as a floating charge as if it had never been a fixed charge; and
- (c) a person dealing with the Trustee in relation to the Relevant Secured Property the subject of the notice may rely on the notice from the Security Trustee as conclusive evidence that, as at the time the notice is issued, such Relevant Secured Property is charged by way of floating charge.

8.4 Further charge

The Trustee charges, by way of floating charge and further assurance, the Relevant Secured Property the subject of a notice given pursuant to clause 8.2(b) to the Security Trustee as security for payment of the Secured Money on the same terms as the relevant Charge.

9 Security Trustee to obtain instructions

9.1 If Covered Bonds are outstanding

For so long as any Covered Bonds are outstanding, the Security Trustee must, upon actually becoming aware of the occurrence of a Covered Bond Guarantor Event of Default in respect of a Trust and delivery of a Covered Bond Guarantee Acceleration Notice:

- (a) notify all Secured Creditors of that Trust that the Charge granted in respect of that Trust has taken effect as a fixed charge over all of the Secured Property of that Trust and provide to those Secured Creditors full details of the Covered Bond Guarantor Event of Default as advised to the Security Trustee under clause 4.1(e) or otherwise known to the Security Trustee and the actions and procedures which the Trustee and the Trust Manager have notified the Security Trustee are being taken or will be taken by the Trustee and the Trust Manager to remedy the relevant Covered Bond Guarantor Event of Default; and
- (b) request the Bond Trustee (as the Voting Secured Creditor) to provide directions to the Security Trustee as to the action to be taken by the Security Trustee in relation to the event.

9.2 If no Covered Bonds are outstanding

If a default in the payment of any Secured Money on its due date occurs at a time when there are no Covered Bonds outstanding, the Security Trustee must, upon becoming actually aware of such default, take the following steps:

- (a) notify all Secured Creditors of that Trust that the Charge granted in respect of that Trust has taken effect as a fixed charge over all of the Secured Property of that Trust and provide to those Secured Creditors full details of the relevant default as advised to the Security Trustee under clause 4.1(e) or otherwise known to the Security Trustee and the actions and procedures which the Trustee and the Trust Manager have notified the Security Trustee are being taken or will be taken by the Trustee and the Trust Manager to remedy the relevant default; and
- (b) do all such things as are necessary or appropriate to promptly convene a meeting of the Voting Secured Creditors of that Trust in accordance with the provisions of clause 10.

9.3 Actions

Subject to the terms of the Supplemental Deed for the relevant Trust, at a meeting of Voting Secured Creditors of a Trust referred to in clause 9.2, the Voting Secured Creditors of that Trust must vote on whether to direct the Security Trustee by Extraordinary Resolution to do one or more of the following:

- (a) declare the Secured Moneys in respect of that Trust immediately due and payable;
- (b) appoint a Receiver in accordance with clause 11 (and, if a Receiver is to be appointed, determine or provide directions as to the amount of the Receiver's remuneration);

- (c) instruct the Security Trustee in writing to sell and realise the Secured Property of that Trust where the Security Trustee has agreed to do so; or
- (d) take such other action as the Voting Secured Creditors may specify in the terms of such resolution.

For the avoidance of doubt, whilst the Bond Trustee is the Voting Secured Creditor, the Bond Trustee may only direct the Security Trustee to take action to the extent that the Bond Trustee is permitted to do so under the Bond Trust Deed and the Conditions.

9.4 Notice

If the Voting Secured Creditors of a Trust pass an Extraordinary Resolution pursuant to this clause 9 (where the Bond Trustee is not the Voting Secured Creditor) or the Security Trustee receives a direction from the Bond Trustee pursuant to this clause 9 (where Bond Trustee is the Voting Secured Creditor), the Security Trustee must notify the Trustee and the Trust Manager in writing one Business Day after such Extraordinary Resolution is so passed or such direction from the Bond Trustee is received (as the case may be) of any direction thereby given to the Security Trustee.

9.5 No obligation to appoint Receiver

The Security Trustee must not take any steps to appoint a Receiver under clause 11 or otherwise to enforce the Charge created under a Deed of Charge unless:

- (a) the Voting Secured Creditors of the relevant Trust have passed an Extraordinary Resolution to do so pursuant to clause 9.3 at a meeting convened pursuant to clauses 9.2, , 9.6, 9.9(a) or 9.10 (where the Bond Trustee is not the Voting Secured Creditor) or the Bond Trustee has given a direction to do so pursuant to clause 9.1 (where the Bond Trustee is the Voting Secured Creditor); or
- (b) in the opinion of the Security Trustee, the delay required to obtain the consent of the Voting Secured Creditors of the relevant Trust would be prejudicial to the interests of those Voting Secured Creditors.

Nothing in this clause 9.5 affects or restricts the operation of clause 8 of this deed.

9.6 Trust Manager to act

- (a) If the Security Trustee fails to convene a meeting in accordance with clause 9.2(b), the Trust Manager may convene a meeting of the relevant Voting Secured Creditors in accordance with this clause 9. Any meeting convened by the Trust Manager under this clause 9.6 is to have only the same powers as if convened by the Security Trustee and is to be conducted in accordance with the provisions of clause 10.
- (b) If the Security Trustee fails to request a direction from the Bond Trustee in accordance with clause 9.1(b), the Trust Manager must notify the Bond Trustee and may request the Bond Trustee (acting in accordance with the Bond Trust Deed and the Conditions) to provide the direction and the Bond Trustee will provide such directions if and to the extent permitted to do so under the Bond Trust Deed and the Conditions.

9.7 Notice of Trustee Default or Covered Bond Guarantor Event of Default

If the Security Trustee becomes actually aware of the occurrence of a Trustee Default or Covered Bond Guarantor Event of Default in respect of a Trust, and the Trustee has not given the Security Trustee notice in accordance with clause 4.1(e), the Security Trustee must give the Trustee and the Trust Manager notice of the occurrence of that Trustee Default or Covered Bond Guarantor Event of Default (as applicable).

9.8 Notice of action to remedy Trustee Default or Covered Bond Guarantor Event of Default

If the Trustee and the Trust Manager take any action or procedures to remedy a Trustee Default or Covered Bond Guarantor Event of Default in respect of a Trust, both the Trustee and the Trust Manager must keep the Security Trustee informed of those actions and procedures.

9.9 Security Trustee may seek directions at any time

The Security Trustee may at any time:

- (a) if the Bond Trustee is not the Voting Secured Creditor in respect of the relevant Trust, convene a meeting of Voting Secured Creditors of that Trust to consider such Extraordinary Resolutions as are put to the meeting by the Security Trustee; or
- (b) if the Bond Trustee is the Voting Secured Creditor in respect of the relevant Trust, request a direction from the Bond Trustee,

including, without limitation, for the purpose of seeking instructions as to the exercise of its powers and duties and performance of its obligations and for the purpose of exercising its discretion under clause 22.1(b).

9.10 Voting Secured Creditors may convene meeting

If the Bond Trustee is not the Voting Secured Creditor in respect of a Trust, the Voting Secured Creditors of the Trust who in aggregate are owed not less than 10% of the Secured Money of the Trust may convene a meeting of Voting Secured Creditors at any time. Any such meeting is to have only the same powers as if convened by the Security Trustee or the Trust Manager pursuant to this clause 9 and is to be conducted in accordance with the provisions of clause 10.

9.11 Limitation on rights of Secured Creditors

Subject to this deed, the powers, rights and remedies conferred on the Security Trustee by this deed are exercisable by the Security Trustee only, and no Secured Creditor is entitled without the written consent of the Security Trustee to exercise the same or any of them. Without limiting the generality of the foregoing, no Secured Creditor is entitled to enforce the Deed of Charge in respect of a Trust or the provisions of this deed or to appoint or cause to be appointed a Receiver to any of the Secured Property or otherwise to exercise any power conferred by the terms of any applicable law on charges except as provided in this deed and the Deed of Charge in respect of the Trust.

10 Meeting of Voting Secured Creditors

10.1 Application of this clause 10

The provisions of this clause 10 only apply in respect of a Trust where the Bond Trustee is not the Voting Secured Creditor of that Trust.

10.2 Notice of Meeting

- (a) The Security Trustee, if it wishes to convene a meeting of Voting Secured Creditors, must give at least five days' notice specifying the place, day and hour of the meeting and the general nature of the business to be transacted and containing such or any further information as the Security Trustee may think fit and the terms of any resolution of which the Security Trustee is aware will be proposed.
- (b) Subject to this clause 10, such notice must be sent to all Voting Secured Creditors of the relevant Trust. The accidental omission to send such notice to, or the non-receipt of a notice of meeting by, any such Voting Secured Creditor will not invalidate the meeting.
- (c) The Security Trustee must notify the Trustee and the Trust Manager of the place, day and hour of the meeting and of the nature of the business to be transacted at that meeting.
- (d) The omission to give a notice referred to in the preceding paragraph (c) to either the Trust Manager or the Trustee will invalidate the meeting, but the party who failed to receive the notice may waive the same.
- (e) The Security Trustee, the Trustee and the Trust Manager and any person on behalf of any of them and its solicitors and any officer, solicitor or auditor of any of them and any counsel instructed by the solicitor of any of them may attend any meeting or any adjourned meeting of Voting Secured Creditors and all such persons have the right of audience at such meeting.
- (f) Notwithstanding the other provisions of this clause 10, a resolution of Voting Secured Creditors (including an Extraordinary Resolution) may be passed (and will be deemed to have been passed at a meeting of Voting Secured Creditors), without any meeting or previous notice being required, by an instrument or instruments in writing which has or have:
 - (i) been signed by or on behalf of all Voting Secured Creditors; and
 - (ii) been presented to the Security Trustee for entry in the records referred to in clause 10.21.

10.3 Advertisement of Meeting in Newspaper

- (a) Instead of the notice requirements of clause 10.1, notice of any meeting of the Voting Secured Creditors of a Trust may be given by advertisement in a daily newspaper circulating generally throughout the relevant jurisdictions and by electronic means (including without limitation email or otherwise as agreed between the Security Trustee and the Trust Manager) at least five days before the proposed meeting and giving the same details as set out in clause 10.2(a).

- (b) Notwithstanding the foregoing provisions of clauses 10.1 and 10.3(a), if it is so agreed by Voting Secured Creditors who:
- (i) are a majority in number of Voting Secured Creditors (present in person or by proxy) having the right to attend and vote at the meeting; and
 - (ii) hold or represent between them an amount which is at least 95% of the Secured Money at the time,

a resolution may be proposed and passed at a meeting of which no notice has been given in the manner contemplated by this deed.

10.4 Quorum

No business is to be transacted at any such meeting unless a quorum is present when the meeting proceeds to business. The quorum necessary for a meeting at which any resolution including an Extraordinary Resolution is to be proposed must be at least such number of Voting Secured Creditors (present in person or by proxy) having the right to attend and vote at that meeting who hold or are owed between them an amount which is not less than 67% of the Secured Money at the time.

10.5 Quorum at Adjourned Meeting

If within 15 minutes from the time appointed for any meeting, a quorum is not present, the meeting must stand adjourned for such period as the chairman directs and notice of the adjourned meeting in accordance with clause 10.1 or clause 10.3(a) must be given to the Voting Secured Creditors by the Security Trustee.

At an adjourned meeting two or more Voting Secured Creditors present in person, holding or who are owed between them an amount which is not less than 50% of the Secured Money at the time form a quorum.

10.6 Chairman

At a meeting of Voting Secured Creditors, some person nominated by the Security Trustee (whether a Secured Creditor, a representative of the Security Trustee or not) must preside as chairman. If no such person is present within 15 minutes after the time appointed for holding the meeting the Voting Secured Creditors present must choose one of their number to preside as chairman.

10.7 Voting

- (a) Every question submitted to a meeting of Voting Secured Creditors must be decided in the first instance by a show of hands. In the case of an equality of votes, the chairman both on the show of hands and on a poll is entitled to have a second or casting vote in addition to the vote or votes (if any) to which he may be entitled as a Voting Secured Creditor.
- (b) The chairman or such number of Voting Secured Creditors (present in person or by proxy) holding or who are owed between them an amount which is not less than 2% of the Secured Money may, before or on the declaration of the result of a show of hands, demand a poll. If at any meeting a poll is so demanded, it must be taken in such manner and, subject to this deed, either at once or after such adjournment as the

chairman directs and the result of such poll will be deemed to be the resolution of the meeting in which the poll was demanded as at the date of the taking of the poll. The demand for a poll must not prevent the continuance of meeting for the transaction of any business other than the question on which the poll has been demanded. Any poll demanded at any meeting on the election of a chairman or any question of adjournment must be taken at the meeting without adjournment. The demand for a poll may be withdrawn.

10.8 Votes

- (a) The Voting Secured Creditors are only entitled to vote:
 - (i) at a meeting convened by the Security Trustee referred to in clause 9.2 to consider the Extraordinary Resolutions referred to in clause 9.3 or such other resolutions put to the meeting (or at any adjournment of such a meeting) by the Security Trustee which are related to, or incidental to, such resolutions; and
 - (ii) at any meeting convened under clauses , 9.6 or 9.9(a) or 9.10 to consider such Extraordinary Resolutions as are put to the meeting.
- (b) On a show of hands every Voting Secured Creditor who is present in person or by proxy and who has the right to vote shall have one vote.
- (c) On a poll every Voting Secured Creditor who is present in person or by proxy and has the right to vote shall have one vote for each \$10 or its currency equivalent (converted at the Swap Rate) (but not a part thereof) of the Secured Moneys that the Voting Secured Creditor holds.

10.9 Voting by Corporation

A corporation being a Voting Secured Creditor may vote by any officer or representative duly authorised in writing who is entitled to speak, demand a poll, vote, act as a proxy and in all other respects exercise the rights of a Voting Secured Creditor and must be reckoned as a Voting Secured Creditor for all purposes.

10.10 Voting by a person of unsound mind

A Voting Secured Creditor of unsound mind or in respect of whom an order has been made by any court having jurisdiction in respect of mental health may vote whether on a show of hands or on a poll by his committee curator bonis or other person in the nature of a committee curator bonis appointed by such court.

10.11 Objection to Voter's Qualification

No objection is to be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the meeting and his decision shall be final and conclusive.

10.12 Method of Voting

On a show of hands and on a poll votes may be given either personally or by proxy and a proxy is to have the same right of audience as a Voting Secured Creditor.

10.13 Proxy Instrument

The instrument appointing a proxy must be in writing under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation either under its common seal or under the hand of an officer or attorney so authorised.

10.14 Attendance at Meetings and Appointment of Proxy

Each Voting Secured Creditor is entitled to attend and (subject to clause 10.10) to vote at any meeting of Voting Secured Creditors convened under this deed and is entitled to appoint another person (whether a Voting Secured Creditor or not) as his proxy to attend and vote. Such proxy has the same rights as the Voting Secured Creditor to vote, whether on a poll or on a show of hands, to speak and to be reckoned in a quorum.

10.15 Voting Authority to be Deposited with Security Trustee

The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a certified copy of such power or authority must be deposited with the Security Trustee or its duly appointed agent not less than 2 days before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default the instrument or proxy is invalid. A copy of a proxy (and the authority under which it is signed) sent by fax will be sufficient for the foregoing requirement provided the relevant original or certified copy (in the case of the authority) is received by the Security Trustee prior to the relevant meeting. No instrument appointing a proxy is valid after the expiration of 12 months from the date named in it as the date of its execution.

10.16 Form of Proxy

An instrument appointing a proxy may be in the following form or in any other form which the Security Trustee may approve:

"I, _____, of _____, being a Voting Secured Creditor in respect of the [] [X] Security Trust appoint [] of _____ (and in his or her absence or if this instrument of proxy is duly completed except as to the name of the proxy, the chairman of the meeting) to vote for me and on my behalf at the meeting of Voting Secured Creditors to be held on the day of 20.. and at any adjournment thereof.

Signed at _____ by me this _____ day of [year]

I direct my proxy to vote for/against the proposed resolution.* (In the absence of direction the proxy may vote as he/she thinks fit or abstain from voting.)

* If more than one resolution, refer to each separately."

10.17 Proxy - Effect of Death or Insanity

A vote given in accordance with the terms of an instrument of proxy is valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed if no intimation in writing of such death, insanity or revocation has been received by the Security Trustee before the commencement of the meeting or adjourned meeting at which the proxy is used.

10.18 Determination of Voting

At any meeting of Voting Secured Creditors unless a poll is demanded in accordance with clause 10.7(b) a statement by the chairman that a resolution has been carried or carried by any particular majority or lost or not carried by any particular majority is to be conclusive evidence of the fact.

10.19 Adjournment

The chairman may with the consent of a majority of Voting Secured Creditors (present in person or by proxy) at a meeting adjourn that meeting from time to time and from place to place.

10.20 Effect of Resolution

An Extraordinary Resolution passed at a meeting of Voting Secured Creditors of a Trust duly convened and held in accordance with this clause 10 is binding upon all the Secured Creditors of that Trust whether present or not present at such meeting and each of such Secured Creditors and (subject to clauses 7.19 to 7.21 inclusive) the Security Trustee is bound to give effect to the Extraordinary Resolution. Nothing in this clause 10.20 requires the Security Trustee 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.

10.21 Minutes

Minutes of all resolutions passed and proceedings at every meeting of Voting Secured Creditors must be made and duly entered in a book to be provided for that purpose by the Security Trustee and any such minutes if purporting to be signed by the chairman of the meeting at which such resolutions were passed or proceedings had or by the chairman of the next succeeding meeting (if any) of Voting Secured Creditors are conclusive evidence of the matters stated in them and until the contrary is proved every such meeting in respect of the proceedings of which minutes have been made is deemed to have been duly held and convened and all resolutions passed and proceedings conducted at such meeting are deemed to have been duly passed and conducted.

11 Appointment of Receiver

11.1 Appointment

Subject to clause 11.2 and to the terms of the Bond Trust Deed and the Conditions, if:

- (a) the Voting Secured Creditors of a Trust pass the Extraordinary Resolution referred to in clause 9.3(b) or resolve to appoint a receiver,

manager or receiver and manager at a meeting convened under clauses , 9.6 or 9.9(a) or 9.10 (where the Bond Trustee is not the Voting Secured Creditor of the Trust); or

- (b) the Security Trustee is so directed by the Bond Trustee (where the Bond Trustee is the Voting Secured Creditor of the Trust),

the Security Trustee must (subject to clauses 7.19 to 7.21 inclusive) appoint a person or persons as receiver, manager or receiver and manager of the Secured Property of that Trust to deal with that Secured Property in accordance with any reasonable instructions given by the Voting Secured Creditors by Extraordinary Resolution passed at a meeting of the Voting Secured Creditors convened in accordance with this deed or included in the direction from the Bond Trustee (as applicable) and the Security Trustee must fix the remuneration of a Receiver in accordance with the terms of the Extraordinary Resolution passed at any such meeting or in accordance with such direction (as applicable).

11.2 New Receiver

If a Receiver is removed, retires or dies, then the Security Trustee may appoint a new Receiver on substantially the same terms as the previous Receiver.

11.3 No Liability for Receiver

The Security Trustee will not be responsible for anything done or not done by the Receiver. To the extent permitted by law, the Receiver will be the agent of the Trustee and not the Security Trustee. The Receiver's remuneration and necessary expenses must be paid out of the Secured Property in accordance with this deed.

11.4 Two or more Receivers

If 2 or more persons are appointed as Receiver of the same part of the Secured Property, then the Security Trustee may provide that their rights, powers and remedies vest in them jointly and severally, or jointly.

11.5 Appointment over part

The power to appoint a Receiver over all of the Secured Property may be exercised whether or not a Receiver has already been appointed over part of it.

11.6 Indemnity to Receiver

The Security Trustee may give an indemnity, in such terms as it in its absolute discretion considers appropriate, in favour of a Receiver appointed in accordance with this clause 11. Any indemnity granted to the Receiver by the Security Trustee must be limited so as not to exceed the Security Trustee's right of indemnity out of the relevant Trust Fund.

11.7 Remuneration of Receiver

The Security Trustee may fix the remuneration of a Receiver at an amount, or on a basis, agreed with the Receiver or, failing agreement, as determined by the Security Trustee.

12 Powers of receiver

12.1 General powers

A Receiver may do all such things as are necessary or expedient to deal with the Secured Property of a Trust as if the Receiver were the absolute and beneficial owner of it. The Receiver may, in addition to powers conferred by statute or by the terms of its appointment, but subject to the Supplemental Deed for that Trust, exercise any or all of the following powers:

- (a) **(possession, etc)** enter, take possession of, have access to and make use of that Secured Property as often as the Receiver deems expedient;
- (b) **(exercise rights)** exercise the rights, powers and remedies of the Trustee over, in connection with or comprising part of that Secured Property (including, without limitation, collecting in, recovering and suing for that Secured Property);
- (c) **(manage)** manage that Secured Property;
- (d) **(carry on business)** carry on any business or pursuit that is within the powers of the Trustee, and is carried on by the Trustee at the time the Receiver is appointed;
- (e) **(sell)** subject to obligations imposed by law, sell or agree to sell that Secured Property on any terms, including, without limitation, the following:
 - (i) the sale may take place whether or not the Receiver has taken possession of that Secured Property;
 - (ii) the sale may be by public auction, private treaty or by tender;
 - (iii) the sale may be in one lot or in parcels, and with or without special provisions about title, or time, or mode of payment of purchase money, or otherwise;
 - (iv) allow the purchase money to remain secured by a mortgage or charge of the Secured Property sold, or secured by other security, or without security, and on any other terms, without being responsible for any resultant loss;
 - (v) enter into, rescind or vary a contract for sale, and resell without being responsible for loss, and execute assurances of that Secured Property in the name and on behalf of the Trustee or otherwise; or
 - (vi) do anything to complete any sale which the Receiver considers desirable, and set aside from the proceeds of sale the amount which the Receiver considers desirable to meet future claims until the possibility of claims being made is ended;
- (f) **(benefit of agreements)** obtain the benefit of any agreement entered into by the Trustee (including, without limitation, by specific performance), whether or not the agreement is entered into in the exercise of the rights, powers and remedies conferred by this deed;

- (g) **(proceedings)** institute, conduct, defend, submit to arbitration, settle, compromise or defer in the name of the Trustee or otherwise on any terms, any proceeding, claim, question or dispute in connection with that Secured Property or this deed and execute releases or other discharges in connection with them;
- (h) **(delegate)** delegate the Receiver's powers including this power of delegation to any person for any period;
- (i) **(surrender, etc)** end, surrender, or accept the surrender of a lease or licence of, that Secured Property, and compromise with or make concessions to tenants, lessees or licensees, or agree to do any of these things, for any period and on any terms;
- (j) **(transfer)** surrender or transfer that Secured Property to any person;
- (k) **(exchange)** exchange that Secured Property with a person for an interest in other property of any tenure (with or without giving or receiving other consideration). The property so acquired may be dealt with by the Receiver as if it were part of that Secured Property and the Receiver may grant an Encumbrance over that property for the payment of the Secured Money;
- (l) **(remove items)** remove personal property from that Secured Property and store that property in the name of the Trustee without liability for loss or damage suffered by the Trustee;
- (m) **(other acts)** do anything which should have been done by the Trustee under this deed but which has not been done or which the Receiver considers has not been done properly;
- (n) **(employ)** employ or engage persons (including, without limitation, employees of the Receiver and consultants and professional advisers) in connection with the powers conferred on the Receiver by this clause 12.1;
- (o) **(protect priority)** do or cause to be done anything to protect the priority of this deed in respect of that Secured Property, to protect the Trustee's or the Security Trustee's or a Secured Creditor's estate or interest in that Secured Property, to enforce this deed, to recover the Secured Money or to protect or enhance that Secured Property;
- (p) **(bank accounts)** operate (to the exclusion of the Trustee) the bank accounts which form part of that Secured Property;
- (q) **(incur liabilities)** expend money or incur liabilities in exercising the powers conferred on the Receiver by this clause 12.1;
- (r) **(Trust Terms Deed)** do anything which the Trustee is empowered to do under the Trust Terms Deed;
- (s) **(notice)** serve notice that the Charge has become fixed on any Relevant Secured Property of the Trustee;
- (t) **(authority)** collect that Secured Property or any part of it;

- (u) **(incidental)** to do anything which is ancillary to, or incidental to, any of the foregoing;
- (v) **(repairs and insurance)** carry out necessary repairs, effect insurances, and do anything else which the Trustee could do in the conduct of its business;
- (w) **(receipts)** give receipts for money, and do all acts, matters and things which the Receiver thinks proper for realising the Secured Property;
- (x) **(interest)** acquire an interest in any asset forming part of the Secured Property;
- (y) **(disputes)** compromise, settle or submit to arbitration any accounts, claims, questions or disputes which may arise in connection with the business of the Trustee;
- (z) **(proceedings)** bring, take, defend or compromise any proceedings in the name of the Trustee or otherwise;
- (aa) **(execution)** sign in the name and on behalf of the Trustee, and/or affix the common seal (if any) of the Trustee to, all documents which the Receiver considers necessary or expedient;
- (bb) **(variation)** vary, or agree to the variation of, any contract or arrangement to which the Trustee is a party;
- (cc) **(borrow money)** raise or borrow any money and secure the same with interest by any form of Encumbrance over the Secured Property in priority to, equally with, or subsequent to, any Secured Money, or otherwise;
- (dd) **(absolute ownership)** generally do, procure or allow such acts and things in respect of that Secured Property as if the Receiver had absolute ownership of the Secured Property and carried on the business of the Trustee for the Receiver's own benefit, without being answerable for any consequent loss or damage;
- (ee) **(delegation)** delegate any of the Receiver's powers to any person or persons for such time as the Security Trustee approves;
- (ff) **(discharge)** pay and discharge out of the profits and income of the Secured Property and the monies to be made by it in carrying on the business of the Trust the expenses incurred in and about the carrying on and management of the business or in the exercise of any of the powers conferred by this clause 12.1 or otherwise in respect of the Secured Property and all outgoings which it shall think fit to pay and to apply the residue of the said profits, income or monies in the manner provided by clause 8 of this deed.

12.2 Disposal of Secured Property

Notwithstanding clause 7, if the Charge has become enforceable otherwise than by reason of a default in payment of any amount due on the Covered Bonds, the Security Trustee will not be entitled to dispose of any of the Secured Property unless either:

- (a) a sufficient amount would be realised to allow discharge in full of all amounts owing to the Covered Bondholders; or
- (b) the Security Trustee is of the sole opinion, which shall be binding on the Secured Creditors, reached after considering at any time and from time to time the advice of any financial adviser (or such other professional advisers reasonably selected by the Security Trustee for the purpose of giving such advice), that the cash flow prospectively receivable by the Trustee will not (or that there is a significant risk that it will not) be sufficient, having regard to any other relevant actual, contingent or prospective liabilities of the Trustee, to discharge in full in due course all amounts owing to the Covered Bondholders.

The fees and expenses of the aforementioned financial adviser or other professional adviser selected by the Security Trustee shall be paid by the Trustee.

13 Powers of security trustee and exclusion of statutory notices

13.1 Security Trustee has powers of Receiver

At any time after a Covered Bond Guarantor Event of Default has occurred in relation to a Trust and a Covered Bond Guarantee Acceleration Notice is served on the Trustee and the Covered Bonds becoming immediately due and repayable, the Security Trustee, in addition to powers conferred by other provisions of this deed or by law, may, subject to the provisions of clause 12, exercise any of the powers set out or referred to in clause 12 (each of which is to be construed as if the reference to the Receiver were a reference to the Security Trustee) and whether or not a Receiver has been or could be appointed under this deed.

13.2 No liability as mortgagee in possession

If either the Security Trustee or a Receiver exercises its rights under this deed (including without limitation, under clause 7 or clause 12), exercises its rights conferred by law or takes possession of the Secured Property pursuant to this deed, then neither of them is liable to account as mortgagee in possession.

13.3 Give up possession of Secured Property

The Security Trustee may give up possession of the Secured Property of a Trust at any time if the Security Trustee:

- (a) believes in good faith that it is in the interests of the Secured Creditors of that Trust to do so; or
- (b) reasonably considers that it will, by retaining possession of that Secured Property, incur a liability which is not limited in accordance with clause 25.6.

13.4 Exclusion of notices

The Security Trustee or a Receiver need not give notice or a demand to the Trustee or allow time to elapse before exercising a right, power or remedy under this deed or conferred by law, unless notice or demand or a lapse of time is required by a law which cannot be excluded. If the law requires that a period of

notice must be given or a lapse of time must occur or be permitted before a right, power or remedy under this deed or conferred by law may be exercised, then:

- (a) when a period of notice or lapse of time is mandatory, that period of notice must be given or that lapse of time must occur or be permitted by the Security Trustee or Receiver; or
- (b) when the law provides that a period of notice or lapse of time may be stipulated or fixed by this deed, one day is stipulated and fixed as that period of notice or lapse of time and, without limitation, where applicable, one day is stipulated and fixed as the period of notice or lapse of time during which:
 - (i) default must continue before a notice is given or requirement otherwise made for payment of the Secured Money or the observance of obligations under this deed; and
 - (ii) a notice or requirement for payment of the Secured Money or the observance of obligations under this deed must remain not complied with before the Security Trustee's or Receiver's rights, powers or remedies may be exercised.

13.5 No duty as chargee

Nothing in this deed imposes a duty upon the Security Trustee to exercise its powers as chargee under this clause 13 or at law in circumstances where a motion at a meeting of Voting Secured Creditors that a Receiver be appointed is put and is not passed or such a direction from Voting Secured Creditors has not been given (as applicable).

14 Costs, charges, expenses and indemnities

14.1 Indemnity by Trustee

Subject to this deed and without prejudice to any right of indemnity given by law, the Security Trustee will be indemnified by the Trustee against all costs and expenses, and all loss and liability, properly incurred by the Security Trustee and the Receiver (as the case may be) in performing any of their duties or exercising any of their powers under this deed.

14.2 Extent of Indemnity

Without limiting clause 14.1, the Security Trustee in respect of each Security Trust is entitled to be indemnified by the Trustee of the relevant Trust for:

- (a) the costs, charges and expenses (including legal costs and disbursements charged at the usual commercial rates of the relevant legal services provider) of the Security Trustee in connection with the negotiation, preparation, execution, stamping, registration and completion of this deed, any deed amending this deed and the Deed of Charge for that Trust;
- (b) the costs, charges and expenses (including legal costs and disbursements charged at the usual commercial rates of the relevant legal services provider) of the Security Trustee in connection with any consent, exercise or non-exercise of rights or powers or performance of

obligations (including, without limitation, in connection with the contemplated or actual enforcement or preservation of any rights or powers or performance of obligations under this deed), production of title documents, waiver, variation, release or discharge in connection with the Deed of Charge for that Trust or the Secured Property of that Trust;

- (c) Taxes and fees (including, without limitation, registration fees) and fines and penalties in respect of Taxes and fees, which may be payable or determined to be payable in connection with this deed or a payment or receipt or any other transaction contemplated by this deed;
- (d) without limiting the generality of clause 14.2(b), all legal costs and disbursements charged at the usual commercial rates of the relevant legal services provider and all other costs, disbursements, outgoings and expenses of the Security Trustee in connection with the initiation, carriage and settlement of any court proceedings (including, without limitation, proceedings against the Trustee arising from any fraud, neglect, breach or default by the Trustee under this deed) in respect of this deed,

except to the extent that any such amount is caused or contributed to by the Security Trustee's and Receiver's fraud, gross negligence or wilful default. If the Security Trustee is not indemnified for these amounts from the Trustee within a reasonable period of requesting that indemnification, then the Security Trustee may exercise its rights of indemnity out of the assets of the Trust Fund for that amount.

14.3 Costs of experts

The costs, charges and expenses referred to in clause 14.2 include, without limitation, those payable to any independent consultant or other person appointed to evaluate any matter of concern (including any person consulted by the Security Trustee pursuant to clause 7.14), any agent of the Security Trustee, any Receiver or any attorney appointed under this deed, and, in the case of the Security Trustee, its administration costs in connection with any event referred to in clause 14.2.

14.4 GST

Any amount representing a cost, charge, fee, liability or expense paid to the Security Trustee under this deed will be inclusive of GST. The supplier will provide the recipient any reasonable documentation required for GST purposes so as to enable the recipient to receive an input tax credit or tax refund for GST purposes.

15 Application of money

15.1 Application

To the extent permitted by law, money received in connection with this deed or the Deed of Charge in respect of a Trust is to be applied (after satisfaction of claims taking priority over the Charge of which the Security Trustee has actual notice) in the order set out in the Supplemental Deed for that Trust.

15.2 Crediting

In an application of money in accordance with clause 15.1 the parties entitled to payments under that clause are to be credited only with so much of that money as is actually received by the Security Trustee. The credit dates from the time of receipt. This provision applies even if in exercising a power of sale the Security Trustee or a Receiver transfers the Secured Property and takes an Encumbrance to secure the unpaid balance of purchase money.

15.3 Suspense account

- (a) If the Security Trustee receives money in connection with this deed and a Security Trust when it considers that an amount will become owing to it under clause 14 at a future date or when part of the Secured Money is contingently owing, then the Security Trustee may deposit an amount not exceeding that amount or part in an interest bearing deposit account repayable on demand which constitutes an Authorised Investment on terms which the Security Trustee thinks fit with any person until that amount or part becomes actually payable or it considers that the amount will not (and no other amount will) become owing to it under clause 14 or until that part no longer falls within the definition of Secured Money, as appropriate. At that time, the Security Trustee may retain for its own account the amount which is then actually payable to it. The balance is to be paid in accordance with clause 15.1.
- (b) No money received by the Security Trustee on the realisation of the Secured Property in relation to a Trust is payable to any person claiming any amount due in respect of another Trust. The determination by the Security Trustee (advised by the Trust Manager) of which property constitutes the Secured Property in relation to a Trust is conclusive in the absence of manifest error.
- (c) Where any costs, fees, charges, expenses and liabilities of the Security Trustee or a Receiver are referable to more than one Trust, they may be apportioned between those Trusts at the discretion of the Security Trustee (as advised by the Trust Manager). Such apportionment by the Security Trustee is conclusive in the absence of manifest error.
- (d) If for any reason the periodic fees payable to the Trust Manager, the Servicer, the Trustee, the Security Trustee or any other person cannot be allocated to a particular Trust and are therefore required to be allocated between Trusts, those fees shall be allocated on a proportionate basis having regard to the average daily value of the Assets of the Trust for each of those Trusts.

16 Remuneration and retirement of Security Trustee and dealings with Security Trust

16.1 Remuneration

The Security Trustee is to receive a fee in an amount and payable at such times and in such manner as may from time to time be agreed between the Trust Manager and the Trustee in respect of each Security Trust. All amounts payable to the Security Trustee under the Programme Document are to be paid in accordance with the Cashflow Allocation Methodology.

16.2 Additional Remuneration

In the event of an Issuer Event of Default, Potential Issuer Event of Default or Potential Covered Bond Guarantor Event of Default occurring or in the event of the Security Trustee finding it expedient or necessary or being required by the Issuer or the Trustee to undertake any duties which the Security Trustee and the Issuer or the Trustee agree to be of an exceptional nature or otherwise outside the scope of the normal duties of the Security Trustee under or pursuant to this deed, the Issuer, or the Trustee shall pay to the Security Trustee such additional remuneration as shall be agreed between the Security Trustee and the Trustee (at the direction of the Trust Manager) (inclusive of GST, if any).

16.3 Disputes

In the event of the Security Trustee and the Issuer or, following an Issuer Event of Default and service of a Notice to Pay on the Trustee, the Trustee failing to agree upon the amount of any remuneration from time to time pursuant to clause 16.1 or to agree in a case to which clause 16.2 above applies, upon whether such duties are of an exceptional nature or otherwise outside the scope of the normal duties of the Security Trustee hereunder or upon the amount of such additional remuneration, such matters shall be determined by expert determination administered by the Australian Commercial Disputes Centre ("ACDC"), subject to the following:

- (a) the expert determination shall be conducted in accordance with the ACDC Rules for Expert Determination operated at the time the dispute is referred to ACDC ("Rules");
- (b) the rules set out the procedures to be adopted, the process of selection of the expert and the costs involved;
- (c) the terms of the Rules are hereby deemed incorporated into this deed; and
- (d) this clause shall survive termination of this deed,

and the decision of ACDC shall be final and binding on the Issuer, the Trustee and the Security Trustee.

16.4 Expenses

In addition to remuneration hereunder, the Trustee shall on written request, pay, in accordance with the Cashflow Allocation Methodology, all Liabilities which the Security Trustee may properly incur in relation to the negotiation, preparation and execution of, the exercise of its powers and the performance of its duties under or pursuant to this deed and any of the other Programme Documents to which the Security Trustee is a party including but not limited to travelling and legal expenses and any stamp, issue, registration, documentary and other similar Taxes or duties paid or payable by the Security Trustee in connection with any action taken or contemplated by or on behalf of the Security Trustee for enforcing this deed or any of the other Programme Documents to which it is party.

16.5 Indemnity

Without prejudice to the right of indemnity by law given to trustees, the Trustee shall indemnify the Security Trustee on demand in full, on an after-Tax basis, in

respect of all Liabilities (including claims and liabilities in respect of Taxes other than on its own overall net income, legal and travelling expenses), and Liabilities to which it (or any person appointed by it to whom any trust, power, authority or discretion may be delegated by it in the execution or purported execution of the trusts, powers, authorities or discretions vested in it by or pursuant to this deed and any of the other Programme Documents to which the Security Trustee is a party) may be or become liable or which may be properly incurred by it (or any such person as aforesaid) in the execution or purported execution of any of its trusts, powers, authorities and discretions hereunder or its functions under any such appointment or in respect of any other matter or thing done or omitted in any way relating to this deed and any of the other Programme Documents to which the Security Trustee is a party, or any such appointment and the Security Trustee shall be entitled to be indemnified in full out of the Secured Property in respect thereof. The Security Trustee shall not be entitled to be indemnified twice in respect of the same matter pursuant to this clause and the indemnity contained in clause 17.2.

16.6 GST documentation

The supplier will provide the recipient any reasonable documentation required for GST purposes so as to enable the recipient to receive an input tax credit or tax refund for GST purposes.

16.7 Interest

All amounts payable pursuant to clauses 16.4 and 16.5 shall be payable by or on behalf of the Trustee on the date specified in a demand by the Security Trustee and in the case of payments actually made by the Security Trustee prior to such demand shall carry interest at the rate of one per cent. per annum above the Bank Bill Rate from the date specified in such demand, and in all other cases shall carry interest at such rate from the date 21 Local Business Days after the date of the same being demanded or (where the demand specifies that payment by the Security Trustee will be made on an earlier date) from such earlier date (not being earlier than the date of such demand) to the date of actual payment. All remuneration payable to the Security Trustee shall carry interest at such rate from the due date therefor.

16.8 Mandatory Retirement

The Security Trustee covenants that it will retire as Security Trustee if:

- (a) the Security Trustee ceases to carry on business in all respects or as a professional trustee;
- (b) there is a change in the effective control of the Security Trustee (other than a change which does not alter the status of the Security Trustee as a wholly owned subsidiary of Perpetual Limited ABN 86 000 431 827) without the prior written consent of the Trust Manager (such consent not to be unreasonably withheld);
- (c) there Security Trustee merges or consolidates with another entity without the consent of the Trust Manager (such consent not to be unreasonably withheld);
- (d) an Insolvency Event occurs in respect of the Security Trustee in its personal capacity (but not in its capacity as trustee of any other trust);

- (e) an Extraordinary Resolution requiring the removal of the Security Trustee as trustee of any Security Trust is passed at a meeting of Voting Secured Creditors under clause 10 of this deed (if the Bond Trustee is not the Voting Secured Creditor at the time);
- (f) it receives a direction from the Bond Trustee (if the Bond Trustee is the Voting Secured Creditor at the time); or
- (g) when required to do so by the Trust Manager or the Trustee by notice in writing, the Security Trustee fails or neglects within 14 days after receipt of such notice to carry out or satisfy any material duty imposed on the Security Trustee in respect of the Security Trust.

16.9 Removal by Trust Manager

If the Security Trustee refuses to retire, the Trust Manager is entitled to remove the Security Trustee from office immediately by notice in writing if an event referred to in clause 16.8 has occurred. On the retirement or removal of the Security Trustee under the provisions of clause 16.8 or this clause 16.9 the Trust Manager, subject to any approval required by law, is entitled to and must use its best endeavours to appoint in writing some other person whose appointment will not have an Adverse Rating Effect.

16.10 Voluntary Retirement

Subject to the appointment of a new Security Trustee, the Security Trustee may retire as trustee under this deed upon giving not more than 90 days' and not less than 30 days' notice in writing to the Trustee and the Trust Manager and the Bond Trustee (or such other time as the Trust Manager, the Trustee and the Security Trustee agree). Subject to any approval required by law, the Security Trustee may appoint in writing as the replacement any other person who is approved by the Trust Manager (such approval not to be unreasonably withheld) and whose appointment the Trust Manager believes will not cause an Adverse Rating Effect. If the Security Trustee does not propose a replacement in the notice given by the Security Trustee under this clause or by the date which is 30 days prior to the date of the Security Trustee's proposed retirement, as the case may be, the Trust Manager must appoint a new security trustee as of the date of the proposed retirement.

16.11 Appointment of new Security Trustee by Voting Secured Creditors

If a new security trustee has not been appointed under clauses 16.9 or 16.10 at a time when the position of security trustee becomes vacant in accordance with those clauses, the Trust Manager must act as security trustee in accordance and subject to the protections contained in this deed and must:

- (a) if there are no Covered Bonds outstanding in respect of all Trusts, promptly convene a meeting of the Voting Secured Creditors of all Trusts at which Voting Secured Creditors, holding or who are owed between them an amount which is not less than 75% of the Secured Money at the time, appoint any person nominated by any of them to act as security trustee; and
- (b) if there are Covered Bonds outstanding in respect a Trust, seek a direction from the Bond Trustee (on behalf the Covered Bondholders) as Voting Secured Creditor.

16.12 Rating

Any mandatory retirement of the Security Trustee pursuant to clause 16.8, the removal and the appointment by the Trust Manager pursuant to clause 16.9 and the voluntary retirement of the Security Trustee pursuant to clause 16.10 is conditional upon the Trust Manager having delivered a Rating Agency Notification in respect of it and the appointment of a successor to the Trustee, copied to the Security Trustee, the Seller, the Issuer and the Designated Rating Agencies.

16.13 Power of Security Trustee

Notwithstanding the provisions of clause 16.8, the Security Trustee may (as attorney for the Trustee) upon giving prior written notice to the Trustee and the Trust Manager but without the consent of the Trustee, the Trust Manager or the Secured Creditors appoint any person established or resident in any jurisdiction (whether a trust corporation or not) to act either as a separate security trustee or as a co-trustee jointly with the Security Trustee:

- (a) if the Security Trustee considers such appointment to be in the interests of the Secured Creditors;
- (b) for the purposes of conforming to any legal requirement, restrictions or conditions in any jurisdiction in which any particular act or acts are to be performed or any Secured Property is or is to be located; or
- (c) for the purposes of obtaining a judgment or decree in any jurisdiction or the enforcement in any jurisdiction of either a judgment or decree already obtained or any of the provisions of this deed or any of the other Programme Documents to which the Security Trustee is a party or obligations arising pursuant thereto or the Charge.

The Trustee hereby irrevocably appoints the Security Trustee to be its attorney in its name and on its behalf to execute any such instrument of appointment. Such a person shall (subject always to the provisions of this deed or any of the other Programme Documents to which the Security Trustee is a party) have such trusts, powers, authorities and discretions (not exceeding those conferred on the Security Trustee by this deed or any of the other Programme Documents to which the Security Trustee is a party) and such duties and obligations as shall be conferred or imposed on it by the instrument of appointment. The Security Trustee shall have power in like manner to remove any such person. Such proper remuneration as the Security Trustee may pay to any such person, together with any attributable costs, charges and expenses incurred by it in performing its function as such separate trustee or co-trustee, shall for the purposes of this deed be treated as costs, charges and expenses incurred by the Security Trustee.

16.14 Multiple Security Trustees

Whenever there shall be more than two security trustees of the Security Trust, the majority of such security trustees shall be competent to execute and exercise all the trusts, powers, authorities and discretions vested by this deed and any of the other Programme Documents in the Security Trustee generally.

16.15 Release of Security Trustee

Subject to clause 16.16, upon retirement or removal of the Security Trustee, the Security Trustee is released from all obligations under this deed arising after the

date of the retirement or removal. The Trust Manager and the Trustee may settle with the Security Trustee the amount of any sums payable by the Security Trustee to the Trust Manager or the Trustee or by the Trust Manager or the Trustee to the Security Trustee and may give to or accept from the Security Trustee a discharge in respect of those sums which will be conclusive and binding as between the Trust Manager, the Trustee and the Security Trustee but not as between the Security Trustee and the Voting Secured Creditors. The removal, retirement or discharge of the Security Trustee will not affect the rights or indemnities available to it under this deed or at law in relation to the performance and exercise by the Security Trustee of its obligations and powers as Security Trustee.

16.16 Vesting of Trust Fund in new Security Trustee

The Security Trustee, on its retirement or removal, must vest each Trust Fund of the relevant Security Trusts or cause it (or them) to be vested in the new security trustee and must deliver and assign to such new security trustee as appropriate all books, documents, records and other property whatsoever relating to the Trust Fund or Trust Funds in the Security Trustee's possession (at the cost of that Trust Fund). Except on removal, the Security Trustee may make it a condition of vesting property in the new security trustee that all liabilities of the retiring security trustee for which it is entitled to be indemnified and for which the retiring security trustee considers it is personally liable are first satisfied or provided for to the reasonable satisfaction of the retiring security trustee.

16.17 New Security Trustee to Execute Deed

Each new security trustee must upon its appointment execute a deed in such form as the Trust Manager may require whereby such new security trustee must undertake to the relevant Voting Secured Creditors jointly and severally to be bound by all the covenants on the part of the Security Trustee under this deed from the date of such appointment. Any appointment of a new security trustee has no effect until such a deed is executed by the new security trustee.

16.18 Security Trustee Further Assurance

The Security Trustee must do all such things and execute all such documents which are necessary or appropriate for the new security trustee to obtain the benefit of this deed.

16.19 Dealings with Trust

- (a) None of the:
 - (i) Security Trustee;
 - (ii) Related Entities of the Security Trustee;
 - (iii) directors or officers of the Security Trustee or its Related Entities; or
 - (iv) shareholders of the Security Trustee or its Related Entities,is prohibited from:
- (v) subscribing for, purchasing, holding, dealing in or disposing of Covered Bonds;

- (vi) at any time:
 - (A) contracting with;
 - (B) acting in any capacity as representative or agent for; or
 - (C) entering into any financial, banking, agency or other transaction with,

any other of them, the Trustee (and its Related Entities), the Trust Manager (and its Related Entities) or any Secured Creditor;
- (vii) being interested in any contract or transaction referred to in paragraph (vi); or
- (viii) doing anything it could do if the Security Trustee and the Trustee were not parties to this deed.

None of the persons mentioned is liable to account to the Voting Secured Creditors for any profits or benefits (including, without limitation, bank charges, commission, exchange brokerage and fees) derived in connection with anything referred to in paragraph (v) to (viii).

The preceding provisions of this clause 16.19(a) only apply if the Security Trustee, in connection with the action, contract or transaction, acts in good faith to all Voting Secured Creditors.

Without limiting the rest of this clause 16.19(a), the Security Trustee and any Related Entity of the Security Trustee may perform different roles in connection with the Programme Documents, including roles as issuer trustee, security trustee, registrar, paying agent, beneficiary, and notwithstanding that interests or duties of the Related Entity of the Security Trustee in respect of those roles may conflict with interests or duties of the Security Trustee or the interests of any Secured Creditor of a Trust. The Security Trustee and each Related Entity of the Security Trustee will have no liability to any person for assuming different roles or for any use, non-use or communication of any information as contemplated by this deed and the Programme Documents. This paragraph is subject to the requirement that the Security Trustee and each relevant Related Entity of the Security Trustee acts in good faith without fraud, gross negligence or wilful default regarding its obligations under the Programme Documents to the Voting Secured Creditors of each Trust in exercising any powers or rights or taking any action of the kind permitted under this clause.

- (b) The Security Trustee will bear the reasonable costs of its removal if it is removed because of an Insolvency Event. The Security Trustee will indemnify the Trust Manager and each Trust for these costs. These costs are not payable out of the Assets of a Trust.

17 Preservation of Security Trustee's rights

17.1 Liabilities of Trustee not affected

The liabilities under this deed of the Trustee and the rights under this deed of the Security Trustee, a Receiver or an Attorney appointed under this deed are not affected by anything which might otherwise affect them at law or in equity including, without limitation, one or more of the following (whether occurring with or without the consent of a person):

- (a) the Security Trustee or another person granting time or other indulgence (with or without the imposition of an additional burden) to, compounding or compromising with, or wholly or partially releasing the Trustee or another person in any way;
- (b) laches, acquiescence, delay, acts, omissions or mistakes on the part of the Security Trustee or another person or both the Security Trustee and another person;
- (c) any variation or novation of a right of the Security Trustee or another person, or material alteration of a document, in respect of the Trustee or another person including, without limitation, an increase in the limit of or other variation in connection with the Secured Money;
- (d) the transaction of business, expressly or impliedly, with, for or at the request of the Trustee or another person;
- (e) a change in the legal capacity, rights or obligations of a person;
- (f) the fact that a person is a trustee, nominee, joint owner, joint venturer or a member of a partnership, firm or association;
- (g) a judgment against the Trustee or another person;
- (h) any part of the Secured Money being irrecoverable;
- (i) an assignment of rights in connection with the Secured Money;
- (j) the acceptance of repudiation or other termination in connection with the Secured Money;
- (k) without limiting the provisions of the Programme Documents, the invalidity or irregularity in the execution of this deed by the Trustee or any other person or any deficiency in the powers of the Trustee or any other person to enter into or observe its obligations under this deed; or
- (l) any obligation of the Trustee or any other person being discharged by operation of law or otherwise.

17.2 Continuing Security

This deed is a continuing security despite any intervening payment, settlement of account or other thing until a release has been executed and given to the Trustee.

17.3 Other rights unaffected

Except as expressly limited under this deed, this deed does not otherwise affect any other right, power or remedy of a Secured Creditor at law or in equity.

17.4 Purchaser from Security Trustee

A purchaser from or other person dealing with the Security Trustee, or any Receiver, or any Attorney appointed under this deed or a person to whom is tendered for registration an instrument duly executed by any of them need not inquire:

- (a) whether the Secured Money is in fact owing or payable;
- (b) whether default has occurred;
- (c) whether a right, power or remedy which they have exercised or purported to exercise has been properly exercised;
- (d) whether a Receiver has been properly appointed; or
- (e) about any other thing in connection with the exercise or purported exercise of a right, power or remedy.

18 Power of attorney

18.1 Attorney of Trustee

The Trustee, in respect of each Trust, irrevocably appoints the Security Trustee, each Authorised Officer of the Security Trustee, and each Receiver severally its attorneys (each an “Attorney”).

18.2 Attorney’s Powers

Upon the occurrence of a Covered Bond Guarantor Event of Default in relation to a Trust, each Attorney may:

- (a) in the name of the Trustee (in its capacity as trustee of that Trust) or the Attorney do anything which the Trustee (in its capacity as trustee of that Trust) may lawfully authorise an Attorney to do in connection with this deed or the Secured Property of that Trust or which in the Attorney’s opinion is necessary or expedient to give effect to any right, power or remedy conferred on the Security Trustee or a Receiver by this deed, by law or otherwise, (including, without limitation, executing deeds and instituting, conducting and defending legal proceedings);
- (b) delegate such of its powers (including, and where applicable, this power of delegation) as it would be entitled to delegate under clause 7.27(a) if it held those powers in its own right rather than as attorney of the Trustee (in its capacity as trustee of the Trust) to any person for any period and may revoke a delegation; and
- (c) exercise or concur in exercising its powers even if the Attorney has a conflict of duty in exercising its powers or has a direct or personal interest in the means or result of that exercise of powers.

18.3 Ratification by Trustee

The Trustee agrees to ratify anything done by an Attorney or its delegate in accordance with clause 18.2.

18.4 Indemnity

The Trustee irrevocably and unconditionally undertakes to indemnify the Attorneys and each delegate appointed by the Attorney pursuant to clause 18.1 (each an “**Indemnified Party**”) against all actions, proceedings, claims, costs, expenses and liabilities of every description arising from the exercise, or the purported exercise, of any of the powers conferred by this power of attorney, save where the same arises as the result of the fraud, gross negligence or wilful default of the relevant Indemnified Party or its officers or employees.

19 Notices

19.1 Form

Unless expressly stated otherwise in the Programme Documents, all notices, directions, certificates, consents, approvals, waivers, requests, recommendations, demands and other communications in connection with a Programme Document must be in writing, signed by the sender (if an individual) or an Authorised Officer of the sender and marked for the attention of the person identified below or, if the recipient has notified otherwise, then marked for attention in the way last notified.

19.2 Time effective

Communications take effect from the time they are received or taken to be received under clause 19.3(a) (whichever happens first) unless a later time is specified.

19.3 Receipt

- (a) Communications are taken to be received:
 - (i) in the case of a posted letter, on the third (seventh, if posted to or from a place outside Australia) day after posting; and
 - (ii) if sent by fax, at the time shown in the transmission report as the time that the whole fax was sent.
- (b) However, if communications are received or taken to be received after 5.00 pm in the place of receipt or on a non-Business Day, they are taken to be received at 9.00 am on the next Business Day and take effect from that time unless a later time is specified.
- (c) All notices with respect to the Secured Creditors (other than Covered Bondholders) are valid if despatched by prepaid ordinary post (airmail if posted to a place outside Australia) to the Secured Creditors at their registered office.
- (d) Communications must be:
 - (i) left at the address set out or referred to in the Details section; or

- (ii) sent by prepaid ordinary post (airmail, if appropriate) to the address set out or referred to in the Details section; or
- (iii) sent by fax to the fax number set out or referred to in the Details section; or
- (iv) given in any other way permitted by law.

However, if the intended recipient has notified a changed address or fax number, then communications must be to that address or number.

- (e) It is acknowledged that:
 - (i) notices and communications to Covered Bondholders are to be given in accordance with the Bond Trust Deed and the Conditions; and
 - (ii) the Security Trustee is not obliged to provide any notice or communication directly to any Covered Bondholder.

20 Release and assignment

20.1 Release

- (a) The Security Trustee agrees to execute a release of the Secured Property of a Trust from the relevant Charge at the request of the Trustee (at the direction of the Trust Manager) and the Trust Manager of the relevant Trust on the earlier to occur of the full and final payment of all of the Secured Money of that Trust and the termination of the Trust.
- (b) The Security Trustee agrees to execute a release of any part of the Secured Property of a Trust from the relevant Charge if such a release is permitted under the Programme Documents for that Trust including under clause 20.5.

20.2 Assignment

The Trustee of a Trust may not create or allow to exist an Encumbrance over an interest in this deed or assign or otherwise dispose of or deal with its rights under this deed otherwise than in accordance with the Trust Terms Deed or the relevant Supplemental Deed.

20.3 Disposal of Authorised Investments and Substitution Assets

Upon the Trustee (as directed by the Trust Manager) making a disposal of any Authorised Investment or Substitution Asset that is subject to the Charge, the Security Trustee shall, if so requested in writing by the Trust Manager (but at the sole cost and expense of the Trustee) execute a release of the relevant Authorised Investment and/or Substitution Asset from the Charge, provided that the proceeds of such disposal are paid into the Trust Account from which the monies to make such Authorised Investment or Substitution Assets were originally drawn, subject to and in accordance with the provisions of the Account Bank Agreement, the Supplemental Deed and this deed.

20.4 Withdrawals from Trust Accounts

From time to time, for the avoidance of doubt, there shall be deemed to be released from the Secured Property all amounts which the Trustee (acting on the directions of the Trust Manager) and the Security Trustee, is permitted to withdraw from the Trust Accounts pursuant to the Cashflow Allocation Methodology any such release to take effect immediately upon the relevant withdrawal being made provided that where the relevant amount is transferred to another Trust Account, it shall thereupon become subject to the Charge and part of the Secured Property.

20.5 Sale and repurchase of the Purchased Receivables

- (a) In the event of any sale of Receivables (including Selected Receivables) by or on behalf of the Trustee pursuant to and in accordance with the Programme Documents, such Receivables shall no longer be Purchased Receivables and the Security Trustee shall, if so requested in writing by the Trustee (or the Trust Manager on its behalf) (at the sole cost and expense of the Trustee), take all reasonable steps necessary to ensure the release or discharge of those Receivables from the Encumbrances created under the Deed of Charge on or prior to the date of any such sale provided that the Trust Manager shall have provided to the Security Trustee a certificate from two Authorised Officers of the Trust Manager that such sale of Receivables has been made in accordance with the terms of the Programme Documents and, in the case of Selected Receivables only, that the Selected Receivables have been selected on a basis that is representative of the Purchased Receivables as a whole.
- (b) Subject to clause 20.5(a), in the event of the repurchase of a Receivable by the Seller pursuant to and in accordance with the Programme Documents, the Security Trustee will, at the prior written request of the Trustee (or the Trust Manager on its behalf) and cost of the Trustee, on the date of the repurchase release that Receivable from the Encumbrances created under this deed.

20.6 Release of Swap Collateral Excluded Amount

Notwithstanding the Charge created by this deed, the Trust Manager shall direct that the Security Trustee release from the Charge any Swap Collateral Excluded Amounts due to be returned to the relevant Swap Provider under the relevant Swap Agreement, and the Security Trustee shall comply with such request at the sole cost and expense (on an indemnity basis) of the Trustee.

21 Miscellaneous

21.1 Certificate

A certificate signed by the Security Trustee or its solicitors about a matter or about a sum payable to the Security Trustee in connection with this deed or a Deed of Charge is sufficient evidence of the matter or sum stated in the certificate unless the matter or sum is proved to be false.

21.2 Exercise of rights

The Security Trustee, a Receiver or an Attorney appointed under this deed may exercise a right, power or remedy at its discretion, and separately or concurrently

with another right, power or remedy. A single or partial exercise of a right, power or remedy by the person does not prevent a further exercise of that or an exercise of any other right, power or remedy. Failure by the person to exercise or delay in exercising a right, power or remedy does not prevent its exercise. The person with the right, power or remedy is not liable for any loss caused by its exercise, attempted exercise, failure to exercise or delay in exercising it except in the case of its fraud, gross negligence or wilful default.

21.3 Supervening legislation

Any present or future legislation which operates to vary the obligations of the Security Trustee in connection with this deed, the Secured Money or the Secured Property with the result that the Security Trustee's rights, powers or remedies are adversely affected (including, without limitation, by way of delay or postponement) is excluded except to the extent that its exclusion is prohibited or rendered ineffective by law.

21.4 Approvals and consent

The Security Trustee, a Receiver or an Attorney appointed under this deed may give conditionally or unconditionally or withhold its approval or consent in its absolute discretion, unless this deed expressly provides otherwise.

21.5 Remedies cumulative

The rights, powers and remedies provided in this deed are cumulative with and not exclusive of the rights, powers or remedies provided by law independently of this deed.

21.6 Indemnities

Each indemnity in this deed is a continuing obligation, separate and independent from the other obligations of the Security Trustee and survives termination of this deed. It is not necessary for the Security Trustee to incur expense or make payment before enforcing a right of indemnity conferred by this deed.

21.7 Time of the essence

Time is of the essence in this deed in respect of an obligation of the Security Trustee to pay money.

21.8 Receipts

The giving of a receipt by a Receiver, or an Authorised Officer of the Security Trustee, releases the person paying money to the Receiver or the Security Trustee in connection with this deed from:

- (a) liability to enquire whether the Secured Money has become payable;
- (b) liability for the money paid or expressed to be received; and
- (c) being concerned to see to its application or being answerable or accountable for its loss or misapplication.

21.9 Acknowledgment

- (a) The parties acknowledge and agree that the Trustee and the Trust Manager in exercising their powers and discretions under this deed, and in performing their obligations under this deed, must act in accordance with their duties and obligations under this deed, the Deed of Charge in respect of each Trust, the Trust Terms Deed and the Supplemental Deed in respect of each Trust and may exercise such powers and discretions as provided in this deed, the Deed of Charge in respect of each Trust, the Trust Terms Deed and the Supplemental Deed in respect of each Trust and (without limitation) in forming any opinion may obtain and act upon the advice of persons who are not parties to this deed.
- (b) The parties acknowledge that they are bound by the terms of this deed, the Trust Terms Deed, the Deed of Charge in respect of each Trust and the Supplemental Deed in respect of each Trust.

22 Modifications

22.1 Modifications

Subject to clauses 22.2, 22.3, 22.4 and 22.7 of this deed, the Security Trustee may (and in the case of modifications under clause 22.1(b) without the consent or sanction of any of the Covered Bondholders of any Series, the related Receiptholders and/or the 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 and the Trustee (as directed by the Trust Manager), the Trust Manager and any other party to the relevant document to be amended in making any modification to the Covered Bonds of one or more Series, the related Receipts and/or Coupons, to this deed (as it applies to any Security Trust) or to any other Programme Document but only if:

- (a) except if clause 22.1(b) applies:
 - (i) while the Bond Trustee is the Voting Secured Creditor, the Security Trustee is so directed by the Bond Trustee; and
 - (ii) while the Bond Trustee is not the Voting Secured Creditor, the Security Trustee is so directed by the Voting Secured Creditors; or
- (b) at any time, if the modification is:
 - (i) of a formal, minor or technical nature; or
 - (ii) made to correct a manifest error or an error established as such to the satisfaction of the Security Trustee.

22.2 Required modifications N Covered Bonds

- (a) The Security Trustee and the Bond Trustee will be obliged to concur in and to effect any modifications to the Programme Documents that are requested by the Trust Manager and which modifications to the Covered Bonds of one or more Series, the related Receipts and/or Coupons or to this deed (as it applies to any Security Trust) or any other Programme

Document are to enable N Covered Bonds to be issued under the Programme subject to receipt by the Bond Trustee and the Security Trustee of a certificate of two Authorised Officers of the Trust Manager, certifying to the Bond Trustee and the Security Trustee:

- (i) that the requested amendments are to be made solely for the purpose of the issuance of N Covered Bonds, and
 - (ii) that it has issued a Rating Agency Notification in respect of the requested amendments and that the Trust Manager is satisfied that the requested amendments are unlikely to result in an Adverse Rating Effect.
- (b) A modification in accordance with clause 22.2(a) does not require the consent or sanction of:
- (i) any Covered Bondholders of any Series or the related Receipholders and/or the Couponholders; or
 - (ii) any other Secured Creditors (other than any Secured Creditor who is party to the relevant Programme Document).
- (c) For avoidance of doubt, the Security Trustee is not obliged to concur in or effect any of the above modifications unless the Security Trustee's liability is limited and it is indemnified and otherwise protected in the manner contemplated by clause 7.

22.3 Consent not required

The prior consent of the Bond Trustee, the Security Trustee and the other Secured Creditors will not be required and will not be obtained in relation to the accession of any new Servicer, new Swap Provider, new Asset Monitor, new Bond Trustee or new Agent to the Programme provided that the relevant conditions precedent in the Programme Documents are satisfied at the time of the intended accession.

22.4 Obligation to concur

- (a) The Security Trustee and the Bond Trustee shall be obliged to concur in and to effect any modifications to the Covered Bonds of one or more Series, the related Receipts and/or Coupons, to this deed (as it applies to any Security Trust) or to any other Programme Document:
- (i) if such modifications are certified by two Authorised Officers of the Trust Manager in a certificate to the Bond Trustee and the Security Trustee to be:
 - (A) required in order that a Programme Document comply with the ratings criteria of each Designated Rating Agency;
 - (B) made to comply with provisions of law or regulation or a directive applicable to the Trustee, the Security Trustee, the Trust Manager or the Seller (in any capacity) provided that (other than where the provisions of the relevant law or the directive is mandatory) a Rating Agency Notification is given; or

- (C) made to comply with the requirements of a Designated Rating Agency in order to prevent the occurrence of an Adverse Rating Effect;
- (ii) to the Representations and Warranties that are requested by the Trustee or the Trust Manager in order that new types of Receivable may be purchased by the Trustee;
- (iii) to the Programme Documents that are requested by the Trustee or the Trust Manager to accommodate the accession of a new Servicer, new Swap Provider, new Bond Trustee, new Asset Monitor or new Agent to the Programme, provided that:
 - (A) each of the Swap Providers provide written confirmation to the Security Trustee consenting to such modification of those documents to which they are a party (such consent not to be unreasonably withheld);
 - (B) 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 Bond Trustee or new Agent to the Programme; and
 - (C) all other conditions precedent to the accession of the new Servicer, new Swap Provider, new Bond Trustee or new Agent to the Programme set out in the Programme Documents have been satisfied at the time of the accession.
- (b) A modification in accordance with clause 22.4(a) does not require the consent or sanction of:
 - (i) any Covered Bondholders of any Series or the related Receipholders and/or the Couponholders; or
 - (ii) any other Secured Creditors (other than any Secured Creditor who is party to the relevant Programme Document).
- (c) For avoidance of doubt, the Security Trustee is not obliged to concur in or effect any of the above modifications unless the Security Trustee's liability is limited and it is indemnified and otherwise protected in the manner contemplated by clause 7.

22.5 Further acts

Each of the Secured Creditors agrees from time to time to do and perform such other and further acts and execute and deliver any and all such other documents and instruments as may be required by law or requested by the other party at the other party's expense to establish, maintain and protect the rights and remedies of the other party and carry out and effect the intent and purpose of this clause 22.

22.6 Modifications binding and notification

Any such modification may be made on such terms and subject to such conditions (if any) as:

- (a) in the case of a modification under clause 22.1(a)(ii) or clause 22.1(b), the Security Trustee; or
- (b) otherwise under this clause 22, the Bond Trustee and the Security Trustee (and in the case of modifications pursuant to clause 22.2 and 22.4(a)(i), having regard to the relevant certificate from the Trust Manager),

may determine, shall be binding upon the Covered Bondholders, the related Receiptholders and/or the Couponholders, and unless the Bond Trustee and the Security Trustee otherwise agree, shall be notified by the relevant Issuer or the Trust Manager to the Covered Bondholders in accordance with the Conditions and to the Designated Rating Agencies as soon as practicable thereafter.

22.7 Tax reform

- (a) The parties acknowledge that it is in the interest of all parties, including the Trustee, the Security Trustee and the Residual Income Unitholders, that:
 - (i) the Trustee always be in a position to pay any tax liability when due;
 - (ii) the payment of tax by the Trustee must not affect the amount of principal or interest payable on any Debt Facility Agreements or the timing of such payments; and
 - (iii) the rating (if any) of any Debt Facility Agreements be maintained,
 (collectively the “**Objectives**”).
- (b) If any draft legislation is introduced into federal parliament, and the result of that draft legislation if it becomes law will be that any of the Objectives would be adversely affected, then:
 - (i) the Trust Manager shall promptly consult with the Trustee to determine what changes, if any, are necessary to the Cashflow Allocation Methodology (which may not include changes to the amounts of any fees payable by the Trustee) in the relevant Amending Deed (defined below) or the Programme Documents (or both) to achieve the Objectives;
 - (ii) within a reasonable time of the draft legislation being introduced into parliament (or such longer time as the Trustee permits) the Trust Manager shall provide a written recommendation to the Trustee, the Bond Trustee and the Security Trustee and a draft amending deed (“**Amending Deed**”) that if executed will achieve the Objectives; and
 - (iii) upon the Trustee being notified that the draft Amending Deed will achieve the Objectives (and in this regard the Trustee may rely (amongst others) upon the advice of tax lawyers) the Trustee, the Bond Trustee, the Security Trustee and the Trust Manager shall execute the Amending Deed.

- (c) Provided that the Trustee receives written advice from an experienced and reputable tax lawyer or tax accountant to the effect that if the Cashflow Allocation Methodology, as amended by the Amending Deed, is followed the Objectives will be met, and a Rating Agency Notification is given:
 - (i) the Security Trustee shall not be obliged to obtain the consent of any Secured Creditor or Unitholder to the Amending Deed, and
 - (ii) subject to its terms, the Amending Deed shall be effective when executed, and may:
 - (A) permit the Trustee to accumulate a reserve out of moneys that would otherwise be payable to the Unitholders; and/or
 - (B) provide for Tax to be paid out of moneys that would otherwise have been payable to the Unitholders.
- (d) Without limiting clause 22.7(c), in formulating a proposal to meet the Objectives, the Trust Manager shall have regard to the impact of any change to the Cashflow Allocation Methodology to the Unitholders, and shall consider proposals made by the Unitholders that will enable the Trustee to meet the Objectives.

22.8 Trust Manager certification

Where two Authorised Officers of the Trust Manager give a certificate to the Security Trustee and the Bond Trustee to the effect that modification is one to which clause 22.2, 22.3, 22.4 or 22.7 relates, then clause 22.1 does not apply and the Security Trustee has no obligation to consider whether the modification is one in respect of which its discretion needs to be exercised under clause 22.1.

22.9 Modifications affecting more than one Trust

A modification under this clause 22 may relate to:

- (a) a Programme Document as it applies to one or more Trusts; and
- (b) to Covered Bonds, Receipts and/or Coupons in relation to one or more Trusts.

Where a modification relates to more than one Trust (each an **Affected Trust**), the provisions of clauses 22.1 to 22.8 apply severally such that if any consent is required under clauses 22.1 to 22.8 to effect the amendment, such consent must be obtained from the relevant persons in respect of each Affected Trust.

23 Governing law and jurisdiction

23.1 Governing law and jurisdiction

This deed is governed by the law in force in the place specified in the Details and each party submits to the non-exclusive jurisdiction of the courts of that place.

23.2 Service

Without preventing any other method of service, any document in a court action may be served on a party by being delivered to or left at that party's address for service of notices under clause 19.

24 Counterparts

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

25 Limited Recourse

25.1 Limitation on Trustee's liability

This deed applies to the Trustee only in its capacity as trustee of each Trust and in no other capacity. A liability arising under or in connection with this deed is limited to and can be enforced against the Trustee only to the extent to which it can be satisfied out of the Assets of the relevant Trust out of which the Trustee is actually indemnified for the liability. This limitation of the Trustee's liability applies despite any other provision of this deed (other than clause 25.3) and extends to all liabilities and obligations of the Trustee in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to this deed.

25.2 Claims against Trustee

The parties other than the Trustee (including any Secured Creditor) may not sue the Trustee in any capacity other than as trustee of the relevant Trust, including seeking the appointment of a receiver (except in relation to the Assets of that Trust), or a liquidator, an administrator or any similar person to the Trustee or prove in any liquidation, administration or arrangements of or affecting the Trustee (except in relation to the Assets of that Trust).

25.3 Breach of trust

The provisions of this clause 25 limiting the Trustee's liability will not apply to any obligation or liability of the Trustee to the extent that it is not satisfied because under this deed or by operation of law there is a reduction in the extent of the Trustee's indemnification out of the Assets of that Trust as a result of the Trustee's fraud, gross negligence or wilful default.

25.4 Acts or omissions

It is acknowledged that the Relevant Parties are responsible under this deed and the other Programme Documents in relation to a Trust for performing a variety of obligations relating to that Trust. No act or omission of the Trustee (including any related failure to satisfy its obligations or breach of representation or warranty under this deed) will be considered fraud, gross negligence or wilful default for the purpose of clause 25.3 if and to the extent the act or omission was caused or contributed to by any failure by any Relevant Party or any other person appointed by the Trustee under any Programme Document (other than a person whose acts or omissions the Trustee is liable for in accordance with any Programme Document) to fulfil its obligations relating to the Trust or by any other act or omission of any Relevant Party or any other such person regardless

of whether or not the act or omission is purported to be done on behalf of the Trustee.

25.5 No obligation

- (a) No Attorney, agent, receiver or receiver and manager appointed in accordance with this deed or any other Programme Document has authority to act on behalf of the Trustee in a way which exposes the Trustee to any personal liability, and no act or omission of any such person will be considered fraud, gross negligence or wilful default of the Trustee for the purposes of clause 25.3.
- (b) The Trustee is not obliged to do anything or refrain from doing anything under or in connection with this deed (including incur a liability) unless the Trustee's liability is limited in the same manner as set out in this clause 25.

25.6 Security Trustee Liability

Notwithstanding any other provision of this deed, the Security Trustee will have no liability under or in connection with this deed, a Deed of Charge, or any other Programme Document (whether to the Secured Creditors, the Trustee, the Trust Manager or any other person) other than to the extent to which the liability is able to be satisfied out of the property of the Trust Fund of the Security Trust created by the relevant Deed of Charge from which the Security Trustee is actually indemnified for the liability. This limitation will not apply to a liability of the Security Trustee to the extent that it is not satisfied because, under this deed or by operation of law, there is a reduction in the extent of the Security Trustee's indemnification out of the relevant Trust Fund as a result of the Security Trustee's fraud, gross negligence or wilful default. Nothing in this clause 25.6 or any similar provision in any other Programme Document limits or adversely affects the powers of the Security Trustee, any Receiver or Attorney in respect of any Deed of Charge or any Secured Property.

26 Relevant Bond Trustee

26.1 Capacity

The Bond Trustee is a party to this deed in its capacity as trustee from time to time for the Covered Bondholders in relation to the Trust from time to time under the Bond Trust Deed and acts hereunder pursuant to and in accordance with the terms of the Bond Trust Deed and the Conditions.

26.2 Exercise of rights

Except as otherwise provided in this deed and in the relevant Bond Trust Deed:

- (a) **(Only by Bond Trustee):** the rights, remedies and discretions of the relevant Covered Bondholders under this deed including all rights to vote or give instructions or consent to the Security Trustee and to enforce any undertakings or warranties under this deed, may only be exercised through the relevant Bond Trustee acting on behalf of the relevant Covered Bondholders in accordance with the relevant Bond Trust Deed and Conditions;

- (b) **(Limited Right of Enforcement by Covered Bondholders):** the relevant Covered Bondholders may only exercise enforcement rights in respect of the Secured Property through the relevant Bond Trustee and only in accordance with this deed; and
- (c) **(Partial Exercise of Rights):** a party may exercise a right or remedy or give or refuse its consent under a Programme Document in any way it considers appropriate (including by imposing conditions).

26.3 Instructions or directions

The Security Trustee may rely on any instructions or directions given to it by the relevant Bond Trustee as being given on behalf of all the relevant Covered Bondholders from time to time and need not inquire whether any such instructions or directions are in accordance with the relevant Bond Trust Deed or any other Programme Document (other than this deed), whether the relevant Bond Trustee or the Covered Bondholders from time to time have complied with any requirements under the relevant Bond Trust Deed or any other Programme Document (other than this deed) or as to the reasonableness or otherwise of the relevant Bond Trustee.

26.4 Voting and directions

If the Bond Trustee is entitled under this deed to give directions to the Security Trustee as Voting Secured Creditor on behalf of the relevant Covered Bondholders,

the Bond Trustee will give such directions in accordance with the directions of the Covered Bondholders by means of an Extraordinary Resolution or pursuant to an exercise of its discretion subject to the terms and protections of the Bond Trust Deed and the Bond Trustee will not be responsible for any delay occasioned by obtaining a response from the Covered Bondholders provided that the Bond Trustee complies with the terms of the Bond Trust Deed.

26.5 Payments

Any payment to be made to a Covered Bondholder under this deed may be made to or to the order of the relevant Bond Trustee or a Paying Agent on behalf of that Covered Bondholder.

26.6 Limitation of relevant Bond Trustee's Liability

The liability of the relevant Bond Trustee under this deed is limited in the manner and to the same extent as under the relevant Bond Trust Deed.

EXECUTED as a deed in Victoria.

Security Trust Deed

Signing page

DATED: 31 October 2011

Trustee

SIGNED, SEALED AND DELIVERED)
by Madeleine de Gans)
as attorney for **PERPETUAL**)
CORPORATE TRUST LIMITED under)
power of attorney dated 31/10/11)

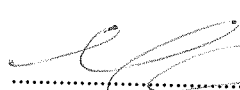
in the presence of:)


Signature of witness)

EMILY ZHANG
Name of witness (block letters))

Level 50, Burke Place, 600 Burke St, Melbourne, Vic 3000
Address of witness)

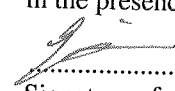
Solicitor
Occupation of witness)


By executing this deed the attorney states
that the attorney has received no notice of
revocation of the power of attorney

Security Trustee

SIGNED, SEALED AND DELIVERED)
by Madeleine de Gans)
as attorney for **P.T. LIMITED** under)
power of attorney dated 31/10/11)

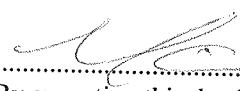
in the presence of:)


Signature of witness)

EMILY ZHANG
Name of witness (block letters))

Level 50, Burke Pl, 600 Burke St, Melbourne Vic 3000
Address of witness)

Solicitor
Occupation of witness)


By executing this deed the attorney states
that the attorney has received no notice of
revocation of the power of attorney

Trust Manager

**SIGNED, SEALED AND
DELIVERED** by)
)

KAMLESH DYALL)
as attorney for ANZ CAPEL COURT)
LIMITED under power of attorney)
dated 3.1 OCT 2011)
in the presence of:)

)
.....)
Signature of witness)

EMILY ZAACH)
.....)
Name of witness (block letters))

Level 50, Bourke Place, 60- Bourke St, Melb)
Address of witness VIC 3000)

Solicitor)
.....)
Occupation of witness)

)
.....)
By executing this deed the signatory)
states that the signatory has received no)
notice of revocation of the authority)
pursuant to which they execute this)
deed)

Bond Trustee

SIGNED, SEALED AND DELIVERED)
by)

and)

as authorised signatories for DB)
TRUSTEES (HONG KONG) LIMITED)
in the presence of:)

.....)
Signature of witness)

.....)
Name of witness (block letters))

.....)
By executing this deed the signatory states)
that signatory has received no notice of)
revocation of the authority under which)
this deed is signed, sealed and delivered)

.....)
By executing this deed the signatory states)
that signatory has received no notice of)
revocation of the authority under which)
this deed is signed, sealed and delivered)

Trust Manager

**SIGNED, SEALED AND
DELIVERED** by)
)

as attorney for **ANZ CAPEL COURT
LIMITED** under power of attorney)
dated)
in the presence of:)
)
)
)

.....)
Signature of witness)
)

.....)
Name of witness (block letters))
)

.....)
Address of witness)
)

.....)
Occupation of witness)

.....
By executing this deed the signatory
states that the signatory has received no
notice of revocation of the authority
pursuant to which they execute this
deed

Bond Trustee

SIGNED, SEALED AND DELIVERED)
by)
)

and)
)

as authorised signatories for **DB
TRUSTEES (HONG KONG) LIMITED**)
in the presence of:)
)

.....)
Signature of witness Chan Wai Suen)
Authorised Signatory)
)

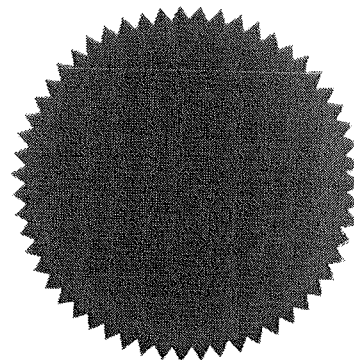
.....)
Name of witness (block letters))
)

.....
Choi Siu Ling
Authorised Signatory

.....
By executing this deed the signatory states
that signatory has received no notice of
revocation of the authority under which
this deed is signed, sealed and delivered

.....
Annita Yeo Shiao Lian
Authorised Signatory

.....
By executing this deed the signatory states
that signatory has received no notice of
revocation of the authority under which
this deed is signed, sealed and delivered



MALLESONS STEPHEN JAQUES

ANZ Residential Covered Bond Trust Deed of Charge

Dated 31 October 2011

Perpetual Corporate Trust Limited (ABN 99 000 341 533) as trustee of
the ANZ Residential Covered Bond Trust ("**Trustee**")
P.T. Limited (ABN 67 004 454 666) ("**Security Trustee**")
ANZ Capel Court Limited (ABN 30 004 768 807) ("**Trust Manager**")
DB Trustees (Hong Kong) Limited ("**Bond Trustee**")

Mallesons Stephen Jaques

Level 30
Waterfront Place
1 Eagle Street
Brisbane Qld 4000
Australia
T +61 7 3244 8000
F +61 7 3244 8999
DX 311 Brisbane
www.mallesons.com

ANZ Residential Covered Bond Trust Deed of Charge

Contents

Details	1
General terms	3
1 Interpretation and Definitions	3
1.1 Definitions	3
1.2 Interpretation	4
1.3 Incorporation	4
1.4 Programme Document	4
2 Creation of Security Trust	5
2.1 Creation of Security Trust	5
3 Charge	5
3.1 Charge	5
3.2 Other Securities	5
3.3 Charge over the Trustee's rights under Swap Agreements	5
3.4 Set-off under Intercompany Loan Agreement and Demand Loan Agreement	5
4 Nature of charge	6
4.1 Nature of charge	6
4.2 Conversion to fixed charge	6
5 Notices and other communications	6
5.1 Form - all communications	6
5.2 Delivery	6
5.3 When effective	6
5.4 When taken to be received	6
5.5 Receipt outside business hours	7
5.6 Heading	7
6 Governing law, jurisdiction and service of process	7
6.1 Governing law and jurisdiction	7
6.2 Service	7
7 Counterparts	7
8 Limited recourse	7
8.1 Security Trustee Liability	7
8.2 Limitation on Trustee's liability	8
8.3 Claims against Trustee	8
8.4 Breach of trust	8
8.5 Acts or omissions	8
9 Bond Trustee	9
9.1 Capacity	9
9.2 Exercise of rights	9

9.3	Instructions or directions	9
9.4	Payments	9
9.5	Notices	9
9.6	Limitation of Bond Trustee's Liability	10
10	Priority amount	10
10.1	Prospective Liability	10
Signing page		11

ANZ Residential Covered Bond Trust Deed of Charge Details

Parties		
Trustee, Security Trustee, Trust Manager and Bond Trustee		
Trustee	Name	Perpetual Corporate Trust Limited as trustee of the ANZ Residential Covered Bond Trust
	ABN	99 000 341 533
	Address	Level 12, 123 Pitt Street, Sydney NSW 2000
	Telephone	+61 2 9229 9000
	Fax	+61 2 8256 1424
	Attention	Manager, Transaction Management Trust and Fund Services
Security Trustee	Name	P.T. Limited
	ABN	67 004 454 666
	Address	Level 12, 123 Pitt Street, Sydney NSW 2000
	Telephone	+61 2 9229 9000
	Fax	+61 2 8256 1424
	Attention	Manager, Transaction Management Trust and Fund Services
Trust Manager	Name	ANZ Capel Court Limited
	ABN	30 004 768 807
	Address	Level 10, 100 Queen Street, Melbourne VIC 3000
	Telephone	+61 3 9273 1851
	Fax	+61 3 8542 5283
	Attention	Manager, DCM Services
Bond Trustee	Name	DB Trustees (Hong Kong) Limited
	Place of Incorporation	Hong Kong
	Address	Level 52 International Commerce Centre 1 Austin Road West

Kowloon
Hong Kong

Telephone +852 2203 8888

Fax +852 2203 7320/7327

Attention Managing Director

Recitals

- A** The Security Trust Deed makes provision for the establishment of the Security Trust.
- B** As security for its obligations to the Secured Creditors, the Trustee, as trustee of the Trust, has agreed to grant to the Security Trustee a charge over the Asset Pool for the benefit of the Secured Creditors.
- C** The Trustee has the power under the Trust Terms Deed to grant the charge evidenced in the Security Trust Deed and this deed.
- D** The Security Trustee has agreed to act as trustee for the Secured Creditors and hold the benefit of the Charge on trust for the Secured Creditors and otherwise act in accordance with the Security Trust Deed and this deed.
- E** The Bond Trustee acts as Bond Trustee on behalf of the Covered Bondholders in accordance with the Bond Trust Deed.

Date of deed See Signing page

ANZ Residential Covered Bond Trust Deed of Charge

General terms

1 Interpretation and Definitions

1.1 Definitions

The following terms have the meaning set out below unless the context otherwise requires:

Definitions Schedule means the deed called “ANZ Residential Covered Bond Trust Definitions Schedule” dated on or about the date of this deed and made between, among others, the Trustee, the Trust Manager, the Bond Trustee, the Security Trustee and Australia and New Zealand Banking Group Limited ABN 11 005 357 522.

Secured Money means all amounts which at any time for any reason or circumstance in connection with any Programme Document that relates to, or applies to, the Trust or this deed or any transactions contemplated by any of them (insofar as such transactions relate to, or apply to, the Trust), whatsoever whether at law, in equity, under statute or otherwise:

- (a) are payable, are owing but not currently payable, are contingently owing, or remain unpaid by the Trustee to the Security Trustee on its own account or for the account of the Secured Creditors or to any Secured Creditor or to any Receiver;
- (b) have been advanced or paid by the Security Trustee on its own account or for the account of the Secured Creditors or by any Secured Creditor:
 - (i) at the express request of the Trustee; and
 - (ii) on behalf of the Trustee;
- (c) which the Security Trustee on its own account or for the account of the Secured Creditors or any Secured Creditor is liable to pay by reason of any act or omission of the Trustee or has paid or advanced in the protection or maintenance of the Secured Property or the security interest created by this deed following an act or omission by the Trustee; or
- (d) are reasonably foreseeable as likely, after that time, to fall within any of paragraphs (a), (b) or (c) above.

This definition applies:

- (a) irrespective of the capacity in which the Trustee, the Security Trustee or any Secured Creditor became entitled or is liable in respect of the amount concerned;
- (b) whether the Trustee, the Security Trustee or any Secured Creditor is liable as principal debtor or surety or otherwise;

- (c) whether the Trustee is liable alone or jointly, or jointly and severally with another person;
- (d) whether the Security Trustee or any Secured Creditor is the original obligee or an assignee or a transferee of the Secured Money and whether or not:
 - (i) the assignment or transfer took place before or after the delivery of this deed; or
 - (ii) the Trustee consented to or was aware of the assignment or transfer; or
 - (iii) the assigned or transferred obligation was secured; or
- (e) whether the Security Trustee or any Secured Creditor is the original Security Trustee or an original Secured Creditor or an assignee or a transferee of the original Security Trustee or an original Secured Creditor, and whether or not the Trustee consented to or was aware of the assignment or transfer; or
- (f) irrespective of the liquidation, insolvency or bankruptcy of any persons; or;
- (g) irrespective of any limitation of liability applying to any person.

Secured Property means all future Assets of the Trust acquired after the date of this deed by the Trustee on the terms of the Trust in accordance with the Trust Terms Deed and the Supplemental Deed.

Security Trust means the ANZ Residential Covered Bonds Security Trust constituted by the Notice of Creation of Trust.

Supplemental Deed means the deed entitled "ANZ Residential Covered Bond Trust Supplemental Deed" dated on or about the date of this deed between, amongst others, the Trustee, the Trust Manager, the Security Trustee and Australia and New Zealand Banking Group Limited ABN 11 005 357 522.

Trust means the ANZ Residential Covered Bond Trust.

1.2 Interpretation

Except to the extent to which words and phrases are otherwise defined in this deed, words and phrases defined in the Definitions Schedule shall bear the same meaning in this deed. In the event of any inconsistency between a definition in this deed and a definition in the Definitions Schedule, the definition in this deed will prevail.

1.3 Incorporation

Clauses 2.1 to 2.5 (inclusive) of the Definitions Schedule are deemed to be incorporated in this deed as if set out in full in it.

1.4 Programme Document

This deed is a Programme Document in respect of the Trust for the purposes of the Trust Terms Deed.

2 Creation of Security Trust

2.1 Creation of Security Trust

The Security Trust has been constituted by the Notice of Creation of Trust.

3 Charge

3.1 Charge

- (a) The Trustee charges all its right, title and interest in the Secured Property to the Security Trustee itself and on trust for the Secured Creditors as security for payment of the Secured Money.
- (b) The Trustee acknowledges giving this Charge and incurring obligations and giving rights under this deed for valuable consideration.
- (c) The charge granted by this deed is a "Charge" for the purposes of the Security Trust Deed insofar as it applies to the Trust.
- (d) This deed is the "Deed of Charge" for the purposes of the Security Trust Deed insofar as it applies to the Trust.
- (e) The Trustee acknowledges and agrees that this Charge is subject to the terms of the Security Trust Deed and the Bond Trust Deed.

3.2 Other Securities

- (a) This deed is collateral to each other Encumbrance granted by the Trustee (if any) (whenever executed or given) which is at any time held by a Secured Creditor.
- (b) Nothing in this deed shall discharge, abate or prejudice any other Encumbrance at any time held by any person.

3.3 Charge over the Trustee's rights under Swap Agreements

The Charge over the Trustee's rights under the Swap Agreements takes effect without prejudice to, and after giving effect to, any netting provision contained in the Swap Agreements with the intent that if an Early Termination Date occurs under a Swap Agreement, the Secured Property shall include, to the extent it relates to the amount (if any) payable to the Trustee on that date, the amount determined under the Swap Agreement after giving effect to those netting provisions.

3.4 Set-off under Intercompany Loan Agreement and Demand Loan Agreement

Without limitation to clause 4.2 of the Security Trust Deed, the Security Trustee:

- (a) expressly authorises and approves the set-offs described in clause 7.5 of the Intercompany Loan Agreement and clauses 5.1 and 9.3 of the Demand Loan Agreement;
- (b) agrees that it shall not in any way interfere with, or restrict the exercise of, the Trustee's right to the Indemnity Payment Rights.

4 Nature of charge

4.1 Nature of charge

This Charge is a floating charge on all the Secured Property.

4.2 Conversion to fixed charge

Without derogating from the provisions of clause 8 of the Security Trust Deed, the Security Trustee may, by notice given at any time to the Trustee, convert the floating charge to a fixed charge in relation to the Secured Property specified in the notice where the Security Trustee reasonably considers that it is necessary to protect the rights of the Secured Creditors under this deed and the Security Trust Deed. The Security Trustee must notify each Designated Rating Agency promptly upon so converting the charge.

5 Notices and other communications

5.1 Form - all communications

Unless expressly stated otherwise in the Programme Documents, all notices, certificates, consents, approvals, waivers, requests, recommendations, demands and other communications in connection with a Programme Document must be in writing, signed by the sender (if an individual) or an Authorised Officer of the sender and marked for the attention of the person identified in the Details or, if the recipient has notified otherwise, then marked for attention in the way last notified.

5.2 Delivery

Communications must be:

- (a) left at the address set out or referred to in the Details; or
- (b) sent by prepaid ordinary post (airmail, if appropriate) to the address set out or referred to in the Details; or
- (c) sent by fax to the fax number set out or referred to in the Details; or
- (d) given in any other way permitted by law.

However, if the intended recipient has notified a changed address or fax number, then communications must be to that address or number.

5.3 When effective

Communications take effect from the time they are received or taken to be received under clause 5.4 (whichever happens first) unless a later time is specified.

5.4 When taken to be received

Communications are taken to be received:

- (a) if sent by post, three days after posting (or seven days after posting if sent from one country to another); or

- (b) if sent by fax, at the time shown in the transmission report as the time that the whole fax was sent.

5.5 Receipt outside business hours

Despite clauses 5.3 and 5.4, if communications are received or taken to be received under clause 5.4 after 5.00 pm in the place of receipt or on a non-Business Day, they are taken to be received at 9.00 am on the next Business Day and take effect from that time unless a later time is specified.

5.6 Notices to Secured Creditors

All notices with respect to the Secured Creditors are valid if despatched by prepaid ordinary post (airmail if posted to a place outside Australia) to the Secured Creditors at their registered office or, in the case of Covered Bondholders, in accordance with clause 9.5 of this deed. Such notice (subject to the terms of the Bond Trust Deed and the Conditions) is taken to be received on the third (seventh, if posted to a place outside Australia) day after posting.

6 Governing law, jurisdiction and service of process

6.1 Governing law and jurisdiction

This deed is governed by the law in force in the State of Victoria, Australia and each party submits to the non-exclusive jurisdiction of the courts of the State of Victoria, Australia.

6.2 Service

Without preventing any other method of service, any document in a court action may be served on a party by being delivered to or left at that party's address for service of notices under clause 5.

7 Counterparts

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

8 Limited recourse

8.1 Security Trustee Liability

Notwithstanding any other provision of this deed, 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 Trustee, the Trust Manager or any other person) other than to the extent to which the liability is able to be satisfied in accordance with the Security Trust Deed or any other Programme Document out of the property of the Trust Fund from which the Security Trustee is actually indemnified for the liability. This limitation will not apply to a liability of the Security Trustee to the extent that it is not satisfied because, under the Security Trust Deed or by operation of law, there is a reduction in the extent of the Security Trustee's indemnification as a result of the Security Trustee's fraud, gross negligence or wilful default. Nothing in this clause 8.1 or any

similar provision in any other Programme Document limits or adversely affects the powers of the Security Trustee, any Receiver or Attorney in respect of the Charge or the Secured Property.

8.2 Limitation on Trustee's liability

The Trustee enters into this deed only in its capacity as trustee of the Trust and in no other capacity. A liability arising under or in connection with this deed or the Trust is limited to and can be enforced against the Trustee only to the extent to which it can be satisfied out of the Assets of the Trust out of which the Trustee is actually indemnified for the liability. This limitation of the Trustee's liability applies despite any other provision of this deed (other than clause 8.4) and extends to all liabilities and obligations of the Trustee in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to this deed or the Trust.

8.3 Claims against Trustee

The parties other than the Trustee may not sue the Trustee in any capacity other than as trustee of the Trust, including seeking the appointment of a receiver (except in relation to the Assets of the Trust), or a liquidator, an administrator or any similar person to the Trustee or prove in any liquidation, administration or arrangements of or affecting the Trustee (except in relation to the Assets of the Trust).

8.4 Breach of trust

The provisions of this clause 8 limiting the Trustee's liability will not apply to any obligation or liability of the Trustee to the extent that it is not satisfied because under this deed or any other Programme Document in relation to the Trust or by operation of law there is a reduction in the extent of the Trustee's indemnification out of the Assets of the Trust as a result of the Trustee's fraud, gross negligence or wilful default.

8.5 Acts or omissions

- (a) It is acknowledged that the Relevant Parties are responsible under this deed and the other Programme Documents for performing a variety of obligations relating to the Trust. No act or omission of the Trustee (including any related failure to satisfy its obligations or breach of representation or warranty under this deed) will be considered fraud, gross negligence or wilful default for the purpose of clause 8.4 if and to the extent the act or omission was caused or contributed to by any failure by any Relevant Party or any other person appointed by the Trustee under any Programme Document (other than a person whose acts or omissions the Trustee is liable for in accordance with any Programme Document) to fulfil its obligations relating to the Trust or by any other act or omission of any Relevant Party or any other such person regardless of whether or not the act or omission is purported to be done on behalf of the Trustee.
- (b) No attorney, agent, receiver or receiver and manager appointed in accordance with this deed or any other Programme Document has authority to act on behalf of the Trustee in a way that exposes the Trustee to any personal liability, and no act or omission of any such person will

be considered fraud, gross negligence or wilful default of the Trustee for the purpose of clause 8.4.

- (c) The Trustee is not obliged to do anything or refrain from doing anything under or in connection with this deed (including incur a liability) unless the Trustee's liability is limited in the same manner as set out in this clause 8.

9 Bond Trustee

9.1 Capacity

The Bond Trustee is a party to this deed in its capacity as trustee for the Covered Bondholders of the Trust from time to time under the Bond Trust Deed and acts hereunder pursuant to and in accordance with the terms of the Bond Trust Deed.

9.2 Exercise of rights

Except as otherwise provided in this deed and in the Bond Trust Deed:

- (a) **(Only by Bond Trustee):** the rights, remedies and discretions of the Covered Bondholders under this deed including all rights to vote or give instructions or consent to the Security Trustee and to enforce any undertakings or warranties under this deed, may only be exercised through the Bond Trustee in accordance with and subject to the Bond Trust Deed; and
- (b) **(Limited Right of Enforcement by Covered Bondholders):** the Covered Bondholders may only exercise enforcement rights in respect of the Secured Property through the Bond Trustee and only in accordance with this deed and the Bond Trust Deed.

9.3 Instructions or directions

For so long as any Covered Bonds are outstanding, the Security Trustee may rely on any instructions or directions given to it by the Bond Trustee as being given on behalf of the Covered Bondholders from time to time and need not inquire whether any such instructions or directions are in accordance with the Bond Trust Deed, whether the Bond Trustee or the Covered Bondholders from time to time have complied with any requirements under the Bond Trust Deed or as to the reasonableness or otherwise of the Bond Trustee.

9.4 Payments

Any payment to be made to a Covered Bondholder under this deed may be made to or to the order of the Bond Trustee or a Paying Agent on behalf of that Covered Bondholder in accordance with the Bond Trust Deed, the Principal Agency Agreement, the Registry Services and Agency Agreement and the Conditions for the Covered Bonds.

9.5 Notices

Any notice to be given to a Covered Bondholder is to be given in the manner contemplated by the Bond Trust Deed and the Conditions. The Security Trustee is not obliged to provide any notice or communication directly to any Covered Bondholder.

9.6 Limitation of Bond Trustee's Liability

The liability of the Bond Trustee under this deed is limited in the manner and to the same extent as under the Bond Trust Deed.

10 Priority amount

10.1 Prospective Liability

For the purpose only of fixing priorities under section 282 of the Corporations Act, the prospective liabilities (within the meaning of section 261 of the Corporations Act) secured by this charge include the obligations of the Trustee to pay, repay or reimburse the Secured Money including all principal and amounts in the nature of principal, interest and amounts in the nature of interest, fees, Costs, amounts due under indemnities and all other amounts coming within the definition of Secured Money up to \$60,000,000,000.

This clause does not affect the Trustee's or any other person's obligations to the Security Trustee, or any other rights of the Security Trustee.

EXECUTED as a deed

ANZ Residential Covered Bond Trust Deed of Charge

Signing page

DATED: 31 October 2011

Trustee

SIGNED, SEALED AND DELIVERED)

by Madeleine de Gais)

as attorney for **PERPETUAL**)

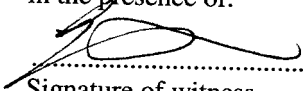
CORPORATE TRUST LIMITED as)

trustee of the **ANZ Residential Covered**)

Bond Trust under power of attorney dated)

31/10/11)

in the presence of:)


.....
Signature of witness)

EMILY ZHANG)

.....
Name of witness (block letters))

Level 50, Bourke Place, 600 Bourke St,)
Melbourne VIC 3000)

.....
Address of witness)

Solicitor)

.....
Occupation of witness)


.....
By executing this deed the attorney states
that the attorney has received no notice of
revocation of the power of attorney

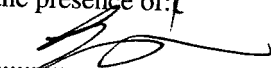
Security Trustee

SIGNED, SEALED AND DELIVERED)

by Madeline de Goo)

as attorney for **P.T. LIMITED** as security)
trustee under power of attorney dated)

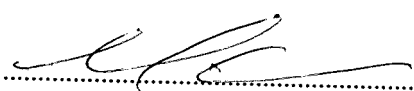
31/10/11)
in the presence of:)


.....)
Signature of witness)

EMILY ZHANG)
Name of witness (block letters))

Level 50, Bourke Place, 600 Bourke St, Melbourne VIC 3000)
Address of witness)

Solicitor)
Occupation of witness)


.....)
By executing this deed the attorney states)
that the attorney has received no notice of)
revocation of the power of attorney)

Trust Manager

SIGNED, SEALED AND)
DELIVERED by)

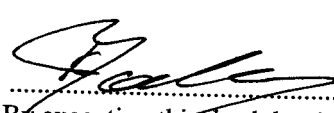
KAMLESH DYAL)
as attorney for **ANZ CAPEL COURT**)
LIMITED under power of attorney)
dated 31 OCT 2011)
in the presence of:)


.....)
Signature of witness)

EMILY ZHANG)
Name of witness (block letters))

Level 50, Bourke Place, 600 Bourke St, Melbourne VIC 3000)
Address of witness)

Solicitor)
Occupation of witness)


.....)
By executing this deed the signatory)
states that the signatory has received no)
notice of revocation of the authority)
pursuant to which they execute this)
deed)

Bond Trustee

SIGNED, SEALED AND DELIVERED
by

and

as authorised signatories for **DB**
TRUSTEES (HONG KONG) LIMITED
in the presence of:

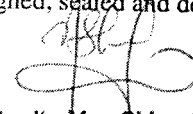
Signature of witness **Chan Wai Suen**
Authorised Signatory

Name of witness (block letters)



Choi Siu Ling
Authorised Signatory

By executing this deed the signatory states
that signatory has received no notice of
revocation of the authority under which
this deed is signed, sealed and delivered



Annita Yeo Shiao Lian
Authorised Signatory

By executing this deed the signatory states
that signatory has received no notice of
revocation of the authority under which
this deed is signed, sealed and delivered

