

SECOND SUPPLEMENT TO THE OFFERING MEMORANDUM DATED 13 JUNE 2019

## **MACQUARIE GROUP LIMITED**

(ABN 94 122 169 279)

(incorporated with limited liability in the Commonwealth of Australia)

**U.S.\$10,000,000,000**

(or equivalent in other currencies)

### **Debt Instrument Programme**

#### **ISSUER**

Macquarie Group Limited

#### **DEALERS**

Australia and New Zealand Banking Group Limited

BofA Securities

Bank of China Limited

Citigroup

Commonwealth Bank of Australia

Goldman Sachs International

HSBC

ING

J.P. Morgan

Macquarie Bank International Limited

Macquarie Bank Limited

National Australia Bank Limited

SMBC Nikko

Wells Fargo Securities

Westpac Banking Corporation

#### **ISSUING & PAYING AGENT**

Citibank, N.A., London Branch

#### **CMU LODGING AGENT**

Citicorp International Limited

The date of this Supplement is 18 December 2019

Pages 1 to 127 (inclusive) and pages 201 to 203 (inclusive) of the Offering Memorandum dated 13 June 2018 comprise a base prospectus as supplemented by the Supplementary Prospectus dated 4 November 2019 (the "**Base Prospectus**") of Macquarie Group Limited (ABN 94 122 169 279) ("**Issuer**" or "**MGL**") for the purposes of Article 5.4 of Directive 2003/71/EC, as amended (the "**Prospectus Directive**") in respect of unsecured and unsubordinated debt instruments to be admitted to the Official List of the UK Listing Authority (as defined below) and to be admitted to trading on the London Stock Exchange's regulated market ("**PD Debt Instruments**"). Non-PD Debt Instruments (as defined below) may not and will not be issued under the Base Prospectus. The Base Prospectus was approved by the Financial Conduct Authority ("**FCA**") in its capacity as competent authority under the Financial Services and Markets Act 2000 (UK) ("**FSMA**") ("**UK Listing Authority**") for the purposes of the Prospectus Directive on 13 June 2019.

Pages 128 to 203 (inclusive) of the Offering Memorandum comprise an offering circular and a Supplementary Offering Circular dated 4 November 2019 (the "**Offering Circular**") and has been prepared by MGL in connection with the issuance of unsecured, unsubordinated or subordinated debt instruments other than PD Debt Instruments ("**Non-PD Debt Instruments**" and, together with the PD Debt Instruments, the "**Debt Instruments**"). The Offering Circular has not been reviewed or approved by the UK Listing Authority and does not constitute a prospectus for the purposes of the Prospectus Directive. The Offering Circular does not form part of the Base Prospectus.

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## Supplementary Prospectus

Pages 1 to 30 (inclusive) of this supplement (the "**Second Supplementary Prospectus**") are supplemental to, and must be read in conjunction with, the Base Prospectus and all documents which are deemed to be incorporated in, and to form part of, the Base Prospectus. This Second Supplementary Prospectus constitutes a supplementary prospectus for the purposes of Section 87G of the FSMA. The information on page 31-63 (inclusive) of this supplement constitutes a supplementary offering circular and does not form part of the Base Prospectus or this Second Supplementary Prospectus. Unless specified otherwise, terms used herein shall be deemed to have the meanings given to them in the Base Prospectus.

MGL accepts responsibility for the information contained in this Second Supplementary Prospectus. To the best of MGL's knowledge (after having taken reasonable care to ensure that such is the case), the information contained in this Second Supplementary Prospectus is in accordance with the facts and this Second Supplementary Prospectus makes no omission likely to affect its import.

The purpose of this Second Supplementary Prospectus is to:

1. update the Base Prospectus following the release by S&P Global Ratings (**S&P**) of a change (upgrade) to the long-term issuer credit rating assigned by it to MGL; and
2. amend the "Terms and Conditions" section on pages 34-71 (inclusive) in the Base Prospectus for all Series of PD Debt Instruments ("**Terms and Conditions**") issued on and from the date of the Second Supplementary Prospectus.

### Credit rating

On 11 December 2019, S&P upgraded the long-term issuer credit rating for MGL. As at the date of this Second Supplementary Prospectus, MGL has the following debt ratings for long-term unsubordinated unsecured obligations:

- S&P Global Ratings, Inc.: BBB+ / Stable;
- Moody's Investors Service Limited: A3 / Stable; and
- Fitch Ratings Australia Pty Ltd: A- / Stable.

### New Terms and Conditions for PD Debt Instruments issued on or after the date of this Second Supplement

The amendments to the Terms and Conditions include the following changes (identified by reference to the Conditions as numbered and set out in the aforementioned section of the Base Prospectus):

1. amending Condition 4 ("Status and Negative Pledge") on pages 38 (inclusive) to be entitled as Condition 4 ("Status") and deleting Condition 4.2 ("Negative Pledge") in its entirety; and
2. amending Condition 9 ("Events of Default") on pages 61-62 (inclusive) by deleting Condition 9(c) ("illegality") and Condition 9(f) ("cessation of business") in their entirety (with sub-paragraph numbering adjusted accordingly).

The Terms and Conditions (as so amended) are set out in full below.

Investors should be aware of their rights under section 87Q(4) to (6) of the FSMA.

## **Terms and Conditions**

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*The following (save for the italicised text) is a composite text of the terms and conditions which (subject to completion of the relevant Final Terms) will be applicable to each Series of PD Debt Instruments. The terms of the Agency Agreement (as defined below) and the Master Deed of Covenant dated 16 September 2009 ("**Master Deed of Covenant**") will apply to each Series of PD Debt Instruments unless the provisions of the relevant Final Terms provide otherwise.*

*References in the terms and conditions to "Issuer" are, unless the contrary intention appears, references to the Issuer specified in the relevant Final Terms and references to "PD Debt Instruments" are, unless the contrary intention appears, references to the PD Debt Instruments of one Series of the type specified in the relevant Final Terms only, not to all PD Debt Instruments which may be issued under the Programme. Terms used in the relevant Final Terms will have the same meaning where used in the terms and conditions.*

*Macquarie Group Limited is not an "authorised deposit-taking institution" ("**ADI**") for the purposes of the Banking Act 1959 of Australia ("**Banking Act**"), and its obligations do not represent deposits or other liabilities of its subsidiary, Macquarie Bank Limited. Macquarie Bank Limited does not guarantee or otherwise provide assurance in respect of the obligations of Macquarie Group Limited.*

*The following eight paragraphs apply to PD Debt Instruments, which are specified in the relevant Final Terms as being issued with the benefit of both the Agency Agreement and the Master Deed of Covenant.*

*The PD Debt Instruments are issued with the benefit (to the extent applicable) of an amended and restated agency agreement (as amended, restated or supplemented from time to time) ("**Agency Agreement**") dated on or about 13 June 2019 between Macquarie Group Limited ("**Issuer**" or "**MGL**") and Citibank, N.A., London Branch in its capacity as an issuing and paying agent ("**I&P Agent**" and "**Paying Agent**", which expression shall include any successor to Citibank, N.A., London Branch in its capacity as such) and Citicorp International Limited as CMU lodging agent ("**CMU Lodging Agent**", which expression shall include any successor to Citicorp International Limited in its capacity as such).*

*The expression "**Agents**" shall include each I&P Agent, CMU Lodging Agent and any transfer agent ("**Transfer Agent**"), and any registrar ("**Registrar**") and any other paying agents subsequently appointed ("**Paying Agents**"), successors thereto in such capacity and any additional or substitute agents appointed to MGL's Debt Instrument Programme ("**Programme**") from time to time. The PD Debt Instrument Holders (as defined in Condition 2.3 below, which expression includes, unless the contrary intention appears, the holders of the coupons ("**Coupons**") (if any) appertaining to interest-bearing PD Debt Instruments in bearer form ("**Couponholders**") and the holders of talons ("**Talons**") (if any) for further coupons attached to such PD Debt Instruments ("**Talonholders**") are entitled to the benefit of, are bound by, and are deemed to have notice of all the provisions of the Agency Agreement applicable to them.*

*The Final Terms for this PD Debt Instrument are attached to this PD Debt Instrument or endorsed on this PD Debt Instrument, specifies the Issuer and the type of PD Debt Instrument and completes these terms and conditions ("**Conditions**"). References in these Conditions to the "**relevant Final Terms**" are to the Final Terms setting out the final terms of this PD Debt Instrument which is attached to, endorsed on, or otherwise applicable to this PD Debt Instrument.*

*As used in these Conditions, "**Series**" means each original issue of PD Debt Instruments together with any further issues expressed to form a single Series with the original issue and the terms of which (save for the issue or deposit date ("**Issue Date**")), the date from which interest accrues ("**Interest Commencement Date**"), the issue price of the PD Debt Instruments ("**Issue Price**") and the amount of the first interest payment (if any) (as specified in the relevant Final Terms)) are identical. However, the Final Terms for this PD Debt Instrument may provide that a particular Tranche will not become fungible with PD Debt Instruments of another Tranche or Tranches forming part of the same Series until the time specified in the Final Terms. As used in these Conditions, "**Tranche**" means all PD Debt Instruments of the same Series with the same Issue Date and Interest Commencement Date and the aggregate nominal amount ("**Aggregate Nominal Amount**") of which shall be specified in the Final Terms.*

*For the purposes of these Conditions (other than in relation to the determination of interest and other amounts payable in respect of the PD Debt Instruments) a reference to the I&P Agent shall, with respect to PD Debt Instruments held through the Central Moneymarkets Unit Service ("**CMU Service**"), be deemed to be a reference to the CMU Lodging Agent, and all such references shall be construed accordingly.*

All references in these Conditions to PD Debt Instruments, Coupons and Talons must be read and construed as references to the PD Debt Instruments, Coupons and Talons of a particular Series.

Words and expressions defined in the Agency Agreement or used in the relevant Final Terms shall have the same meanings where used in these Conditions unless the contrary intention appears.

Copies of the Agency Agreement and the Final Terms applicable to this PD Debt Instrument are obtainable from and, available for inspection during normal business hours at, the specified office of each I&P Agent and the other Paying Agents. The PD Debt Instrument Holders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement and the Final Terms which are applicable to them.

Prior to the issue of any Registered PD Debt Instruments (as defined below), the Issuer will appoint a Registrar and will appoint and maintain a London Transfer Agent.

## **1 Form and Denomination**

### **1.1 General**

References in these Conditions to "PD Debt Instruments" are references to the type of PD Debt Instrument specified in the relevant Final Terms. For the avoidance of doubt, where certain Conditions are expressed to only apply to certain types of PD Debt Instrument, such Conditions only apply to that type of PD Debt Instrument as specified in the relevant Final Terms and do not apply to other types of PD Debt Instrument.

PD Debt Instruments are issued in bearer form ("**Bearer PD Debt Instruments**") and/or in registered form ("**Registered PD Debt Instruments**"), as specified in the relevant Final Terms. In these Conditions and unless the contrary intention appears, references to "**PD Debt Instruments**" are to Bearer PD Debt Instruments and Registered PD Debt Instruments.

### **1.2 Type of PD Debt Instruments**

Each PD Debt Instrument may be a Fixed Rate PD Debt Instrument, a Floating Rate PD Debt Instrument, a Fixed / Floating Interest Rate Basis PD Debt Instrument, a Zero Coupon PD Debt Instrument or a combination of any of the foregoing, as specified in the relevant Final Terms.

### **1.3 Form of Bearer PD Debt Instruments**

Interest-bearing Bearer PD Debt Instruments in definitive form will be serially numbered and issued with Coupons (and where appropriate, a Talon) attached, other than in the case of PD Debt Instruments which do not carry an entitlement to periodic payment of interest prior to the redemption date of such PD Debt Instruments and which are issued at a discount to their face value ("**Zero Coupon PD Debt Instruments**") (in which case references to interest (other than in relation to interest due after the redemption date), Coupons and Talons in these Conditions are not applicable). On or after the date on which all the Coupons attached to, or issued in respect of, any Bearer PD Debt Instrument which was issued with a Talon have matured, a coupon sheet comprising further Coupons (other than Coupons which would be void) and, if applicable, one further Talon, will be issued against presentation of the relevant Talon at the specified office of any Agent in accordance with Condition 7.1.6.

### **1.4 Form of Registered PD Debt Instruments**

Registered PD Debt Instruments are constituted by the Deed of Covenant specified in the relevant Final Terms. Copies of the Deed of Covenant are available for inspection at the office of the Registrar. PD Debt Instrument Holders of such Registered PD Debt Instruments are entitled to the benefit of, are bound by, and are deemed to have notice of all the provisions of the Deed of Covenant.

Unless otherwise specified in the relevant Final Terms, where PD Debt Instruments are issued in registered form, no certificate or other evidence of title will be issued unless the Issuer determines that certificates should be available or the Issuer is required to do so pursuant to any applicable law or regulation. Each certificate represents a holding of one or more such PD Debt Instruments by the same PD Debt Instrument Holder.

## 1.5 Denomination

PD Debt Instruments will be in the denomination or denominations specified in the relevant Final Terms or integral multiples thereof ("**Specified Denomination**"). Bearer PD Debt Instruments of one denomination may not be exchanged for Bearer PD Debt Instruments of another denomination.

## 1.6 Currency of PD Debt Instruments

Subject to compliance with all applicable legal and/or regulatory requirements, PD Debt Instruments may be denominated in the lawful currency of the Commonwealth of Australia ("**Australian Dollars**" or "**A\$**"), the lawful currency of the United States of America ("**U.S. Dollars**" or "**U.S.\$**"), the lawful currency of Japan ("**Yen**"), the lawful currency of Singapore ("**Singapore Dollars**" or "**SG\$**"), the lawful currency of the United Kingdom ("**Sterling**"), the single currency introduced at the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Communities, as amended by the Treaty on European Union ("**Euro**"), the lawful currency of the People's Republic of China ("**Renminbi**", "**RMB**" or "**CNY**") as specified in the relevant Final Terms ("**Specified Currency**").

## 2 Title

### 2.1 Title to Bearer PD Debt Instruments, Coupons and Talons

Title to Bearer PD Debt Instruments, Coupons and Talons passes by delivery.

### 2.2 Title to Registered PD Debt Instruments

Title to Registered PD Debt Instruments passes by registration in the register ("**Register**") which the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement.

### 2.3 Title - general

In these Conditions, subject as provided below, "**PD Debt Instrument Holder**" means:

- (a) (in relation to a PD Debt Instrument, Coupon or Talon) the bearer of any Bearer PD Debt Instrument, Coupon or Talon (as the case may be); or
- (b) the person in whose name a Registered PD Debt Instrument is registered, as the case may be.

A PD Debt Instrument Holder will (except as otherwise required by applicable law or regulatory requirement) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on it, or its theft or loss or any express or constructive notice of any claim by any other person of any interest therein other than, in the case of a Registered PD Debt Instrument, a duly executed transfer of such PD Debt Instrument) and no person will be liable for so treating the PD Debt Instrument Holder.

## 3 Exchanges of Bearer PD Debt Instruments for Registered PD Debt Instruments and transfers of Registered PD Debt Instruments

### 3.1 Exchange of Bearer PD Debt Instruments

Subject to Condition 3.6, Bearer PD Debt Instruments may, if so specified in the relevant Final Terms, be exchanged for the same aggregate principal amount of Registered PD Debt Instruments at the request in writing of the relevant PD Debt Instrument Holders and upon surrender of the Bearer PD Debt Instrument to be exchanged together with all unmatured Coupons and Talons relating to it (if any) at the specified office of the Registrar or the specified office of the Transfer Agent. Without limiting the previous sentence, the relevant Final Terms may specify that Bearer PD Debt Instruments may be exchanged for Registered PD Debt Instruments only with the prior written approval of the Issuer or such other or additional persons as are specified in such Final Terms. Where, however, a Bearer PD Debt Instrument is surrendered for exchange after the Record Date (as defined in Condition 7.2.2) for any payment of interest, the Coupon in respect of that payment of interest need not be surrendered with it. Registered PD Debt Instruments may not be exchanged for Bearer PD Debt Instruments.

### **3.2 Transfer of Registered PD Debt Instruments**

A Registered PD Debt Instrument may be transferred in whole but not in part upon the surrender of the relevant certificate by which such Registered PD Debt Instrument is represented (if the PD Debt Instrument is certificated), together with the form of transfer endorsed on it duly completed and executed, at the specified office of the Registrar or the specified office of the Transfer Agent. In the case of a certificated PD Debt Instrument, a new certificate will be issued to the transferee and in the case of a transfer of a Registered PD Debt Instrument which forms part only of a holding represented by a certificate, a new certificate in respect of the balance not transferred will be issued to the transferor.

Bearer PD Debt Instruments will not be exchanged for Registered PD Debt Instruments nor will Registered PD Debt Instruments be transferred if the exchangee or transferee is an Australian resident, or a non-Australian resident that holds the PD Debt Instruments in carrying on business in Australia at or through a permanent establishment of the exchangee or transferee in Australia and fails to provide a tax file number ("TFN"), Australian Business Number ("ABN"), or evidence that the exchangee or transferee (as the case may be) is not required to provide a TFN or ABN.

The forms of exchange and transfer will require the exchangee or transferee (as the case may be) to certify whether or not such person is an Australian resident, or a non-Australian resident that holds the PD Debt Instruments in carrying on business in Australia at or through a permanent establishment of the exchangee or transferee in Australia and, if so, the transferee may provide a TFN or ABN or evidence that such person is not required to provide a TFN or ABN.

### **3.3 Partial redemption or exercise of options in respect of Registered PD Debt Instruments**

In the case of a partial redemption of a holding of Registered PD Debt Instruments represented by a single certificate or a partial exercise of the Issuer's or PD Debt Instrument Holders' option to redeem in respect of a holding of Registered PD Debt Instruments represented by a single certificate, a new certificate will be issued to the PD Debt Instrument Holder in respect of the balance of the holding not redeemed or in respect of which the relevant option has not been exercised. In the case of a partial exercise of an option resulting in Registered PD Debt Instruments of the same holding having different terms, separate certificates shall be issued in respect of those PD Debt Instruments of that holding that have the same terms. New certificates shall only be issued against surrender of the existing certificates to the Registrar or the Transfer Agent.

### **3.4 Delivery of new certificates representing Registered PD Debt Instruments**

In the case of certificated Registered PD Debt Instruments, each new certificate to be issued upon exchange of Bearer PD Debt Instruments or transfer of Registered PD Debt Instruments will, within three Business Days (in the place of the specified office of the Registrar and the specified office of the Transfer Agent) of receipt of such request for exchange or form of transfer, be available for delivery at the specified office of the Registrar and the specified office of the Transfer Agent, or be mailed at the risk of the PD Debt Instrument Holder entitled to the Registered PD Debt Instrument, to such address as may be specified in such request or form of transfer.

### **3.5 Exchange free of charge**

Registration of PD Debt Instruments on exchange of Bearer PD Debt Instruments for Registered PD Debt Instruments or transfer of Registered PD Debt Instruments will be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agent (other than any insurance charges or any expenses of delivery (if applicable) by other than regular mail), but upon payment of (or the giving of such indemnity as the Registrar or the Transfer Agent may require in respect of) any tax or other governmental charges which may be imposed in relation to it.

### **3.6 Closed periods**

No PD Debt Instrument Holder may require the transfer of a Registered PD Debt Instrument to be registered or a Bearer PD Debt Instrument to be exchanged for a Registered PD Debt Instrument:

- (a) during the period of 15 days ending on the due date for any payment of principal or redemption amount on that PD Debt Instrument;
- (b) during the period of 15 days before any drawing of PD Debt Instruments for redemption under Condition 6.2;  
or
- (c) after any such PD Debt Instrument has been drawn for redemption in whole or in part.

## 4 Status

*The PD Debt Instruments and Coupons are direct, unsecured and unsubordinated obligations of the Issuer and rank pari passu without any preference among themselves and rank at least equally with the claims of its unsecured and unsubordinated creditors, except creditors mandatorily preferred by law.*

*MGL is not an ADI for the purposes of the Banking Act, and its obligations do not represent deposits or other liabilities of its subsidiary, Macquarie Bank Limited. Macquarie Bank Limited does not guarantee or otherwise provide assurance in respect of the obligations of MGL.*

## 5 Interest

### 5.1 General

*PD Debt Instruments may be either interest-bearing or non interest-bearing, as specified in the relevant Final Terms. Interest-bearing PD Debt Instruments may bear interest at either a fixed rate or a floating rate. In relation to any Tranche of PD Debt Instruments, the relevant Final Terms may specify actual amounts of interest payable ("**Interest Amounts**") rather than, or in addition to, a rate or rates at which interest accrues.*

*The Final Terms in relation to each Tranche of interest-bearing PD Debt Instruments will specify which of Conditions 5.2, 5.3 and 5.4 will be applicable to the PD Debt Instruments. Condition 5.5 will be applicable to each Tranche of interest-bearing PD Debt Instruments.*

### 5.2 Interest - fixed rate

*Each PD Debt Instrument in relation to which this Condition 5.2 is specified in the relevant Final Terms as being applicable ("**Fixed Rate PD Debt Instruments**") will bear interest on its nominal amount at the fixed rate or rates per annum specified in the relevant Final Terms from the Issue Date or such other date as is specified in the relevant Final Terms as being the Interest Commencement Date. Interest will be payable in arrear on each Interest Payment Date (as defined in Condition 5.5(a)) as adjusted, if applicable, in accordance with the Business Day Convention specified in the relevant Final Terms.*

*Interest which is required to be calculated for a period of other than a full year will be calculated on the basis of a year of 360 days and 12 months of 30 days each or on such other basis as may be specified as the Day Count Fraction in the relevant Final Terms.*

*The first payment of interest will be made on the Interest Payment Date next following the Interest Commencement Date and, if the first anniversary of the Interest Commencement Date is not an Interest Payment Date, will amount to the Initial Broken Amount.*

*If the Maturity Date is not an Interest Payment Date, interest from (and including) the preceding Interest Payment Date (or the Interest Commencement Date, as the case may be) to (but excluding) the Maturity Date will amount to the Final Broken Amount.*

*"Interest Payment Date", "Initial Broken Amount" and "Final Broken Amount" have the meaning given to them in the Final Terms.*

### 5.3 Interest - floating rate

#### (a) Accrual of interest

*PD Debt Instruments in relation to which this Condition 5.3 is specified in the relevant Final Terms as being applicable ("**Floating Rate PD Debt Instruments**") will bear interest in respect of each Interest Period (as defined in Condition 5.5(a)) at the rate or rates per annum specified in the relevant Final Terms determined in accordance with this Condition 5.3.*

*Each Floating Rate PD Debt Instrument will bear interest on its nominal amount at the Interest Rate (as defined below) from the Issue Date of the PD Debt Instruments or such other date as is specified in the relevant Final Terms as being the Interest Commencement Date. Interest will be payable in arrear on each Interest Payment Date. If any Interest Payment Date in respect of a Floating Rate PD Debt Instrument would otherwise fall on a*

day which is not a Business Day (as defined in Condition 5.7), such Interest Payment Date shall be determined in accordance with the Business Day Convention specified in the relevant Final Terms.

(b) **Interest Rate**

The rate of interest payable in respect of Floating Rate PD Debt Instruments ("**Interest Rate**") shall be determined by the Calculation Agent (as defined in Condition 5.7) on the basis of (i), (ii) or (iii) below, as specified in the relevant Final Terms.

(i) **ISDA Determination for Floating Rate PD Debt Instruments**

Where ISDA Determination is specified in the relevant Final Terms as the manner in which the Interest Rate is to be determined, the Interest Rate for each Interest Period will be the relevant ISDA Rate plus or minus (as specified in the relevant Final Terms) the margin (if any) specified in the relevant Final Terms ("**Margin**").

For the purposes of this sub-paragraph (i):

"**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent for the PD Debt Instruments under an interest rate Swap Transaction if the Calculation Agent for the PD Debt Instruments were acting as Calculation Agent for that 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 relevant Final Terms;
- (B) the Designated Maturity is a period specified in the relevant Final Terms; and
- (C) the relevant Reset Date is the day specified in the relevant Final Terms; and
- (D) the Period End Dates are each Interest Payment Date, the Spread is the Margin and the Floating Rate Day Count Fraction is the Day Count Fraction.

For these purposes, "**Swap Transaction**", "**Floating Rate**", "**Calculation Agent**" (except references to "**Calculation Agent for the PD Debt Instruments**"), "**Floating Rate Option**", "**Designated Maturity**", "**Reset Date**", "**Period End Date**", "**Spread**" and "**Floating Rate Day Count Fraction**" have the meanings given to those terms in the 2006 ISDA Definitions as amended and updated in the case of each Series as at the Issue Date of the first Tranche of the relevant PD Debt Instruments, published by the International Swaps and Derivatives Association, Inc. ("**ISDA Definitions**").

(ii) **Screen Rate Determination for Floating Rate PD Debt Instruments**

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

- (A) the offered quotation; or
- (B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at the Relevant Time in the Relevant Financial Centre on the Interest Determination Date in question plus or minus (as specified in the relevant Final Terms) the Margin (if any), all as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purposes of determining the arithmetic mean (rounded as provided above) of such offered quotations.



- (a) *If (A) applies and no offered quotation appears on the Relevant Screen Page at the Relevant Time in the Relevant Financial Centre on the Interest Determination Date or if (B) applies and fewer than two offered quotations appear on the Relevant Screen Page at the Relevant Time in the Relevant Financial Centre on the Interest Determination Date, subject as provided below, the Interest Rate shall be the arithmetic mean of the Reference Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date, as determined by the Calculation Agent.*
- (b) *If paragraph (a) above applies and the Calculation Agent determines that fewer than two Reference Banks are making offered quotations for the Reference Rate in respect of the Specified Currency, subject as provided below, the Interest Rate shall be the arithmetic mean of the rates per annum (expressed as a percentage) that the Calculation Agent determines to be the rates (being the nearest equivalent to the Reference Rate) in respect of a Representative Amount of the Specified Currency that at least two out of five leading banks selected by the Calculation Agent in the principal financial centre of the country of the Specified Currency or, if the Specified Currency is Euro or Renminbi, in such financial centre(s) as is/are specified in the relevant Final Terms, in each case as selected by the Calculation Agent ("**Principal Financial Centre**") are quoting at or about the Relevant Time on the date on which such banks would customarily quote such rates for a period commencing on the first day of the Interest Period to which the relevant Interest Determination Date relates for a period equivalent to the relevant Interest Period (x) two leading banks carrying on business in Europe, or (if the relevant currency is not Euro and the Calculation Agent determines that fewer than two of such banks are so quoting to leading banks in Europe) (y) two leading banks carrying on business in the Principal Financial Centre.*

*In these Conditions:*

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

- (a) *if the Reference Rate is the London interbank offered rate ("**LIBOR**") (other than Sterling Euro LIBOR), the second London business day prior to the start of each Interest Period;*
- (b) *if the Reference Rate is Sterling LIBOR, the first day of each Interest Period;*
- (c) *if the Reference Rate is Euro LIBOR or the Euro-zone interbank offered rate ("**EURIBOR**"), the second day on which the TARGET2 System is open prior the start of each Interest Period;*
- (d) *if the Reference Rate is the Australian BBSW Rate ("**BBSW**"), the first day of each Interest Period;*
- (e) *if the Reference Rate is the New Zealand Bank Bill reference rate interbank offered rate ("**BKBM**"), the first day of each Interest Period;*
- (f) *if the Reference Rate is the Hong Kong interbank offered rate ("**HIBOR**"), the first day of each Interest Period;*
- (g) *if the Reference Rate is the Toronto interbank offered rate ("**BA-CDOR**"), the first day of each Interest Period; and*
- (h) *if the Reference Rate is the Singapore interbank offered rate ("**SIBOR**"), the second Singapore business day prior to the start of each Interest Period.*

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

**"Relevant Financial Centre"** shall mean (a) London, in the case of a determination of LIBOR, (b) Brussels in the case of a determination of EURIBOR, (c) Sydney, in the case of a determination of BBSW, (d) Auckland and Wellington, in the case of a determination of BKBM, (e) Hong Kong, in the

case of a determination of HIBOR, (f) Toronto, in the case of a determination of BA-CDOR and (g) Singapore, in the case of a determination of SIBOR, each as specified in the applicable Final Terms.

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

(iii) **BBSW Rate Determination for Floating Rate PD Debt Instruments**

If BBSW Rate Determination is specified in the Final Terms as the manner in which the Interest Rate is to be determined, the Interest Rate applicable to the Floating Rate PD Debt Instruments for each Interest Period is the sum of the Margin (if any) and the BBSW Rate.

In this Condition, **"BBSW Rate"** means, for an Interest Period, the rate (expressed as a percentage per annum) for prime bank eligible securities having a tenor closest to the Interest Period which is designated as the "AVG MID" on the Reuters Screen BBSW page (or any designation which replaces that designation on that page, or any replacement page) at approximately 10.30 am (or such other time at which such rate customarily appears on that page, including, if corrected, as recalculated and republished by the relevant administrator) (**"Publication Time"**) on the first day of that Interest Period. However, if such rate does not appear on the Reuters Screen BBSW page (or any replacement page) by 10.45 am on that day (or such other time that is 15 minutes after the then prevailing Publication Time), or if it does appear but the Issuer determines that there is an obvious error in that rate, **"BBSW Rate"** means such other substitute or successor base rate determined by the Issuer in good faith in accordance with Condition 5.3(d), having regard, to the extent possible, to the comparable indices then available and to industry-accepted practices. The rate must be expressed as a percentage per annum and will be rounded up, if necessary, to the next higher one ten-thousandth of a percentage point (0.0001 per cent.).

(c) **Minimum and/or Maximum Interest Rate**

If the relevant Final Terms specify a Minimum Interest Rate for any Interest Period then, in the event that the Interest Rate in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Interest Rate, the Interest Rate for such Interest Period shall be such Minimum Interest Rate.

If the Final Terms specify a Maximum Interest Rate for any Interest Period then, in the event that the Interest Rate in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Interest Rate, the Interest Rate for such Interest Period shall be such Maximum Interest Rate.

(d) **Fallback Interest Rate**

(i) Notwithstanding any other provision under these Conditions, if the Issuer (acting in good faith and in a commercially reasonable manner) determines that a Benchmark Disruption Event has occurred when any Interest Rate calculated in accordance with Condition 5.3(b) (or the relevant component part thereof) remains to be determined by reference to such Reference Rate affected by the Benchmark Disruption Event, then the following provisions shall apply:

- (a) if there is a Successor Rate, then the Calculation Agent shall use such Successor Rate in place of the Reference Rate;
- (b) if there is no Successor Rate, but an Alternative Rate has been determined, the Calculation Agent shall use such Alternative Rate in place of the Reference Rate; and
- (c) the Calculation Agent may:
  - (A) in respect of a Successor Rate only, where an Adjustment Spread is formally recommended, or provided as an option for parties to adopt (which, in each case, the

*Independent Adviser or the Issuer (as the case may be), acting in good faith and in a commercially reasonable manner and by reference to sources as it deems appropriate, has determined is required to be adopted to reduce or eliminate, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to PD Debt Instrument Holders as a result of the replacement of the Reference Rate with the Successor Rate) by any Relevant Nominating Body and such Adjustment Spread has been notified to the Calculation Agent, apply such Adjustment Spread to the Successor Rate for each subsequent determination of a relevant Interest Rate (or a component part thereof) by reference to such Successor Rate; or*

- (B) *in respect of a Successor Rate, where no such Adjustment Spread is formally recommended or provided as an option by any Relevant Nominating Body or, in respect of an Alternative Rate, the Independent Adviser or the Issuer (as the case may be), acting in good faith and in a commercially reasonable manner and by reference to such sources as it deems appropriate, determines that there is an Adjustment Spread in customary market usage in the international debt capital markets for transactions which reference the Reference Rate, where such Reference Rate has been replaced by the Successor Rate or Alternative Rate (as the case may be), in accordance with the Issuer's written instructions, apply such Adjustment Spread to the Successor Rate or Alternative Rate (as the case may be) for each subsequent determination of a relevant Interest Rate (or a component part thereof) by reference to such Successor Rate or Alternative Rate; and*
- (d) *the Independent Adviser or the Issuer (as the case may be) may determine (acting in good faith and in a commercially reasonable manner) in its sole discretion, after consulting any source it deems reasonable, the Business Day Convention, the definitions of Business Day, Day Count Fraction, Relevant Screen Page, Relevant Time, Reference Rate and Interest Determination Date and any other relevant methodology for calculating such Successor Rate or Alternative Rate, including any adjustment factor it determines is needed to make such Successor Rate or Alternative Rate comparable to the relevant Reference Rate, in a manner that is consistent with industry-accepted practices for such Successor Rate or Alternative Rate and shall notify the Calculation Agent of such determination.*
- (ii) *Unless otherwise specified in the relevant Final Terms, if:*
  - (a) *the Calculation Agent is unable to determine a rate (or, as the case may be, the arithmetic mean of rates); or*
  - (b) *the Calculation Agent is unable to use a Successor Rate; or*
  - (c) *the Independent Adviser or the Issuer is unable to (or in the case of the Issuer, elects not to) determine the Alternative Rate,*

*in each case, in accordance with the above provisions, the Interest Rate applicable to the PD Debt Instruments during the next succeeding Interest Period will be the Interest Rate applicable to the PD Debt Instruments during the immediately preceding Interest Period (with adjustment for any change in the Margin, Maximum Interest Rate or Minimum Interest Rate). For the avoidance of doubt, this Condition 5.3(d)(ii) shall apply to the next succeeding Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in this Condition 5.3.*

- (iii) *The Issuer may make the necessary modifications to these Conditions and/or the Agency Agreement to give effect to this Condition 5.3(d) without any requirement for the consent or approval of the PD Debt Instrument Holders or Couponholders (if any).*

*For the avoidance of doubt and notwithstanding any other provision of this Condition 5.3, in determining any adjustment factor or other relevant methodology for the purposes of Condition 5.3(d)(i), the Issuer shall not and*

shall not be obliged to apply and may discount any adjustment factor or methodology the application of which may constitute it an administrator for the purposes of Regulation (EU) 2016/1011.

For the purposes of this Condition 5.3(d):

**"Adjustment Spread"** means either a spread, or the formula or methodology for calculating a spread and the spread resulting from such calculation, which spread may in either case be positive, negative or zero and is to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to PD Debt Instrument Holders as a result of the replacement of the Reference Rate with the Successor Rate or the Alternative Rate (as the case may be).

**"Alternative Rate"** means an alternative rate for the relevant Interest Period which has been:

- (a) determined at the request of the Issuer by the Independent Adviser (acting in good faith and in a commercially reasonable manner) in its sole discretion; or
- (b) if the Issuer is unable to appoint an Independent Adviser, then, if it elects to do so, determined by the Issuer (acting in good faith and in a commercially reasonable manner) in its sole discretion,

in each case, after consulting such sources the Independent Adviser or the Issuer (as the case may be) deems reasonable, to be:

- (i) the most comparable alternative rate to the relevant Reference Rate; and
- (ii) used in place of the Reference Rate in customary market usage in the international debt capital markets,

and which has been notified to the Calculation Agent by the Issuer.

**"Benchmark Disruption Event"** means:

- (a) the relevant Reference Rate specified in the Final Terms has ceased to be published on the Relevant Screen Page as a result of such benchmark ceasing to be calculated or administered; or
- (b) the Issuer determines after consulting with the Independent Adviser (if so appointed) that, a change in the generally accepted market practice in the international debt capital markets to refer to a Reference Rate is endorsed in a public statement or publication of information by a Relevant Nominating Body despite the continued existence of the applicable Reference Rate.

**"Independent Adviser"** means an independent financial institution of international repute or other independent financial adviser with appropriate expertise in the international debt capital markets, in each case appointed by the Issuer at its own expense.

**"Relevant Nominating Body"** means, in respect of a Reference Rate:

- (a) the central bank for the currency to which the Reference Rate relates, or any central bank or other supervisory authority which is responsible for administering or supervising the administrator of the Reference Rate; or
- (b) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (i) the central bank for the currency to which the Reference Rate relates, (ii) any central bank or other supervisory authority which is responsible for administering or supervising the administrator of the Reference Rate, (iii) a group of the aforementioned central banks or other supervisory authorities, or (iv) the Financial Stability Board or any part thereof.

**"Successor Rate"** means a successor to or replacement of the Reference Rate which is formally recommended by any Relevant Nominating Body.

(e) Rounding

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 significant figures (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 the lowest amount of such currency that is available as legal tender in the country of such currency.

(f) Calculation of interest amount payable

The Calculation Agent will, as soon as practicable on or after determining the Interest Rate in relation to each Interest Period, calculate the amount of interest payable for the relevant Interest Period in respect of the principal amount of each denomination of such PD Debt Instruments. The amount of interest payable will be calculated by multiplying the product of the Interest Rate for such Interest Period and the outstanding principal amount by the applicable Day Count Fraction and rounding the resultant figure to the nearest unit of the currency in which the relevant PD Debt Instruments are denominated or, as the case may be, in which such interest is payable (an amount equal to or above one half of any such unit being rounded upwards).

#### 5.4 Interest – Fixed/Floating

If Fixed/Floating Rate Interest Basis is specified as being applicable in the applicable Final Terms, each PD Debt Instrument bears interest from (and including) the Interest Commencement Date (which unless otherwise specified in the applicable Final Terms shall be the Issue Date) at the applicable rates of interest determined in accordance with this Condition 5.4, and such interest will be payable in arrear on the relevant Interest Payment Date (as defined below).

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

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

The rate of interest for any Interest Period, and the amount of interest payable on each Interest Payment Date in respect of such Interest Period, shall be determined by the Agent or (if specified in the applicable Final Terms) the Calculation Agent, as applicable, in accordance with (i) if the relevant Interest Basis is specified in the applicable Final Terms to be Fixed Rate, Condition 5.2 or (ii) if the relevant Interest Basis is specified in the applicable Final Terms to be Floating Rate, Condition 5.3. If an Interest Basis for an Interest Basis Period is specified in the applicable Final Terms as being Floating Rate, the notification and publication requirements of Condition 5.5(b) shall apply in respect of each Interest Period falling within such Interest Basis Period.

If the Second Interest Basis is specified to be Floating Rate in the applicable Final Terms and the Interest Basis Conversion Date is not a Business Day for the purposes of determining the Rate of Interest in accordance with Condition 5.5(b), the Interest Determination Date for the Interest Period immediately following the Interest Basis Conversion Date shall be the Business Day immediately preceding the Interest Basis Conversion Date.

For the purposes of this Condition 5.4:

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

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

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

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

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

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

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

## 5.5 Interest - supplemental provisions

### (a) Interest Payment Dates and Interest Periods

Interest on each PD Debt Instrument will be payable in arrear at such intervals and on such dates as are specified in the relevant Final Terms and at the Maturity Date of such PD Debt Instrument (each an **"Interest Payment Date"**). The period beginning on (and including) the Issue Date of a PD Debt Instrument (or other date specified in the relevant Final Terms as the Interest Commencement Date) and ending on (but excluding) the first Interest Payment Date, and each period thereafter from (and including) an Interest Payment Date to (but excluding) the next following Interest Payment Date, is referred to in these Conditions as an **"Interest Period"**. The I&P Agent must notify the London Stock Exchange of each Interest Period for PD Debt Instruments listed on the London Stock Exchange.

### (b) Notification of Interest Rate, interest payable and other items

The Calculation Agent will cause each Interest Rate, the amount of interest payable, (in respect of Condition 5.3(d)) the fallback interest rate or any relevant adjustments and each other amount, item or date, as the case may be, determined or calculated by it to be notified to the Issuer and, in the case of Bearer PD Debt Instruments, the I&P Agent or, in the case of Registered PD Debt Instruments, the Registrar, the London Stock Exchange and to be notified to PD Debt Instrument Holders in accordance with Condition 18 as soon as practicable after such determination or calculation but in any event not later than the fourth Banking Day in the Relevant Financial Centre (as defined in Condition 5.3) thereafter. The Calculation Agent will be entitled to amend any such amount, item or date (or to make appropriate alternative arrangements by way of adjustment) without prior notice in the event of the extension or abbreviation of any relevant Interest Period or calculation period and such amendment will be notified in accordance with the previous sentence.

### (c) Determination final

The determination by the Calculation Agent of all amounts, items and dates falling to be determined by it pursuant to these Conditions (including, without limitation, the Interest Rate for any Interest Period and the amount of interest payable for any Interest Period in respect of any PD Debt Instrument) shall, in the absence of manifest error, be final and binding on all parties.

### (d) Accrual of interest

Interest shall accrue on the outstanding principal amount of each PD Debt Instrument on the paid up principal amount of such PD Debt Instrument. Interest will cease to accrue as from the due date for redemption of a PD Debt Instrument unless (except in the case of any payment where presentation and/or surrender of the relevant PD Debt Instrument is not required as a precondition of payment) upon due presentation and/or surrender of the relevant PD Debt Instrument, the relevant payment is not made in which case interest will continue to accrue thereon (after as well as before any demand or judgment) at the rate then applicable to the outstanding principal amount of the PD Debt Instruments or such other default rate (if any) as may be specified in the relevant Final Terms until the date on which, upon (except in the case where presentation and/or surrender of the relevant PD Debt Instrument is not required as a precondition of payment) due presentation and/or surrender of the relevant PD Debt Instrument, the relevant payment is made or, if earlier (except in the case where presentation and/or

surrender of the relevant PD Debt Instrument is not required as a precondition of payment), the seventh day after the date on which, the I&P Agent or, as the case may be, the Registrar having received the funds required to make such payment, notice of that circumstance is given to the PD Debt Instrument Holder in accordance with Condition 18 (except to the extent that there is failure in the subsequent payment thereof to the relevant PD Debt Instrument Holder).

(e) *Business Day Convention*

If the "**Business Day Convention**" is specified in the relevant Final Terms to be:

- (i) the "**Floating Rate Convention**", such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event:
  - (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day; and
  - (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the number of months or other period specified as the Interest Period in the relevant Final Terms after the preceding applicable Interest Payment Date occurred; or
- (ii) the "**Following Business Day Convention**", such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (iii) the "**Modified Following Business Day Convention**", such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day;
- (iv) the "**Preceding Business Day Convention**", such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (v) "**No Adjustment**", such Interest Payment Date shall not be adjusted in accordance with any Business Day Convention.

(f) *Day Count Fraction*

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest for any Interest Period:

- (i) if "**Actual/365**" or "**Actual/Actual**" is specified in the relevant Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if "**Actual/365 (Fixed)**" is specified in the relevant Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if "**Actual/360**" is specified in the relevant Final Terms, the actual number of days in the Interest Period divided by 360;
- (iv) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the relevant Final Terms, the number of days in the Interest Period divided by 360 calculated on a formula basis as follows:

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

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Calculation Period falls;

- "Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- "M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;
- "M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- "D<sub>1</sub>" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and
- "D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

- (v) if "30E/360" or "Eurobond basis" is specified in the relevant Final Terms, the number of days in the Interest Period divided by 360 calculated on a formula basis as follows:

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

where:

- "Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Calculation Period falls;
- "Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- "M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;
- "M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- "D<sub>1</sub>" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and
- "D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D<sub>2</sub> will be 30;

- (vi) if "30E/360 (ISDA)" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

- "Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Calculation Period falls;
- "Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- "M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;
- "M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- "D<sub>1</sub>" 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 D<sub>1</sub> will be 30; and
- "D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the 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 D<sub>2</sub> will be 30;



- (vii) if **"Australian Bond Basis"** is specified in the relevant Final Terms, one divided by the number of Interest Payment Dates in a year (or where the Calculation Period does not constitute an Interest Period, the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of:
  - (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366; and
  - (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365)); or
- (viii) if **"Actual/Actual-ICMA"** is specified in the relevant Final Terms:
  - (i) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (A) the number of days in such Determination Period and (B) the number of Determination Periods normally ending in any year; and
  - (ii) if the Calculation Period is longer than one Determination Period, the sum of:
    - (A) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (aa) the number of days in such Determination Period and (ab) the number of Determination Periods normally ending in any year; and
    - (B) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (aa) the number of days in such Determination Period and (ab) the number of Determination Periods normally ending in any year,
 where:
 

**"Determination Period"** means the period from and including an Interest Determination Date in any year to but excluding the next Interest Determination Date; and

**"Calculation Period"** means the relevant period for which interest is to be calculated (from and including the first such day to but excluding the last).

## 5.6 Zero Coupon PD Debt Instruments

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

## 5.7 Definitions

In these Conditions:

**"Additional Business Centre"** means any city specified as such in the relevant Final Terms.

**"Banking Day"** means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business.

**"Business Day"** means:

- (a) in the case of a Specified Currency other than Euro, U.S. Dollars or Renminbi, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in (unless otherwise agreed between the Issuer and the I&P Agent, in the case of a Bearer PD Debt Instrument, or the Registrar, in the case

of a Registered PD Debt Instrument) the principal financial centre for that currency which, if the currency is Australian Dollars, shall be Sydney; and/or

- (b) in the case of U.S. Dollars, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in New York City (unless otherwise agreed between the Issuer, each relevant Agent and Registrar); and/or
- (c) in the case of Euro, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in (unless otherwise agreed between the Issuer and the I&P Agent, in the case of a Bearer PD Debt Instrument, or the Registrar, in the case of a Registered PD Debt Instrument) London and a day on which the Trans-European Automated Real-Time Gross-Settlement Express Transfer TARGET 2 System ("TARGET 2") is operating; and/or
- (d) in the case of Renminbi, a day (other than a Saturday, a Sunday or a public holiday) on which commercial banks are generally open for business and settlement of Renminbi payments in Hong Kong or such other principal financial centre as may be agreed from time to time by the Issuer and the relevant Dealer(s); and/or
- (e) in the case of a Specified Currency and/or 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 Specified Currency in (unless otherwise agreed between the Issuer and the I&P Agent, in the case of a Bearer PD Debt Instrument, or the Registrar, in the case of a Registered PD Debt Instrument) the Additional Business Centre(s) or, if no currency is specified, generally in each of the Additional Business Centres so specified; and/or
- (f) if a PD Debt Instrument is to be issued or paid on such Business Day a day on which each relevant Clearing System is operating.

**"Calculation Agent"** means Citibank, N.A., London Branch and any other person appointed as calculation agent by the Issuer, provided that if there is a Benchmark Disruption Event, the Issuer will appoint another person as calculation agent.

**"Clearing System"** means Euroclear Bank SA/NV ("**Euroclear**"), Clearstream Banking, S.A. ("**Clearstream, Luxembourg**"), the Central Moneymarkets Unit Service ("**CMU Service**"), Austraclear Limited (ABN 94 002 060 773), as operator of the Austraclear System ("**Austraclear**") and/or any other clearing system specified in the relevant Final Terms.

**"Reference Banks"** means the institutions specified as such in the relevant Final Terms or, if none, four major banks selected by the Issuer in the inter-bank market that is most closely connected with the Reference Rate.

**"Representative Amount"** means the amount so specified in the relevant Final Terms or, if none, an amount that is representative for a single transaction in the relevant market at the relevant time.

## 6 Redemption and Purchase

### 6.1 Redemption

Unless previously redeemed or purchased and cancelled, each PD Debt Instrument will be redeemed on its Maturity Date as specified in the relevant Final Terms at its maturity redemption amount ("**Maturity Redemption Amount**") (which shall be its outstanding principal amount or such other Maturity Redemption Amount as may be specified in or determined in accordance with the relevant Final Terms).

### 6.2 Redemption at the option of the Issuer

The Issuer may (if this Condition 6.2 is specified in the relevant Final Terms as being applicable) having given at least 30 days but not more than 60 days' notice (or such period as specified in the relevant Final Terms) to PD Debt Instrument Holders in accordance with Condition 18 (which notice must comply with the following paragraph and shall be irrevocable) and subject to satisfaction of any relevant conditions specified in the relevant Final Terms redeem all (but not, unless and to the extent that the relevant Final Terms specify otherwise, some only) of the PD Debt Instruments on the date specified in the Final Terms ("**Optional Redemption Date**") at their early redemption amount (call) ("**Early Redemption Amount (Call)**") (which shall be their outstanding principal amount or a percentage of their outstanding principal amount as specified in the Final Terms) together with accrued interest (if any) thereon.

The notice referred to in the preceding paragraph shall specify:

- (a) the Series of PD Debt Instruments subject to redemption;
- (b) whether such Series is to be redeemed in whole or in part only and, if in part only, the aggregate principal amount of the PD Debt Instruments of the relevant Series which are to be redeemed;
- (c) the due date for redemption;
- (d) the Early Redemption Amount (Call) at which such PD Debt Instruments are to be redeemed; and
- (e) whether or not accrued interest is to be paid upon redemption and, if so, the amount thereof or the basis or method of calculation thereof, all as specified in the relevant Final Terms.

In the case of a partial redemption of PD Debt Instruments, the PD Debt Instruments to be redeemed will be selected by the I&P Agent or in the case of a Tranche represented wholly by Registered PD Debt Instruments, the Registrar, and notice of the PD Debt Instruments called for redemption (together with the serial numbers thereof) will be published in accordance with Condition 18 not less than 15 days prior to the date fixed for redemption.

### 6.3 Redemption at the option of PD Debt Instrument Holders

The Issuer will (if this Condition 6.3 is specified in the relevant Final Terms as being applicable), at the option of any PD Debt Instrument Holder giving not less than 30 days but not more than 60 days (or such other period specified in the Final Terms), redeem such PD Debt Instruments on any day (being, in the case of an interest-bearing PD Debt Instrument one or more Interest Payment Dates) at its early redemption amount (put) ("**Early Redemption Amount (Put)**") (which shall be its outstanding principal amount or a percentage of its outstanding principal amount as specified in the relevant Final Terms) together with accrued interest (if any) thereon.

To exercise such option, the PD Debt Instrument Holder must complete, sign and deposit at the specified office of, in the case of a Bearer PD Debt Instrument, the I&P Agent or, in the case of a Registered PD Debt Instrument, the Registrar or the Transfer Agent, a redemption notice in the form obtainable from the I&P Agent or the Registrar or the Transfer Agent (as applicable) not less than 45 days before the redemption date, deposit the relevant PD Debt Instrument (together, in the case of an interest-bearing Bearer PD Debt Instrument, with any unmatured Coupons and unexchanged Talons appertaining thereto and, in the case of a Registered PD Debt Instrument the relevant Certificate (if certificated)) with, in the case of a Bearer PD Debt Instrument, the I&P Agent or, in the case of a Registered PD Debt Instrument, the Registrar or the Transfer Agent.

### 6.4 Redemption for taxation reasons

If, in respect of the PD Debt Instruments of any Series the Issuer, on the occasion of the next payment due in respect of the PD Debt Instruments, would be required to pay any Additional Amounts referred to in Condition 8, then the Issuer may at its option give not more than 60 nor less than 30 days' notice to each Agent and to the PD Debt Instrument Holders in accordance with Condition 18, and upon expiry of such notice shall redeem all but not some only of the PD Debt Instruments at their early redemption amount (tax) ("**Early Redemption Amount (Tax)**") (which shall be their outstanding principal amount or a percentage of their outstanding principal amount as specified in the relevant Final Terms) together with accrued interest (if any) accrued to the due date for redemption).

Prior to publication of any such notice of redemption, the Issuer shall deliver to the I&P Agent a certificate signed by an authorised person of the Issuer showing that the conditions precedent to the right of the Issuer so to redeem have occurred and an opinion of legal advisers of recognised standing to the Issuer in its jurisdiction of incorporation to the effect that the Issuer would be required to make any such withholding or deduction.

Such notice shall be given promptly upon the occurrence of any of the above events.

### 6.5 Purchases

The Issuer or any of its Related Entities may at any time purchase PD Debt Instruments, Coupons or Talons (provided that, in the case of interest-bearing Bearer PD Debt Instruments, all unmatured Coupons and unexchanged Talons appertaining thereto are attached or surrendered therewith) at any price in the open market or otherwise. If the Issuer proposes to purchase PD Debt Instruments by tender, such tender will be made available equally to all PD Debt Instrument

Holders. Such PD Debt Instruments may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation. In this Condition 6.5, "**Related Entities**" has the meaning given to that term in the Corporations Act.

## 6.6 Cancellation

All PD Debt Instruments redeemed or purchased for cancellation by or on behalf of the Issuer, will forthwith be surrendered for cancellation to any Paying Agent (in the case of Bearer PD Debt Instruments) or the Registrar or the Transfer Agent (in the case of Registered PD Debt Instruments which are certificated) and must be surrendered together with, in the case of interest-bearing Bearer PD Debt Instruments, all unmatured Coupons and unexchanged Talons and accordingly may not be reissued or resold. All such PD Debt Instruments will be cancelled forthwith (together with all such Coupons and Talons) and the Issuer's obligations in respect of such PD Debt Instruments shall be discharged upon such cancellation.

## 6.7 Zero Coupon PD Debt Instruments

In the case of Zero Coupon PD Debt Instruments, the Early Redemption Amount will be an amount ("**Amortised Face Amount**") equal to the sum of:

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

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

## 7 Payments

### 7.1 Payments - Bearer PD Debt Instruments

#### 7.1.1 Payment of amounts other than interest

Payment of amounts (other than interest) due in respect of Bearer PD Debt Instruments (other than definitive Bearer PD Debt Instruments held through the CMU Service ("**CMU PD Debt Instruments**")) will be made against presentation and surrender of the PD Debt Instrument, at the specified office of any Paying Agent.

#### 7.1.2 Payment of amounts in respect of interest on Bearer PD Debt Instruments

Payment of amounts due in respect of interest on Bearer PD Debt Instruments (other than CMU PD Debt Instruments) will be made:

- (a) in the case of a PD Debt Instrument without Coupons attached thereto at the time of its initial delivery, against presentation of the relevant PD Debt Instrument at the specified office of any Paying Agent outside (unless Condition 7.1.4 applies) the United States; and
- (b) in the case of a PD Debt Instrument delivered with Coupons attached thereto at the time of its initial delivery, against presentation and surrender of the relevant Coupon or, in the case of interest due otherwise than on a scheduled Interest Payment Date, against presentation of the relevant Bearer PD Debt Instrument, in either case at the specified office of any Paying Agent outside (unless Condition 7.1.4 applies) the United States.

#### 7.1.3 Payment of amounts in respect of CMU PD Debt Instruments

In the case of CMU PD Debt Instruments, payment will be made to the person for whose account interests in the relevant definitive Bearer PD Debt Instrument are credited as being held through the CMU Service in accordance with the CMU Rules at the relevant time as notified to the CMU Lodging Agent by the CMU Service in a relevant CMU Instrument Position Report or any relevant notification by the CMU Service, which notification, in either case, shall be conclusive evidence of the records of the CMU Service as to the identity of any accountholder and the principal amount of any PD

*Debt Instrument credited to its account (save in the case of manifest error) and payment made in accordance thereof shall discharge the obligations of the Issuer in respect of that payment.*

#### **7.1.4 Payment at specified office in the United States**

*Except as provided below, payment of amounts due in respect of interest on Bearer PD Debt Instruments and exchanges of Talons for Coupon sheets in accordance with Condition 7.1.5 will not be made at any specified office of any Paying Agent in the United States. Notwithstanding the foregoing, if any amount of principal and/or interest in respect of this PD Debt Instrument is payable in U.S. Dollars, such U.S. Dollar payments of principal and/or interest in respect of this PD Debt Instrument will be made at the specified office of a Paying Agent in the United States if:*

- (a) 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 principal and interest on the PD Debt Instruments in the manner provided above when due;*
- (b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. Dollars; and*
- (c) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.*

*If paragraphs (a) and (b) apply, the Issuer shall forthwith appoint a Paying Agent with a specified office in New York City.*

#### **7.1.5 Unmatured Coupons and unexchanged Talons**

*Each Bearer PD Debt Instrument initially delivered with Coupons attached thereto should be presented and surrendered for final redemption together with all unexpired Coupons and Talons appertaining thereto (if any), failing which:*

- (a) in the case of Bearer PD Debt Instruments which are Fixed Rate PD Debt Instruments, the amount of any missing unexpired Coupons (or, in the case of a payment not being made in full, that portion of the amount of such missing unexpired Coupon which the redemption amount paid bears to the total redemption amount due) (excluding, for this purpose, but without prejudice to paragraph (c) below, Talons) will be deducted from the amount otherwise payable on such final redemption. The amount so deducted will be paid against surrender of the relevant Coupon at the specified office of the I&P Agent at any time within five years of the Relevant Date applicable to payment of such final redemption amount. The "Relevant Date" is the earlier of:*
  - (i) the date on which all amounts due in respect of the PD Debt Instrument have been paid; and*
  - (ii) the date on which the full amount of the moneys payable has been received by the I&P Agent, in the case of a Bearer PD Debt Instrument, or the Registrar, in the case of a Registered PD Debt Instrument, and notice to that effect has been given to the PD Debt Instrument Holders in accordance with Condition 18;*
- (b) in the case of Bearer PD Debt Instruments which are Floating Rate PD Debt Instruments all unexpired Coupons (excluding, for this purpose, but without prejudice to paragraph (c) below, Talons) relating to such Bearer PD Debt Instruments (whether or not attached) shall become void and no payment shall be made thereafter in respect of them;*
- (c) in the case of Bearer PD Debt Instruments initially delivered with Talons attached thereto, all unexpired Talons (whether or not surrendered therewith) shall become void and no exchange for Coupons shall be made thereafter in respect of them; and*
- (d) in the case of Bearer PD Debt Instruments which bear interest at a floating rate or rates, or where such a Bearer PD Debt Instrument is presented for redemption without all unexpired Coupons and any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.*

*The provisions of paragraph (a) of this Condition 7.1.5 notwithstanding, if any Bearer PD Debt Instruments are issued with a Maturity Date and a fixed rate or fixed rates of interest such that on the presentation for payment of any such Bearer PD Debt Instrument without any unexpired Coupons attached thereto or surrendered therewith, the amount required by*

paragraph (a) to be deducted would be greater than the amount otherwise due for payment, then, upon the due date for redemption of any such Bearer PD Debt Instrument, such unmatured Coupons (whether or not attached) shall become void (and no payment shall be made in respect thereof) as shall be required so that, upon application of the provisions of paragraph (a) in respect of such Coupons as have not so become void, the amount required by paragraph (a) to be deducted would not be greater than the amount otherwise due for payment. Where the application of the foregoing sentence requires some but not all of the unmatured Coupons relating to a Bearer PD Debt Instrument to become void, the I&P Agent shall determine which unmatured Coupons are to become void, and shall select for such purpose Coupons maturing on later dates in preference to Coupons maturing on earlier dates.

#### 7.1.6 Exchange of Talons

In relation to Bearer PD Debt Instruments initially delivered with Talons attached thereto, on or after the due date for the payment of interest on which the final Coupon comprised in any Coupon sheet matures, the Talon comprised in the Coupon sheet may be surrendered at the specified office of any Paying Agent outside (unless Condition 7.1.4 applies) the United States in exchange for a further Coupon sheet (including any appropriate further Talon), subject to the provisions of Condition 10 below. Each Talon shall, for the purpose of these Conditions, be deemed to mature on the due date for payment of interest on which the final Coupon comprised in the relative Coupon sheet matures.

#### 7.1.7 United States

For the purpose of these Conditions, "**United States**" means the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands).

### 7.2 Payments - Registered PD Debt Instruments

#### 7.2.1 Payment of principal in respect of Registered PD Debt Instruments

Payment of principal (which for this purpose shall include any final redemption amount) due in respect of Registered PD Debt Instruments will be made to the PD Debt Instrument Holder (or, in the case of joint PD Debt Instrument Holders, the first named) as appearing in the Register as at opening of business (local time in the place of the specified office of the Registrar or the specified office of the Transfer Agent) on the fifteenth (eighth, if the specified office of the Registrar or the specified office of the Transfer Agent is located in Sydney or Melbourne) Relevant Banking Day before the due date for such payment and (if in certificated form) against presentation and, save in the case of partial payment of the amount due upon final redemption by reason of insufficiency of funds, surrender of the relevant Certificate at the specified office of the Registrar or the specified office of the Transfer Agent.

#### 7.2.2 Payment of interest in respect of Registered PD Debt Instruments

Payment of interest due in respect of Registered PD Debt Instruments will be paid to the PD Debt Instrument Holder (or, in the case of joint PD Debt Instrument Holders, the first named) as appearing in the Register as at opening of business (local time in the place of the specified office of the Registrar or the specified office of the Transfer Agent) on the fifteenth (seventh, if the specified office of the Registrar or the specified office of the Transfer Agent is located in Sydney or Melbourne) Relevant Banking Day before the due date for such payment ("**Record Date**").

"**Relevant Banking Day**" means a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the place where the specified office of the Registrar and the specified office of the Transfer Agent is located.

#### 7.2.3 Payment in respect of Registered PD Debt Instruments held through the CMU Service

In the case of Registered PD Debt Instruments held through the CMU Service, payment will be made to the person for whose account interests in the relevant Registered PD Debt Instrument are credited as being held through the CMU Service in accordance with the CMU Rules at the relevant time as notified to the CMU Lodging Agent by the CMU Service in a relevant CMU Instrument Position Report or any relevant notification by the CMU Service, which notification, in either case, shall be conclusive evidence of the records of the CMU Service as to the identity of any accountholder and the principal amount of any PD Debt Instrument credited to its account (save in the case of manifest error) and payment made in accordance thereof shall discharge the obligations of the Issuer in respect of that payment.

#### 7.2.4 Manner of payments pursuant to Condition 7.2.2

Notwithstanding the provisions of Condition 7.4, payments in respect of Registered PD Debt Instruments pursuant to Condition 7.2.2 will be made by cheque and posted to the address (as recorded in the Register) of the PD Debt Instrument Holder (or, in the case of joint PD Debt Instrument Holders, the first-named) on the relevant due date for payment unless prior to the relevant Record Date the PD Debt Instrument Holder (or, in the case of joint PD Debt Instrument Holders, the first-named) has applied to the Registrar and the Registrar has acknowledged such application for payment to be made to a designated account in the relevant currency.

#### 7.3 Payment due on a non-Payment Business Day

If the due date for payment of the final redemption amount, interest or any other amount due in respect of any PD Debt Instrument is not a Payment Business Day (as defined in Condition 7.4), then the PD Debt Instrument Holder will not be entitled to payment of such amount until the next day which is a Payment Business Day and no further payment on account of principal or interest or otherwise shall be due in respect of such postponed payment unless there is a subsequent failure to pay in accordance with these Conditions, in which event interest shall continue to accrue as provided in Condition 5.5(d).

#### 7.4 Payments - general provisions

Subject to Condition 7.2.4, payments of amounts due (whether principal, redemption amount, interest or otherwise) in respect of PD Debt Instruments will be made as follows:

- (a) payments in a Specified Currency other than Euro or Renminbi will be made by transfer to an account in the relevant Specified Currency (which, in the case of a payment in Yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with, or by a cheque in such Specified Currency drawn on, a bank (which, in the case of a payment in Yen to a non-resident of Japan, shall be an authorised foreign exchange bank) in the principal financial centre of the country of such Specified Currency, provided however that no payment may be made by transfer of funds to an account maintained in the United States or by cheque mailed to an address in the United States;
  - (b) payments in Renminbi will be made by transfer to a Renminbi bank account maintained in Hong Kong by or on behalf of a payee with a bank; and
  - (c) payments in respect of definitive PD Debt Instruments in Euro will be made 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.
- (a) Payments will, without prejudice to the provisions of Condition 8, be subject in all cases to any applicable fiscal or other laws, regulations and directives and the administrative practices and procedures of fiscal and other authorities in relation to tax, anti-money laundering and other requirements which may apply to payments of amounts due (whether principal, redemption amount, interest or otherwise) in respect of PD Debt Instruments. In particular, if any withholding or deduction is required under the Foreign Account Tax Compliance Act provisions, sections 1471 through to 1474 of the US Internal Revenue Code of 1986, and any regulations or official interpretations issued, agreements entered into or any law implementing an international intergovernmental approach with respect thereto ("FATCA"), or is required pursuant to any taxing authority of the United States or any political subdivision thereof, in the case of any Registered PD Debt Instrument that may give rise to US Source Interest (as defined in Condition 8) the Issuer will not be required to pay any additional amount under Condition 8 on account of such withholding or deduction. No commission or expenses shall be charged to the PD Debt Instrument Holders or Couponholders (if any) in respect of such payments. For the avoidance of doubt, the provisions of Condition 8 in relation to the payment of Additional Amounts (as defined in Condition 8) only apply in respect of withholdings or deductions of Taxes (as defined in Condition 8) required by law and imposed or levied by or on behalf of Australia or Victoria or any political subdivision thereof or any authority therein or thereof having power to tax or, in the case of PD Debt Instruments issued by the Issuer acting through an establishment located outside Australia, Taxes imposed or levied by or on behalf of the country in which such establishment is located or any political subdivision thereof or any authority therein or thereof having power to tax and the provisions of Condition 8 do not apply to withholding or deductions made for or on account of FATCA.

In these Conditions, "Payment Business Day" means any day which is both:

- (i) a day on which commercial banks and foreign exchange markets settle payments in the relevant place of presentation and (in the case of a payment in Euro) on which banks are open for business and carrying out transactions in Euro in the jurisdiction in which the Euro account specified by the payee is located; and
- (ii) a Business Day (as defined in Condition 5.7).

## 7.5 Interpretation of Principal and Interest

Any reference in these Conditions to principal in respect of the PD Debt Instruments shall be deemed to include, as applicable:

- (a) any Additional Amounts which may be payable with respect to principal under Condition 8;
- (b) the Maturity Redemption Amount of the PD Debt Instruments;
- (c) the Early Redemption Amount (Call) of the PD Debt Instruments;
- (d) the Early Redemption Amount (Put) of the PD Debt Instruments;
- (e) the Early Redemption Amount (Tax) of the PD Debt Instruments;
- (f) the Early Redemption Amount (Default) of the PD Debt Instruments;
- (g) in relation to Zero Coupon PD Debt Instruments, the Amortised Face Amount; and
- (h) any premium and any other amounts which may be payable by the Issuer under or in respect of the PD Debt Instruments.

Any reference in these Conditions to interest in respect of the PD Debt Instruments shall be deemed to include, as applicable, any Additional Amounts which may be payable with respect to interest under Condition 8.

## 8 Taxation

All payments by the Issuer (in respect of principal, redemption amount or interest) in respect of the PD Debt Instruments or Coupons will be made free and clear of and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed or levied by or on behalf of Australia or Victoria or any political subdivision thereof or any authority therein or thereof having power to tax or, in the case of PD Debt Instruments issued by the Issuer acting through an establishment located outside Australia, Taxes imposed or levied by or on behalf of the country in which such establishment is located or any political subdivision thereof or any authority therein or thereof having power to tax, or in the case of Registered PD Debt Instruments that may give rise to US Source Interest (as defined below), Taxes imposed or levied by or on behalf of the United States or any political subdivision thereof or any authority therein or thereof having the power to tax, unless in each case such withholding or deduction of such Taxes is required by law or made for or on account of FATCA. In that event, the Issuer will pay such additional amounts ("**Additional Amounts**") as may be necessary in order that the net amounts received by the PD Debt Instrument Holders and Couponholders after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in respect of the PD Debt Instruments or, as the case may be, Coupons in the absence of such withholding or deduction; except that no Additional Amounts are payable in relation to any payment in respect of any PD Debt Instrument or Coupon:

- (a) to, or to a third party on behalf of, a PD Debt Instrument Holder who is liable to such Taxes in respect of such PD Debt Instrument or Coupon by reason of his having some connection with Australia or Victoria or the country in which such establishment is located other than the mere holding of such PD Debt Instrument or Coupon or receipt of principal or interest in respect thereof or who could have lawfully avoided (but has not so avoided) such liability by providing or procuring that any third party provides the PD Debt Instrument Holder's TFN and/or ABN or evidence that the PD Debt Instrument Holder is not required to provide a TFN and/or ABN to the Issuer or, in the case of PD Debt Instruments issued by the Issuer acting through an establishment located outside Australia, satisfies similar requirements or otherwise provides details of the PD Debt Instrument Holder's name and address to the Issuer;
- (b) to, or to a third party on behalf of, a PD Debt Instrument Holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory



requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the PD Debt Instrument is presented for payment;

- (c) where the PD Debt Instrument or Coupon is presented for payment more than 30 days after the Relevant Date except to the extent that a PD Debt Instrument Holder would have been entitled to Additional Amounts on presenting the same for payment on the last day of the period of 30 days assuming, whether or not such is in fact the case, that day to have been a Business Day;
- (d) to, or to a third party on behalf of, a PD Debt Instrument Holder who is liable to the Taxes in respect of the PD Debt Instrument or Coupon by reason of the PD Debt Instrument Holder being an associate of the Issuer for the purposes of section 128F(9) of the Income Tax Assessment Act 1936 of Australia (as amended) ("**Australian Tax Act**");
- (e) in a case where the Issuer receives a notice or direction under section 260-5 of Schedule 1 to the Taxation Administration Act 1953 of Australia, section 255 of the Australian Tax Act or any analogous provisions, any amounts paid or deducted from sums payable to a PD Debt Instrument Holder by the Issuer in compliance with such notice or direction on account of any Taxes or charges payable by the Issuer;
- (f) where such withholding or deduction is due to Taxes imposed or levied by, or on behalf of, the United States, or any political subdivision thereof or any authority therein or thereof having power to tax under the United States; or
- (g) where such withholding or deduction is made for, or on account of, FATCA (as withheld or deducted by the Issuer, an Agent or any other party).

"**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 I&P Agent on or before the due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the PD Debt Instrument Holders in accordance with Condition 18.

"**US Source Interest**" means interest, as defined under U.S. tax principles (including original issue discount) paid on Registered PD Debt Instruments which may be treated as interest paid by a U.S. trade or business for U.S. federal income tax purposes.

## 9 Events of Default

If any of the events of default specified below occur, then by notice to the Issuer at the specified office of the I&P Agent, effective upon receipt of such notice by the I&P Agent, (1) in the case of the event of default specified in paragraphs (a), (d), (e), (f), (g) or (h) any holder of PD Debt Instruments may declare that all the PD Debt Instruments held by that PD Debt Instrument Holder are immediately due and repayable, or (2) in any case, holders of not less than 25% of the outstanding PD Debt Instruments of a Series may declare that all the PD Debt Instruments of that Series are immediately due and repayable. The events of default in respect of the PD Debt Instruments are:

- (a) (**non-payment**) the Issuer fails to pay any principal or any interest in respect of the PD Debt Instruments or the relevant Series or any of them within 14 days of the relevant due date; or
- (b) (**other obligations**) the Issuer defaults in performance or observance of or compliance with any of its other obligations set out in the PD Debt Instruments which default is incapable of remedy or, if capable of remedy, is not remedied within 21 Business Days after notice requiring such default to be remedied shall have been given to the Issuer by the PD Debt Instrument Holder; or
- (c) (**winding-up**) an application (other than a frivolous or vexatious application or an application which is discharged or stayed within 21 Business Days) or an order is made for the winding-up of the Issuer or a resolution is passed for the winding-up of the Issuer other than for the purposes of a solvent reconstruction or amalgamation; or
- (d) (**receiver**) a receiver, receiver and manager, administrator, liquidator, official manager, trustee or similar officer is appointed in respect of all or any part of the assets of the Issuer and such appointment is not terminated within 21 Business Days; or

- (e) *(insolvency) the Issuer is unable to pay its debts when they fall due or is deemed unable to pay its debts under any applicable legislation (other than as the result of a failure to pay a debt or claim which is the subject of a good faith dispute); or*
- (f) *(arrangement or composition) the Issuer makes or enters into (i) a readjustment or rescheduling of its indebtedness with creditors generally or (ii) an assignment for the benefit of, or an arrangement or composition with, its creditors generally, in each case, other than for the purposes of a reconstruction, amalgamation, reorganisation or merger where the Issuer is solvent.*

*Upon any such notice being given to the Issuer, such PD Debt Instrument shall immediately become due and payable at its Early Redemption Amount (Default) (as specified in the Final Terms).*

#### **10 Prescription**

*Claims against the Issuer for payment in respect of the PD Debt Instruments or Coupons (which, for this purpose, shall not include Talons) will be prescribed and become void unless made within ten years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date.*

#### **11 Replacement of PD Debt Instruments, Coupons and Talons**

*Should any PD Debt Instrument, Coupon, Talon or Certificate be lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of any Paying Agent (in the case of Bearer PD Debt Instruments, Coupons and Talons) or the Registrar (in the case of Registered PD Debt Instruments in certified form), subject to all applicable laws, upon payment by the claimant of the expenses incurred in connection therewith and on such terms as to evidence, security, indemnity and otherwise as the Issuer or the I&P Agent may require. Mutilated or defaced PD Debt Instruments, Coupons or Talons must be surrendered before replacements will be issued.*

#### **12 Currency Indemnity**

*The Specified Currency is, unless otherwise specified in the relevant Final Terms, the sole currency of account and payment for all sums payable by the Issuer in respect of the PD Debt Instruments, including damages. Any amount received or recovered in a currency other than the Specified Currency (whether as a result of, or on the enforcement of, a judgment or order of a court of any jurisdiction or otherwise) by any PD Debt Instrument Holder in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the amount in the Specified Currency which such PD Debt Instrument Holder is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that amount is less than the amount in the Specified Currency expressed to be due to any PD Debt Instrument Holder in respect of such PD Debt Instrument the Issuer shall indemnify each such PD Debt Instrument Holder against any cost of making such purchase which is reasonably incurred. These indemnities constitute a separate and independent obligation from the Issuer's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any PD Debt Instrument Holder and shall continue in full force and effect despite any judgment, order, claim or proof for a liquidated amount in respect of any sum due in respect of the PD Debt Instruments or any judgment or order. Any such loss aforesaid shall be deemed to constitute a loss suffered by the relevant PD Debt Instrument Holder and no proof or evidence of any actual loss will be required by the Issuer.*

#### **13 Further Issues**

*The Issuer may from time to time without the consent of the PD Debt Instrument Holders (or any of them) create and issue further PD Debt Instruments forming a single Series with any existing PD Debt Instruments either having the same terms and conditions as such PD Debt Instruments in all respects or in all respects except in connection with the Issue Date, Interest Commencement Date and the amount of the first payment of interest (if any) and so that the same shall be consolidated and form a single Series with the outstanding PD Debt Instruments.*

#### **14 Agents**

*The Agents and their initial specified offices are as set out in the Base Prospectus. The Issuer reserves the right at any time to terminate the appointment of any Agent or to appoint additional or other Agents, provided that it will maintain:*

- (a) *an I&P Agent;*

- (b) *for so long as any PD Debt Instruments are admitted to the Official List of the Financial Conduct Authority in its capacity as competent authority under the Financial Services and Markets Act 2000 and to trading on the Market and admitted to listing, trading and/or quotation by any other listing authority, stock exchange and/or quotation system, maintain a Paying Agent in London and/or such other place as may be required by such listing authority, stock exchange and/or quotation system;*
- (c) *for so long as any Registered PD Debt Instruments are listed on the London Stock Exchange, a Transfer Agent in London; and*
- (d) *a Registrar maintaining the Register in such city as is specified in the relevant Final Terms.*

*Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the PD Debt Instrument Holders in accordance with Condition 18.*

## **15 Exchange of Talons**

*On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the I&P Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the PD Debt Instrument to which it appertains) a further Talon, subject to the provisions of Condition 10. Each Talon shall, for the purposes of these Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the Coupon sheet in which that Talon was included on issue matures.*

## **16 Modification and waiver**

### **16.1 Meetings of PD Debt Instrument Holders**

*The Agency Agreement contains provisions for convening meetings of the PD Debt Instrument Holders to consider any matter affecting their interests, including the modification by Extraordinary Resolution of any of these Conditions or any of the provisions of the Agency Agreement. The quorum at any meeting for passing an Extraordinary Resolution will be two or more persons present holding or representing in the aggregate at least 51% in principal amount of the PD Debt Instruments for the time being outstanding except that at any meeting the business of which includes the modification of certain of these Conditions the necessary quorum for passing an Extraordinary Resolution will be two or more persons present holding or representing in the aggregate at least 75% in principal amount of the PD Debt Instruments for the time being outstanding, or at any adjourned meeting two or more persons present whatever the principal amount of the PD Debt Instruments held or represented by them, except that at any adjourned meeting, the business of which includes the modification of certain of these Conditions, the necessary quorum for passing an Extraordinary Resolution will be two or more persons present holding or representing in the aggregate not less than 51% of the principal amount of the PD Debt Instruments for the time being outstanding. An Extraordinary Resolution passed at any meeting of the PD Debt Instrument Holders will be binding on all PD Debt Instrument Holders, whether or not they are present at the meeting, and on all Couponholders.*

### **16.2 Modification and Waiver**

*The Issuer may, without the consent of the PD Debt Instrument Holders or Couponholders, make any modification of any of these Conditions or any of the provisions of the Agency Agreement which is not materially prejudicial to the interests of the PD Debt Instrument Holders or to any modification which is of a formal, minor or technical nature or to correct a manifest error.*

*Notwithstanding the foregoing, no consent of the PD Debt Instrument Holders or Couponholders shall be required in order to make any amendments to the Conditions and/or the Agency Agreement as the Issuer may deem necessary or desirable to give effect to the provisions as provided for in Condition 5.3(d).*

### **16.3 Notification**

*Any modification, waiver or authorisation shall be binding on the PD Debt Instrument Holders and the Couponholders and any modification shall be notified by the Issuer to the PD Debt Instrument Holders as soon as practicable thereafter in accordance with Condition 18.*

## 17 Substitution

### 17.1 Substitution

*The Issuer may, without the consent of the relevant PD Debt Instrument Holders, substitute any of the Issuer's wholly-owned Subsidiaries for the Issuer as the principal debtor in respect of all obligations arising from or in connection with the relevant PD Debt Instruments ("**Relevant PD Debt Instruments**") ("**Substituted Issuer**"). The Issuer may only do this if:*

- (a) *the Substituted Issuer assumes all of the obligations of the Issuer under the Relevant PD Debt Instruments and (if applicable) the Agency Agreement and the Master Deed of Covenant;*
- (b) *the Issuer unconditionally and irrevocably guarantees the obligations to be assumed by the Substituted Issuer;*
- (c) *the Substituted Issuer has obtained all necessary authorisations to assume such obligations;*
- (d) *the Substituted Issuer has, if necessary, appointed an agent for the service of process in New South Wales or England (as the case may be);*
- (e) *there have been delivered to the I&P Agent opinions of lawyers of recognised standing in:*
  - (i) *New South Wales and Australia or England (as the case may be); and*
  - (ii) *the place of incorporation of the Substituted Issuer,**which are collectively to the effect that:*
  - (iii) *the matters referred to in paragraphs (a), (b) and (c) above have been satisfied;*
  - (iv) *the Substituted Issuer is validly existing;*
  - (v) *the obligations assumed by the Substituted Issuer are valid and binding on it;*
  - (vi) *the substitution is not in breach of any law or regulation or the constitution of the Substituted Issuer; and*
  - (vii) *the choice of governing law and submission to jurisdiction are valid; and*
- (f) *the Relevant PD Debt Instruments continue to have a credit rating from at least one internationally recognised rating agency at least equal to the relevant rating from that rating agency immediately prior to the substitution.*

### 17.2 Notice

*The Substituted Issuer must give notice of any substitution made under this Condition 17 to the relevant PD Debt Instrument Holders in accordance with Condition 18. The notice must provide the contact details of the Substituted Issuer for the purposes of receiving notices under Condition 18.*

### 17.3 Effective Date

*A substitution under this Condition 17 takes effect on and from the date specified in the notice given under Condition 17.2 ("**Effective Date**"), which must be a date not earlier than the date on which the notice is given.*

### 17.4 Effect of substitution

*On, and with effect from, the Effective Date:*

- (a) *the Substituted Issuer shall assume all of the obligations of the Issuer with respect to the Relevant PD Debt Instruments (whether accrued before or after the Effective Date);*
- (b) *the Issuer shall be released from all of its obligations as principal debtor under the Relevant PD Debt Instruments; and*
- (c) *any reference in the Conditions of the Relevant PD Debt Instruments to:*

- (i) the Issuer shall from then on be deemed to refer to the Substituted Issuer; and
- (ii) the country in which the Issuer is domiciled or resident for taxation purposes shall from then on be deemed to refer to the country of domicile or residence for tax purposes of the Substituted Issuer.

#### **17.5 No regard to consequences of substitution**

*In connection with any substitution effected pursuant to this Condition 17, neither the Issuer nor any Substituted Issuer need have any regard to the consequences of any such substitution for individual PD Debt Instrument Holders resulting from their being for any purpose domiciled or resident in, or otherwise connected with or subject to the jurisdiction of, any particular territory and no PD Debt Instrument Holder shall be entitled to claim from the Issuer or any Substituted Issuer under the PD Debt Instruments any indemnification or payment in respect of any tax or other consequences arising from such substitution.*

### **18 Notices**

#### **18.1 Bearer PD Debt Instruments**

*Subject to Conditions 18.3 and 18.4, all notices regarding Bearer PD Debt Instruments shall be published in a leading English language daily newspaper of general circulation in the place specified in the relevant Final Terms. 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 the required newspapers.*

*Couponholders shall be deemed for all purposes to have notice of any notice given to PD Debt Instrument Holders in accordance with this Condition.*

*Notices to be given by any Bearer PD Debt Instrument Holder shall be in writing and given by lodging the same, together with the relative Bearer PD Debt Instrument or Bearer PD Debt Instruments with the Issuer.*

#### **18.2 Registered PD Debt Instruments**

*Subject to Conditions 18.3 and 18.4, all notices regarding the Registered PD Debt Instruments will be valid if sent by first class mail (or equivalent) or (if posted to an overseas address) by air mail to the Registered PD Debt Instrument Holder (or, in the case of joint PD Debt Instrument Holders, to the first-named in the Register) at their respective addresses as recorded in the Register, and will be deemed to have been validly given on the fourth day after the date of such mailing or, if posted from another country, on the fifth such day.*

*Notices to be given by any Registered PD Debt Instrument Holder shall be in writing and given by lodging the same, together with the relative Registered PD Debt Instrument or Registered PD Debt Instruments with the Issuer and (if certificated) with the Registrar.*

#### **18.3 Listed PD Debt Instruments**

*So long as the PD Debt Instruments are listed on a stock exchange, notices shall be published in accordance with the rules of that stock exchange (and without need for publication of any such notice as required under Condition 18.1 or Condition 18.2). If, and for so long as the PD Debt Instruments are listed on the Official List and admitted to trading on the Market, notices may be published via the Regulatory News Service of the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> rather than publication as required under Condition 18.1 and Condition 18.2. Any such notice will be deemed to have been given on the date of the first publication.*

## 18.4 Global Debt Instruments

So long as the PD Debt Instruments are represented by a Global Debt Instrument and the Global Debt Instrument is held on behalf of:

- (a) Euroclear and Clearstream, Luxembourg or any other clearing system), all notices regarding the PD Debt Instrument may be given to Euroclear, Clearstream, Luxembourg or such other clearing system, as the case may be, or otherwise to the holder of the Global Debt Instrument; or
- (b) the CMU Service, all notices regarding the PD Debt Instrument may be given to the persons shown in a CMU Instrument Position Report issued by the CMU Service on the second business day preceding the date of dispatch of such notice as holding interests in this Global Debt Instrument,

(in each case, without need for publication of any such notice as required under Condition 18.1 or Condition 18.2 (as applicable)). Any such notice will be deemed to have been given on the date on which the notice was given.

## 19 Governing law and jurisdiction

### 19.1 Governing law

The Agency Agreement is governed by, and shall be construed in accordance with, New South Wales law.

The PD Debt Instruments and the Coupons are governed by, and shall be construed in accordance with, the laws of New South Wales or English law, as specified in the relevant Final Terms.

### 19.2 Jurisdiction of the courts of New South Wales

If the relevant Final Terms specify that the PD Debt Instruments and Coupons are governed by, and construed in accordance with, New South Wales law, this Condition 19.2 applies.

The courts of New South Wales are to have jurisdiction to settle any disputes which may arise out of or in connection with the PD Debt Instruments and accordingly any legal action or proceedings arising out of or in connection with the PD Debt Instruments ("Proceedings") may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of the courts and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. These submissions are made for the benefit of each PD Debt Instrument Holder and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

### 19.3 Jurisdiction of the courts of England

- (a) If the relevant Final Terms specify that the PD Debt Instruments and Coupons (and any non-contractual obligations arising out of or in connection therewith) are governed by, and construed in accordance with, English law, this Condition 19.3 applies.
- (b) The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with (including any non-contractual obligations arising out of or in connection therewith) the PD Debt Instruments and accordingly any legal action or proceedings arising out of or in connection with the PD Debt Instruments ("Proceedings") may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. These submissions are made for the benefit of each PD Debt Instrument Holder and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).
- (c) The Issuer irrevocably appoints Macquarie Bank Limited, London Branch whose registered office is currently at Ropemaker Place, 28 Ropemaker Street, London EC2Y 9HD, United Kingdom as its agent in England to receive service of process in any Proceedings in England based on the PD Debt Instruments. If for any reason the Issuer does not have such an agent in England, it will promptly appoint a substitute process agent and notify the PD

*Debt Instrument Holders of such appointment in accordance with Condition 18. Nothing herein shall affect the right to serve process in any other manner permitted by law.*

## **Additional General Information**

To the extent that there is any inconsistency between (a) any statement in this Second Supplementary Prospectus and (b) any other statement in, or incorporated by reference in the Base Prospectus, the statements in (a) above will prevail.

MGL will provide, without charge, upon the written request of any person, a copy of this Second Supplementary Prospectus and the information which is incorporated in this Second Supplementary Prospectus by reference. Written requests should be directed to MGL at its office at Level 6, 50 Martin Place, Sydney NSW 2000, Australia, for attention of the Group Treasurer. In addition, such documents and information will be available for inspection free of charge at the offices of Citibank, N.A., London Branch, c/o Citibank, N.A., Dublin Branch, Ground Floor, 1 North Wall Quay, Dublin 1, Ireland. Copies of this Second Supplementary Prospectus will also be published on the internet site [www.macquarie.com](http://www.macquarie.com).

All information which MGL has published or made available to the public in compliance with its obligations under the laws of the Commonwealth of Australia dealing with the regulation of securities, issuers of securities and securities markets has been released to ASX Limited ("**ASX**") in compliance with the continuous disclosure requirements of the ASX Listing Rules. Announcements made by MGL under such rules are available on the ASX's internet site [www.asx.com.au](http://www.asx.com.au) (MGL's ASX code is "MQG").

Internet site addresses in this Second Supplementary Prospectus are included for reference only and the contents of any such internet sites are not incorporated by reference into, and do not form part of, the Base Prospectus.

There has been no significant change in the financial or trading position of MGL or MGL and its controlled entities ("**Macquarie Group**") since 30 September 2019, being the end date for the last financial period for which unaudited financial statements of Macquarie Group consolidated with its controlled entities have been published, and no material adverse change in the financial position or prospects of the Macquarie Group or the Macquarie Group consolidated with its controlled entities since 31 March 2019, being the end date for the last financial period for which audited financial statements of the Macquarie Group have been published.

Save as disclosed in this Second Supplementary Prospectus and the information which is incorporated in this Second Supplementary Prospectus by reference, no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus has arisen or been noted, as the case may be, since the publication of the Base Prospectus.

\* \* \* \* \*

## Second Supplementary Offering Circular

NEITHER THE OFFERING CIRCULAR NOR THIS SECOND SUPPLEMENTARY OFFERING CIRCULAR HAVE BEEN REVIEWED OR APPROVED BY THE UK LISTING AUTHORITY AND THE OFFERING CIRCULAR DOES NOT CONSTITUTE A PROSPECTUS FOR THE PURPOSES OF DIRECTIVE 2003/71/EC, AS AMENDED.

This page 32 of this supplement ("Second Supplementary Offering Circular") is supplemental to, and must be read in conjunction with, the Offering Circular and all documents which are deemed to be incorporated in, and to form part of, the Offering Circular.

MGL accepts responsibility for the information contained in this Second Supplementary Offering Circular. To the best of MGL's knowledge (after having taken reasonable care to ensure that such is the case), the information contained in this Second Supplementary Offering Circular is in accordance with the facts and this Second Supplementary Offering Circular makes no omission likely to affect its import.

The purpose of this Second Supplementary Offering Circular is to:

1. update the Base Prospectus following the release by S&P Global Ratings (**S&P**) of a change (upgrade) to the long-term issuer credit rating assigned by it to MGL; and
2. amend the "Terms and Conditions" section in Schedule A on pages 141 to 181 (inclusive) in the Offering Circular for all Series of Non-PD Debt Instruments ("**Terms and Conditions**") issued on and from the date of the Second Supplementary Offering Circular.

### Credit rating

On 11 December 2019, S&P upgraded the long-term issuer credit rating for MGL. As at the date of this Second Supplementary Prospectus, MGL has the following debt ratings for long-term unsubordinated unsecured obligations:

- S&P Global Ratings, Inc.: A+ / Stable;
- Moody's Investors Service Limited: A2 / Stable; and
- Fitch Ratings Australia Pty Ltd: A / Stable.

### New Terms and Conditions for Non-PD Debt Instruments issued on or after the date of this Second Supplementary Offering Circular

The amendments to the Terms and Conditions include the following changes (identified by reference to the Conditions as numbered and set out in the aforementioned section of the Offering Circular):

1. amending Condition 4 ("Status and Negative Pledge") on pages 146-149 (inclusive) to be entitled as Condition 4 ("Status") and deleting Condition 4.4 ("Negative Pledge") in its entirety; and
2. amending Condition 9.1 ("Events of Default – Unsubordinated Debt Instruments") on page 173-174 (inclusive) by deleting Condition 9(c) ("illegality") and Condition 9(f) ("cessation of business") in their entirety (with sub-paragraph numbering adjusted accordingly).

The Terms and Conditions (as so amended) are set out in full below.

### SCHEDULE A – TERMS AND CONDITIONS OF THE NON-PD DEBT INSTRUMENTS

*The following (save for the italicised text) is a composite text of the terms and conditions which (subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement) will be applicable to each Series of Debt Instruments. The terms of the Agency Agreement (as defined below) and the Master Deed of Covenant dated 16 September 2009 ("**Master Deed of Covenant**") will apply to each Series of Debt Instruments unless the provisions of the relevant Pricing Supplement provides otherwise.*

*References in the terms and conditions to "Issuer" are, unless the contrary intention appears, references to the Issuer specified in the relevant Pricing Supplement. References in the terms and conditions to "Debt Instruments" are, unless the contrary intention appears, to the Debt Instruments of one Series of the type specified in the relevant Pricing Supplement only, not to all Debt*



Instruments which may be issued under the Programme. Terms used in the relevant Pricing Supplement will, unless the contrary intention appears, have the same meaning where used in the terms and conditions.

Macquarie Group Limited is not an "authorised deposit-taking institution" ("**ADI**") for the purposes of the Banking Act 1959 of Australia, and its obligations do not represent deposits or other liabilities of its subsidiary, Macquarie Bank Limited. Macquarie Bank Limited does not guarantee or otherwise provide assurance in respect of the obligations of Macquarie Group Limited.

The following eight paragraphs apply to Debt Instruments, which are specified in the relevant Pricing Supplement as being issued with the benefit of both the Agency Agreement and the Master Deed of Covenant.

The Debt Instruments are issued with the benefit (to the extent applicable) of an amended and restated agency agreement (as amended, restated or supplemented from time to time) ("**Agency Agreement**") dated on or about 13 June 2019 between Macquarie Group Limited ("**Issuer**" or "**MGL**") and Citibank, N.A., London Branch in its capacity as an issuing and paying agent ("**I&P Agent**" and "**Paying Agent**", which expression shall include any successor to Citibank, N.A., London Branch in its capacity as such) and Citicorp International Limited as CMU lodging agent ("**CMU Lodging Agent**", which expression shall include any successor to Citicorp International Limited in its capacity as such).

The expression "**Agents**" shall include each I&P Agent, CMU Lodging Agent and any transfer agent ("**Transfer Agent**"), and any registrar ("**Registrar**") and any other paying agents subsequently appointed ("**Paying Agents**"), successors thereto in such capacity and any additional or substitute agents appointed to MGL's Debt Instrument Programme ("**Programme**") from time to time. The Debt Instrument Holders (as defined in Condition 2.3 below, which expression includes, unless the contrary intention appears, the holders of the coupons ("**Coupons**") (if any) appertaining to interest-bearing Debt Instruments in bearer form ("**Couponholders**") and the holders of talons ("**Talons**") (if any) for further coupons attached to such Debt Instruments ("**Talonholders**")) are entitled to the benefit of, are bound by, and are deemed to have notice of all the provisions of the Agency Agreement applicable to them.

The Pricing Supplement for this Debt Instrument is attached to this Debt Instrument or endorsed on this Debt Instrument, specifies the Issuer and the type of Debt Instrument and supplements these Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify these Conditions for the purposes of this Debt Instrument. References in these Conditions to the "**relevant Pricing Supplement**" are to the Pricing Supplement setting out the final terms of this Debt Instrument which is attached to, endorsed on, or otherwise applicable to this Debt Instrument.

As used in these Conditions, "**Series**" means each original issue of Debt Instruments together with any further issues expressed to form a single Series with the original issue and the terms of which (save for the issue or deposit date ("**Issue Date**")), the date from which interest accrues ("**Interest Commencement Date**"), the issue price of the Debt Instruments ("**Issue Price**") and the amount of the first interest payment (if any) (as specified in the relevant Pricing Supplement) are identical (including whether or not the Debt Instruments are listed). However, the Pricing Supplement for this Debt Instrument may provide that a particular Tranche will not become fungible with Debt Instruments of another Tranche or Tranches forming part of the same Series until the time specified in the Pricing Supplement. As used in these Conditions, "**Tranche**" means all Debt Instruments of the same Series with the same Issue Date and Interest Commencement Date.

For the purposes of these Conditions (other than in relation to the determination of interest and other amounts payable in respect of the Debt Instruments) a reference to the I&P Agent shall, with respect to Debt Instruments held through the Central Moneymarkets Unit Service ("**CMU Service**"), be deemed to be a reference to the CMU Lodging Agent, and all such references shall be construed accordingly.

All references in these Conditions to Debt Instruments, Coupons and Talons must be read and construed as references to the Debt Instruments, Coupons and Talons of a particular Series.

Words and expressions defined in the Agency Agreement or used in the relevant Pricing Supplement shall have the same meanings where used in these Conditions unless the contrary intention appears.

Copies of the Agency Agreement and the Pricing Supplement applicable to this Debt Instrument are obtainable from and, available for inspection during normal business hours at, the specified office of each I&P Agent and the other Paying Agents. The Debt Instrument Holders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement and the Pricing Supplement which are applicable to them.

## **1 Form and Denomination**

## 1.1 General

References in these Conditions to "Debt Instruments" are references to the type of Debt Instrument specified in the relevant Pricing Supplement. For the avoidance of doubt, where certain Conditions are expressed to only apply to certain types of Debt Instrument, such Conditions only apply to that type of Debt Instrument as specified in the relevant Pricing Supplement and do not apply to other types of Debt Instrument.

Debt Instruments are issued in bearer form ("**Bearer Debt Instruments**") and/or in registered form ("**Registered Debt Instruments**"), as specified in the relevant Pricing Supplement. In these Conditions and unless the contrary intention appears, references to "**Debt Instruments**" are to Bearer Debt Instruments and Registered Debt Instruments.

Prior to the issue of any Registered Debt Instruments (as defined below), the Issuer will appoint a Registrar.

## 1.2 Type of Debt Instruments

Each Debt Instrument may be a Fixed Rate Debt Instrument, a Floating Rate Debt Instrument, a Zero Coupon Debt Instrument, an Indexed Interest Debt Instrument, an Indexed Redemption Amount Debt Instrument ("**Indexed Redemption Amount Debt Instrument**") or a Partly Paid Debt Instrument or a combination of any of the foregoing, as specified in the relevant Pricing Supplement.

## 1.3 Form of Bearer Debt Instruments

Unless otherwise specified in the relevant Pricing Supplement, interest-bearing Bearer Debt Instruments in definitive form will be serially numbered and issued with Coupons (and where appropriate, a Talon) attached, other than in the case of Debt Instruments which do not carry an entitlement to periodic payment of interest prior to the redemption date of such Debt Instruments and which are issued at a discount to their face value ("**Zero Coupon Debt Instruments**") (in which case references to interest (other than in relation to interest due after the redemption date), Coupons and Talons in these Conditions are not applicable). On or after the date on which all the Coupons attached to, or issued in respect of, any Bearer Debt Instrument which was issued with a Talon have matured, a coupon sheet comprising further Coupons (other than Coupons which would be void) and, if applicable, one further Talon, will be issued against presentation of the relevant Talon at the specified office of any Agent in accordance with Condition 7.1.6.

## 1.4 Form of Registered Debt Instruments

Registered Debt Instruments are constituted by the Deed of Covenant specified in the relevant Pricing Supplement. Copies of the Deed of Covenant are available for inspection at the office of the Registrar. Debt Instrument Holders of such Registered Debt Instruments are entitled to the benefit of, are bound by, and are deemed to have notice of all the provisions of the Deed of Covenant.

Unless otherwise specified in the relevant Pricing Supplement, where Debt Instruments are issued in registered form, no certificate or other evidence of title will be issued unless the Issuer determines that certificates should be available or the Issuer is required to do so pursuant to any applicable law or regulation. Each certificate represents a holding of one or more such Debt Instruments by the same Debt Instrument Holder.

## 1.5 Denomination

Debt Instruments will be in the denomination or denominations specified in the relevant Pricing Supplement or integral multiples thereof ("**Specified Denomination**"). Bearer Debt Instruments of one denomination may not be exchanged for Bearer Debt Instruments of another denomination.

## 1.6 Currency of Debt Instruments

Subject to compliance with all applicable legal and/or regulatory requirements, Debt Instruments may be denominated in the lawful currency of the Commonwealth of Australia ("**Australian Dollars**" or "**A\$**"), the lawful currency of the United States of America ("**U.S. Dollars**" or "**U.S.\$**"), the lawful currency of Japan ("**Yen**"), the lawful currency of Singapore ("**Singapore Dollars**" or "**SG\$**"), the lawful currency of the United Kingdom ("**Sterling**"), the single currency introduced at the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Communities, as amended by the Treaty on European Union ("**Euro**"), the lawful currency of the People's Republic of

China ("Renminbi" or "RMB") or in any other currency or currencies specified in the relevant Pricing Supplement ("**Specified Currency**").

## **2 Title**

### **2.1 Title to Bearer Debt Instruments, Coupons and Talons**

*Title to Bearer Debt Instruments, Coupons and Talons passes by delivery.*

### **2.2 Title to Registered Debt Instruments**

*Title to Registered Debt Instruments passes by registration in the register ("**Register**") which the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement.*

### **2.3 Title - general**

*In these Conditions, subject as provided below, "**Debt Instrument Holder**" means:*

- (a) *(in relation to a Debt Instrument, Coupon or Talon) the bearer of any Bearer Debt Instrument, Coupon or Talon (as the case may be); or*
- (b) *the person in whose name a Registered Debt Instrument is registered, as the case may be.*

*A Debt Instrument Holder will (except as otherwise required by applicable law or regulatory requirement) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on it, or its theft or loss or any express or constructive notice of any claim by any other person of any interest therein other than, in the case of a Registered Debt Instrument, a duly executed transfer of such Debt Instrument) and no person will be liable for so treating the Debt Instrument Holder.*

## **3 Exchanges of Bearer Debt Instruments for Registered Debt Instruments and transfers of Registered Debt Instruments**

### **3.1 Exchange of Bearer Debt Instruments**

*Subject to Condition 3.6, Bearer Debt Instruments may, if so specified in the relevant Pricing Supplement, be exchanged for the same aggregate principal amount of Registered Debt Instruments at the request in writing of the relevant Debt Instrument Holders and upon surrender of the Bearer Debt Instrument to be exchanged together with all unmatured Coupons and Talons relating to it (if any) at the specified office of the Registrar or the specified office of the Transfer Agent. Without limiting the previous sentence, the relevant Pricing Supplement may specify that Bearer Debt Instruments may be exchanged for Registered Debt Instruments only with the prior written approval of the Issuer or such other or additional persons as are specified in such Pricing Supplement. Where, however, a Bearer Debt Instrument is surrendered for exchange after the Record Date (as defined in Condition 7.2.2) for any payment of interest, the Coupon in respect of that payment of interest need not be surrendered with it. Registered Debt Instruments may not be exchanged for Bearer Debt Instruments.*

### **3.2 Transfer of Registered Debt Instruments**

*A Registered Debt Instrument may be transferred in whole but not in part upon the surrender of the relevant certificate by which such Registered Debt Instrument is represented (if the Debt Instrument is certificated), together with the form of transfer endorsed on it duly completed and executed, at the specified office of the Registrar or the specified office of the Transfer Agent. In the case of a certificated Debt Instrument, a new certificate will be issued to the transferee and in the case of a transfer of a Registered Debt Instrument which forms part only of a holding represented by a certificate, a new certificate in respect of the balance not transferred will be issued to the transferor.*

*Bearer Debt Instruments will not be exchanged for Registered Debt Instruments nor will Registered Debt Instruments be transferred if the exchangee or transferee is an Australian resident, or a non-Australian resident that holds the Debt Instruments in carrying on business in Australia at or through a permanent establishment of the exchangee or transferee in Australia and fails to provide a tax file number ("**TFN**"), Australian Business Number ("**ABN**"), or evidence that the exchangee or transferee (as the case may be) is not required to provide a TFN or ABN.*

The forms of exchange and transfer will require the exchangee or transferee (as the case may be) to certify whether or not such person is an Australian resident, or a non-Australian resident that holds the Debt Instruments in carrying on business in Australia at or through a permanent establishment of the exchangee or transferee in Australia and, if so, the transferee may provide a TFN or ABN or evidence that such person is not required to provide a TFN or ABN.

### 3.3 **Partial redemption or exercise of options in respect of Registered Debt Instruments**

In the case of a partial redemption of a holding of Registered Debt Instruments represented by a single certificate or a partial exercise of the Issuer's or Debt Instrument Holders' option to redeem in respect of a holding of Registered Debt Instruments represented by a single certificate, a new certificate will be issued to the Debt Instrument Holder in respect of the balance of the holding not redeemed or in respect of which the relevant option has not been exercised. In the case of a partial exercise of an option resulting in Registered Debt Instruments of the same holding having different terms, separate certificates shall be issued in respect of those Debt Instruments of that holding that have the same terms. New certificates shall only be issued against surrender of the existing certificates to the Registrar or the Transfer Agent.

### 3.4 **Delivery of new certificates representing Registered Debt Instruments**

In the case of certificated Registered Debt Instruments, each new certificate to be issued upon exchange of Bearer Debt Instruments or transfer of Registered Debt Instruments will, within three Business Days (in the place of the specified office of the Registrar and the specified office of the Transfer Agent) of receipt of such request for exchange or form of transfer, be available for delivery at the specified office of the Registrar and the specified office of the Transfer Agent, or be mailed at the risk of the Debt Instrument Holder entitled to the Registered Debt Instrument, to such address as may be specified in such request or form of transfer.

### 3.5 **Exchange free of charge**

Registration of Debt Instruments on exchange of Bearer Debt Instruments for Registered Debt Instruments or transfer of Registered Debt Instruments will be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agent (other than any insurance charges or any expenses of delivery (if applicable) by other than regular mail), but upon payment of (or the giving of such indemnity as the Registrar or the Transfer Agent may require in respect of) any tax or other governmental charges which may be imposed in relation to it.

### 3.6 **Closed periods**

No Debt Instrument Holder may require the transfer of a Registered Debt Instrument to be registered or a Bearer Debt Instrument to be exchanged for a Registered Debt Instrument:

- (a) during the period of 15 days ending on the due date for any payment of principal or redemption amount on that Debt Instrument;
- (b) during the period of 15 days before any drawing of Debt Instruments for redemption under Condition 6.2; or
- (c) after any such Debt Instrument has been drawn for redemption in whole or in part.

## 4 **Status**

The Debt Instruments and Coupons are direct and unsecured obligations of the Issuer and rank *pari passu* without any preference among themselves. Debt Instruments of a Series may be either:

- (a) subordinated ("Subordinated Debt Instruments"); or
- (b) unsubordinated ("Unsubordinated Debt Instruments").

MGL is not an ADI for the purposes of the Banking Act, and its obligations do not represent deposits or other liabilities of its subsidiary, Macquarie Bank Limited. Macquarie Bank Limited does not guarantee or otherwise provide assurance in respect of the obligations of MGL.

#### 4.1 Status of Subordinated Debt Instruments

*In the case of Subordinated Debt Instruments issued by MGL which are to be included as part of MGL's 'eligible capital' for the purposes of MGL's authority as a non-operating holding company under the Banking Act, the terms of this Condition 4.2 are subject to the prior written approval of APRA having been obtained before the issue of such Subordinated Debt Instruments. Any amendment to this Condition 4.2 will be set out in the relevant Pricing Supplement.*

- (a) *Subordinated Debt Instruments and Coupons rank pari passu with all other unsecured Subordinated Indebtedness (as defined in paragraph (c) below) of the Issuer, except liabilities mandatorily preferred by law.*
- (b) *The rights and claims of the Debt Instrument Holders are, in a Winding-Up (as defined in paragraph (c) below) of the Issuer, subordinated to the claims of Senior Creditors (as defined in paragraph (c) below) of the Issuer and prior to the commencement of a Winding-Up of the Issuer:*
  - (i) *the obligations of the Issuer to make payments of the principal, redemption amount, interest or other amounts in respect of the Subordinated Debt Instruments and all other amounts owing in relation to the Subordinated Debt Instruments shall be conditional upon the Issuer being solvent at the time the payments and other amounts owing fall due; and*
  - (ii) *no payment of principal, redemption amount, interest or any other amount shall be made in respect of the Subordinated Debt Instruments, except to the extent that the Issuer may make such payment and still be solvent immediately thereafter.*

*For the purposes of this paragraph, the Issuer shall be considered solvent if:*

- (A) *it is able to pay its debts as they fall due; and*
- (B) *its Assets (as defined in paragraph (c) below) exceed its Liabilities (as defined in paragraph (c) below).*

*A certificate as to whether the Issuer is solvent signed by two authorised signatories of the Issuer or, if the Issuer is being wound up, its liquidator, shall be prima facie evidence of the information contained in that certificate. In the absence of such a certificate, a Debt Instrument Holder shall be entitled to assume (unless the contrary is proved) that the Issuer is and will after any payment aforesaid be solvent.*

*For the avoidance of any doubt, any amount not paid as a consequence of this Condition 4.2(b) accumulates without compounding and remains a debt owing to the Debt Instrument Holder by the Issuer until it is paid and shall be payable on the first date on which sub-paragraphs (i) and (ii) of this Condition 4(b) would not apply (whether or not such date is otherwise a payment date).*

*The obligation of the Issuer prior to the commencement of a Winding-Up of the Issuer to make payments when due in respect of the Subordinated Debt Instruments is conditional upon the Issuer being solvent immediately before and after payment by the Issuer.*

- (c) *For the purposes of this Condition 4.2, the following terms shall have the following meanings:*

**"Assets"** *means the total consolidated gross assets of the Issuer as shown by the latest published audited accounts of the Issuer but adjusted for events subsequent to the date of such accounts in such manner and to such extent as the directors, the auditor to the Issuer or, as the case may be, the liquidator of the Issuer may determine to be appropriate;*

**"Liabilities"** *means the total consolidated gross liabilities of the Issuer as shown by its latest published audited accounts but adjusted for events subsequent to the date of such accounts in such manner and to such extent as the directors, the auditor to the Issuer or, as the case may be, the liquidator of the Issuer may determine to be appropriate;*

**"Senior Creditors"** *means all the creditors (present and future) including depositors of the Issuer:*

- (i) *whose claims are admitted in the Winding-Up of the Issuer; and*

- (ii) *who are not the holders of indebtedness, the right to repayment of which by its terms is, or is expressed to be, subordinated in a Winding-Up of the Issuer to the claims by all unsubordinated creditors of the Issuer.*

**"Subordinated Indebtedness"** means any indebtedness (present and future) of the Issuer which by its terms is, or is expressed to be, subordinated in a Winding-Up of the Issuer to the claims of its Senior Creditors; and

**"Winding-Up"** means any procedure whereby the Issuer may be wound-up, dissolved, liquidated or cease to exist as a body corporate whether brought or instigated by a Debt Instrument Holder or any other person, but excludes any Winding-Up which results in there being a successor to the Issuer and the obligations under the Subordinated Debt Instruments are assumed by that successor.

- (d) *On the Winding-Up of the Issuer the rights of the Debt Instrument Holders against the Issuer to recover any sums payable in respect of such Subordinated Debt Instruments:*
  - (i) *shall be subordinate and junior in right of payment to the obligations of the Issuer to Senior Creditors, to the extent that all such obligations to Senior Creditors shall be entitled to be paid in full before any payment shall be paid on account of any sums payable in respect of such Subordinated Debt Instruments; and*
  - (ii) *shall rank pari passu and rateably (as to its due proportion only) with other subordinated creditors of the Issuer in respect of Subordinated Indebtedness.*
- (e) *On a Winding-Up of the Issuer, Debt Instrument Holders shall only be entitled to prove for any sums payable in respect of the Subordinated Debt Instruments as a debt which is subject to and contingent upon prior payment in full of, the Senior Creditors. The Debt Instrument Holders waive to the fullest extent permitted by law any right to prove in any such Winding-Up as a creditor ranking for payment in any other manner.*
- (f) *No Debt Instrument Holder shall be entitled to set-off against any amounts due in respect of the Subordinated Debt Instruments held by such Debt Instrument Holder any amount held by the Debt Instrument Holder to the credit of the Issuer whether in any account, in cash or otherwise, nor any deposits with, advances to or debts of the Issuer, nor any other amount owing by the Debt Instrument Holder to the Issuer on any account whatsoever, nor shall any Debt Instrument Holder be entitled to effect any reduction of the amount due to such Debt Instrument Holder in respect of a Subordinated Debt Instrument by merger of accounts or lien or the exercise of any other rights the effect of which is or may be to reduce the amount due in respect of that Subordinated Debt Instrument in breach of these Conditions.*
- (g) *The Issuer does not have any right to set-off against any amounts owing to it by a Debt Instrument Holder on any account against any amount owing by the Issuer to that Debt Instrument Holder in respect of any Debt Instrument.*
- (h) *Any payment whether voluntary or in any other circumstances received by a Debt Instrument Holder from or on account of the Issuer (including by way of credit, set-off or otherwise howsoever) or from any liquidator, receiver, manager or statutory manager of the Issuer in breach of this Condition or Condition 9.3, will be held by the relevant Debt Instrument Holder in trust for and to the order of the Senior Creditors. The trust hereby created shall be for a term expiring on the earlier of the date on which all Senior Creditors have been paid in full or eighty years from the date of the issue of the Subordinated Debt Instruments.*

#### **4.2 Status of Unsubordinated Debt Instruments**

*MGL is not an ADI for the purposes of the Banking Act, and its obligations do not represent deposits or other liabilities of its subsidiary, Macquarie Bank Limited. Macquarie Bank Limited does not guarantee or otherwise provide assurance in respect of the obligations of MGL.*

*Unsubordinated Debt Instruments rank at least equally with the claims of its unsecured and unsubordinated creditors, except creditors mandatorily preferred by law.*

#### **5 Interest**

## 5.1 General

Debt Instruments may be either interest-bearing or non interest-bearing, as specified in the relevant Pricing Supplement. Interest-bearing Debt Instruments may bear interest at either a fixed rate or a floating rate. In relation to any Tranche of Debt Instruments, the relevant Pricing Supplement may specify actual amounts of interest payable ("**Interest Amounts**") rather than, or in addition to, a rate or rates at which interest accrues.

The Pricing Supplement in relation to each Tranche of interest-bearing Debt Instruments will specify which of Conditions 5.2, 5.3 and 5.4 will be applicable to the Debt Instruments. Condition 5.5 will be applicable to each Tranche of interest-bearing Debt Instruments save to the extent of any inconsistency with the relevant Pricing Supplement.

## 5.2 Interest - fixed rate

Each Debt Instrument in relation to which this Condition 5.2 is specified in the relevant Pricing Supplement as being applicable ("**Fixed Rate Debt Instruments**") will bear interest on its nominal amount (or, if it is a Partly Paid Debt Instrument, the amount paid up) at the fixed rate or rates per annum specified in the relevant Pricing Supplement from the Issue Date or such other date as is specified in the relevant Pricing Supplement as being the Interest Commencement Date. Interest will be payable in arrear on each Interest Payment Date (as defined in Condition 5.5(a)) as adjusted, if applicable, in accordance with the Business Day Convention specified in the relevant Pricing Supplement.

Interest which is required to be calculated for a period of other than a full year will be calculated on the basis of a year of 360 days and 12 months of 30 days each or on such other basis as may be specified as the Day Count Fraction in the relevant Pricing Supplement.

The first payment of interest will be made on the Interest Payment Date next following the Interest Commencement Date and, if the first anniversary of the Interest Commencement Date is not an Interest Payment Date, will amount to the Initial Broken Amount.

If the Maturity Date is not an Interest Payment Date, interest from (and including) the preceding Interest Payment Date (or the Interest Commencement Date, as the case may be) to (but excluding) the Maturity Date will amount to the Final Broken Amount.

"Interest Payment Date", "Initial Broken Amount" and "Final Broken Amount" have the meaning given to them in the Pricing Supplement.

## 5.3 Interest - floating rate and indexed rate

### (a) Accrual of interest

Debt Instruments in relation to which this Condition 5.3 is specified in the relevant Pricing Supplement as being applicable ("**Floating Rate Debt Instruments**" or "**Indexed Interest Debt Instruments**" as the case may be,) will bear interest in respect of each Interest Period (as defined in Condition 5.5(a)) at the rate or rates per annum specified in the relevant Pricing Supplement determined in accordance with this Condition 5.3.

Each Floating Rate Debt Instrument and Indexed Interest Debt Instrument will bear interest on its nominal amount (or, if it is a Partly Paid Debt Instrument, the amount paid up) at the Interest Rate (as defined below) from the Issue Date of the Debt Instruments or such other date as is specified in the relevant Pricing Supplement as being the Interest Commencement Date. Interest will be payable in arrear on each Interest Payment Date. If any Interest Payment Date in respect of a Floating Rate Debt Instrument would otherwise fall on a day which is not a Business Day (as defined in Condition 5.7), such Interest Payment Date shall be determined in accordance with the Business Day Convention specified in the relevant Pricing Supplement.

### (b) Interest Rate

The rate of interest payable in respect of Floating Rate Debt Instruments ("**Interest Rate**") shall be determined by the Calculation Agent (as defined in Condition 5.7) on the basis of (i), (ii) or (iii) below, as specified in the relevant Pricing Supplement.

(i) *ISDA Determination for Floating Rate Debt Instruments*

Where ISDA Determination is specified in the relevant Pricing Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate for each Interest Period will be the relevant ISDA Rate plus or minus (as specified in the relevant Pricing Supplement) the margin (if any) specified in the relevant Pricing Supplement ("**Margin**").

For the purposes of this sub-paragraph (i):

"**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent for the Debt Instruments under an interest rate Swap Transaction if the Calculation Agent for the Debt Instruments were acting as Calculation Agent for that 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 relevant Pricing Supplement;
- (B) the Designated Maturity is a period specified in the relevant Pricing Supplement; and
- (C) the relevant Reset Date is the day specified in the relevant Pricing Supplement; and
- (D) the Period End Dates are each Interest Payment Date, the Spread is the Margin and the Floating Rate Day Count Fraction is the Day Count Fraction.

For these purposes, "**Swap Transaction**", "**Floating Rate**", "**Calculation Agent**" (except references to "**Calculation Agent for the Debt Instruments**"), "**Floating Rate Option**", "**Designated Maturity**", "**Reset Date**", "**Period End Date**", "**Spread**" and "**Floating Rate Day Count Fraction**" have the meanings given to those terms in the 2006 ISDA Definitions as amended and updated in the case of each Series as at the Issue Date of the first Tranche of the relevant Debt Instruments, published by the International Swaps and Derivatives Association, Inc. ("**ISDA Definitions**").

(ii) *Screen Rate Determination for Floating Rate Debt Instruments*

Where the Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate for each Interest Period will, subject as provided below, be either:

- (A) the offered quotation; or
- (B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at the Relevant Time in the Relevant Financial Centre on the Interest Determination Date in question plus or minus (as specified in the relevant Pricing Supplement) the Margin (if any), all as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purposes of determining the arithmetic mean (rounded as provided above) of such offered quotations.

- (a) If (A) applies and no offered quotation appears on the Relevant Screen Page at the Relevant Time in the Relevant Financial Centre on the Interest Determination Date or if (B) applies and fewer than two offered quotations appear on the Relevant Screen Page at the Relevant Time in the Relevant Financial Centre on the Interest Determination Date, subject as provided below, the Interest Rate shall be the arithmetic mean of the Reference Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date, as determined by the Calculation Agent.



- (b) *If paragraph (a) above applies and the Calculation Agent determines that fewer than two Reference Banks are making offered quotations for the Reference Rate in respect of the Specified Currency, subject as provided below, the Interest Rate shall be the arithmetic mean of the rates per annum (expressed as a percentage) that the Calculation Agent determines to be the rates (being the nearest equivalent to the Reference Rate) in respect of a Representative Amount of the Specified Currency that at least two out of five leading banks selected by the Calculation Agent in the principal financial centre of the country of the Specified Currency or, if the Specified Currency is Euro or Renminbi, in such financial centre(s) as is/are specified in the relevant Pricing Supplement, in each case as selected by the Calculation Agent ("**Principal Financial Centre**") are quoting at or about the Relevant Time on the date on which such banks would customarily quote such rates for a period commencing on the first day of the Interest Period to which the relevant Interest Determination Date relates for a period equivalent to the relevant Interest Period (x) two leading banks carrying on business in Europe, or (if the relevant currency is not Euro and the Calculation Agent determines that fewer than two of such banks are so quoting to leading banks in Europe) (y) two leading banks carrying on business in the Principal Financial Centre.*

*For the purposes of this sub-paragraph (ii), "**Reference Rate**", "**Relevant Screen Page**", "**Relevant Time**" and "**Interest Determination Date**" have the meanings given to them in the relevant Pricing Supplement.*

(iii) *BBSW Rate Determination for Floating Rate Debt Instruments*

*If BBSW Rate Determination is specified in the Pricing Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate applicable to the Floating Rate Debt Instruments for each Interest Period is the sum of the Margin (if any) and the BBSW Rate.*

*In this Condition, "**BBSW Rate**" means, for an Interest Period, the rate (expressed as a percentage per annum) for prime bank eligible securities having a tenor closest to the Interest Period which is designated as the "AVG MID" on the Reuters Screen BBSW page (or any designation which replaces that designation on that page, or any replacement page) at approximately 10.30 am (or such other time at which such rate customarily appears on that page, including, if corrected, as recalculated and republished by the relevant administrator) ("**Publication Time**") on the first day of that Interest Period. However, if such rate does not appear on the Reuters Screen BBSW page (or any replacement page) by 10.45 am on that day (or such other time that is 15 minutes after the then prevailing Publication Time), or if it does appear but the Issuer determines that there is an obvious error in that rate, "**BBSW Rate**" means such other substitute or successor base rate determined by the Issuer in good faith in accordance with Condition 5.3(d) having regard, to the extent possible, to the comparable indices then available and to industry-accepted practices. The rate must be expressed as a percentage per annum and will be rounded up, if necessary, to the next higher one ten-thousandth of a percentage point (0.0001 per cent.).*

(c) *Minimum and/or Maximum Interest Rate*

*If the relevant Pricing Supplement specifies a Minimum Interest Rate for any Interest Period then, in the event that the Interest Rate in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Interest Rate, the Interest Rate for such Interest Period shall be such Minimum Interest Rate.*

*If the Pricing Supplement specifies a Maximum Interest Rate for any Interest Period then, in the event that the Interest Rate in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Interest Rate, the Interest Rate for such Interest Period shall be such Maximum Interest Rate.*

(d) *Fallback Interest Rate*

- (i) *Notwithstanding any other provision, if the Issuer (acting in good faith and in a commercially reasonable manner) determines that a Benchmark Disruption Event has occurred when any Interest*

*Rate calculated in accordance with Condition 5.3(b) (or the relevant component part thereof) remains to be determined by reference to such Reference Rate affected by the Benchmark Disruption Event, then the following provisions shall apply:*

- (a) *if there is a Successor Rate, then the Calculation Agent shall use such Successor Rate in place of the Reference Rate;*
- (b) *if there is no Successor Rate, but an Alternative Rate has been determined, the Calculation Agent shall use such Alternative Rate in place of the Reference Rate; and*
- (c) *the Calculation Agent may:*
  - (A) *in respect of a Successor Rate only, where an Adjustment Spread is formally recommended, or provided as an option for parties to adopt (which, in each case, the Independent Adviser or the Issuer (as the case may be), acting in good faith and in a commercially reasonable manner and by reference to sources as it deems appropriate, has determined is required to be adopted to reduce or eliminate, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Debt Instrument Holders as a result of the replacement of the Reference Rate with the Successor Rate) by any Relevant Nominating Body and such Adjustment Spread has been notified to the Calculation Agent, apply such Adjustment Spread to the Successor Rate for each subsequent determination of a relevant Interest Rate (or a component part thereof) by reference to such Successor Rate; or*
  - (B) *in respect of a Successor Rate, where no such Adjustment Spread is formally recommended or provided as an option by any Relevant Nominating Body or, in respect of an Alternative Rate, the Independent Adviser or the Issuer (as the case may be), acting in good faith and in a commercially reasonable manner and by reference to such source as it deems appropriate, determines that there is an Adjustment Spread in customary market usage in the international debt capital markets for transactions which reference the Reference Rate, where such Reference Rate has been replaced by the Successor Rate or Alternative Rate (as the case may be), in accordance with the Issuer's written instructions, apply such Adjustment Spread to the Successor Rate or Alternative Rate (as the case may be) for each subsequent determination of a relevant Interest Rate (or a component part thereof) by reference to such Successor Rate or Alternative Rate; and*
- (d) *the Independent Adviser or the Issuer (as the case may be) may determine (acting in good faith and in a commercially reasonable manner) in its sole discretion, after consulting or any source it deems reasonable, the Business Day Convention, the definitions of Business Day, Day Count Fraction, Relevant Screen Page, Relevant Time, Reference Rate and Interest Determination Date and any other relevant methodology for calculating such Successor Rate or Alternative Rate, including any adjustment factor it determines is needed to make such Successor Rate or Alternative Rate comparable to the relevant Reference Rate, in a manner that is consistent with industry-accepted practices for such Successor Rate or Alternative Rate and shall notify the Calculation Agent of such determination.*
- (i) *Unless otherwise specified in the relevant Pricing Supplement, if:*
  - (a) *the Calculation Agent is unable to determine a rate (or, as the case may be, the arithmetic mean of rates); or*
  - (b) *the Calculation Agent is unable to use a Successor Rate; or*
  - (c) *the Independent Adviser or the Issuer is unable to (or in the case of the Issuer, elects not to) determine the Alternative Rate,*

*in each case, in accordance with the above provisions, the Interest Rate applicable to the Debt Instruments during the next succeeding Interest Period will be the Interest Rate applicable to the Debt Instruments during the immediately preceding Interest Period (with adjustment for any change in the Margin, Maximum Interest Rate or Minimum Interest Rate). For the avoidance of doubt, this Condition 5.3(d)(ii) shall apply to the next succeeding Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in Condition 5.3.*

- (i) *The Issuer may make the necessary modifications to these Conditions and/or the Agency Agreement to give effect to this Condition 5.3(d) without any requirement for the consent or approval of the Debt Instrument Holders or Couponholders (if any).*

*For the avoidance of doubt and notwithstanding any other provision of this Condition 5.3, in determining any adjustment factor or other relevant methodology for the purposes of Condition 5.3(d)(i), the Issuer shall not and shall not be obliged to apply and may discount any adjustment factor or methodology the application of which may constitute it an administrator for the purposes of Regulation (EU) 2016/1011.*

*For the purposes of this Condition 5.3(d):*

**"Adjustment Spread"** means either a spread, or the formula or methodology for calculating a spread and the spread resulting from such calculation, which spread may in either case be positive, negative or zero and is to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Debt Instrument Holders as a result of the replacement of the Reference Rate with the Successor Rate or the Alternative Rate (as the case may be).

**"Alternative Rate"** means an alternative rate for the relevant Interest Period which has been:

- (a) *determined at the request of the Issuer by the Independent Adviser (acting in good faith and in a commercially reasonable manner) in its sole discretion; or*
- (b) *if the Issuer is unable to appoint an Independent Adviser, then, if it elects to do so, determined by the Issuer (acting in good faith and in a commercially reasonable manner) in its sole discretion,*

*in each case, after consulting such sources the Independent Adviser or the Issuer (as the case may be) deems reasonable, to be:*

- (i) *the most comparable alternative rate to the relevant Reference Rate; and*
- (ii) *used in place of the Reference Rate in customary market usage in the international debt capital markets,*

*and which has been notified to the Calculation Agent by the Issuer.*

**"Benchmark Disruption Event"** means:

- (a) *the relevant Reference Rate specified in the Final Terms has ceased to be published on the Relevant Screen Page as a result of such benchmark ceasing to be calculated or administered; or*
- (b) *the Issuer determines consulting with the Independent Adviser (if so appointed) that, a change in the generally accepted market practice in the international debt capital markets to refer to a Reference Rate is endorsed in a public statement or publication of information by a Relevant Nominating Body despite the continued existence of the applicable Reference Rate.*

**"Independent Adviser"** means an independent financial institution of international repute or other independent financial adviser with appropriate expertise in the international debt capital markets, in each case appointed by the Issuer at its own expense.

**"Relevant Nominating Body"** means, in respect of a Reference Rate:

- (a) the central bank for the currency to which the Reference Rate relates, or any central bank or other supervisory authority which is responsible for administering or supervising the administrator of the Reference Rate; or
- (b) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (i) the central bank for the currency to which the Reference Rate relates, (ii) any central bank or other supervisory authority which is responsible for administering or supervising the administrator of the Reference Rate, (iii) a group of the aforementioned central banks or other supervisory authorities, or (iv) the Financial Stability Board or any part thereof.

**"Successor Rate"** means a successor to or replacement of the Reference Rate which is formally recommended by any Relevant Nominating Body.

- (e) Rounding

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 significant figures (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 the lowest amount of such currency that is available as legal tender in the country of such currency.

- (f) Calculation of interest amount payable

The Calculation Agent will, as soon as practicable on or after determining the Interest Rate in relation to each Interest Period, calculate the amount of interest payable for the relevant Interest Period in respect of the principal amount of each denomination of such Debt Instruments. The amount of interest payable will be calculated by multiplying the product of the Interest Rate for such Interest Period and the outstanding principal amount (or, in the case of a Partly Paid Debt Instrument, the amount paid up) by the applicable Day Count Fraction and rounding the resultant figure to the nearest unit of the currency in which the relevant Debt Instruments are denominated or, as the case may be, in which such interest is payable (an amount equal to or above one half of any such unit being rounded upwards).

#### 5.4 Interest - other rates

Debt Instruments in relation to which this Condition 5.4 is specified in the relevant Pricing Supplement as being applicable, will bear interest at the rate or rates calculated on the basis specified in, and be payable in the amounts and in the manner determined in accordance with, the relevant Pricing Supplement.

#### 5.5 Interest - supplemental provisions

- (a) Interest Payment Dates and Interest Periods

Interest on each Debt Instrument will be payable in arrear at such intervals and on such dates as are specified in the relevant Pricing Supplement and at the Maturity Date of such Debt Instrument (each an **"Interest Payment Date"**). The period beginning on (and including) the Issue Date of a Debt Instrument (or other date specified in the relevant Pricing Supplement as the Interest Commencement Date) and ending on (but excluding) the first Interest Payment Date, and each period thereafter from (and including) an Interest Payment Date to (but excluding) the next following Interest Payment Date, is referred to in these Conditions as an **"Interest Period"**. Where Debt Instruments are listed on a stock exchange, the I&P Agent must notify the relevant listing authority of each Interest Period.

- (b) Notification of Interest Rate, interest payable and other items

The Calculation Agent will cause each Interest Rate, the amount of interest payable, (in respect of Condition 5.3(d)) the fallback interest rate or any relevant adjustments and each other amount, item or date, as the case may be, determined or calculated by it to be notified to the Issuer and, in the case of Bearer Debt Instruments, the I&P Agent or, in the case of Registered Debt Instruments, the Registrar, or where Debt Instruments are listed

on a stock exchange, the relevant listing authority and to be notified to Debt Instrument Holders in accordance with Condition 18 as soon as practicable after such determination or calculation but in any event not later than the fourth Banking Day in the Relevant Financial Centre (as defined in Condition 5.7) thereafter. The Calculation Agent will be entitled to amend any such amount, item or date (or to make appropriate alternative arrangements by way of adjustment) without prior notice in the event of the extension or abbreviation of any relevant Interest Period or calculation period and such amendment will be notified in accordance with the previous sentence.

(c) *Determination final*

The determination by the Calculation Agent of all amounts, items and dates falling to be determined by it pursuant to these Conditions (including, without limitation, the Interest Rate for any Interest Period and the amount of interest payable for any Interest Period in respect of any Debt Instrument) shall, in the absence of manifest error, be final and binding on all parties.

(d) *Accrual of interest*

Interest shall accrue on the outstanding principal amount of each Debt Instrument or, in the case of a Partly Paid Debt Instrument, on the paid up principal amount of such Debt Instrument or as otherwise specified in the relevant Pricing Supplement. Interest will cease to accrue as from the due date for redemption of a Debt Instrument unless (except in the case of any payment where presentation and/or surrender of the relevant Debt Instrument is not required as a precondition of payment) upon due presentation and/or surrender of the relevant Debt Instrument, the relevant payment is not made in which case interest will continue to accrue thereon (as well after as well as before any demand or judgment) at the rate then applicable to the outstanding principal amount of the Debt Instruments or such other default rate (if any) as may be specified in the relevant Pricing Supplement until the date on which, upon (except in the case where presentation and/or surrender of the relevant Debt Instrument is not required as a precondition of payment) due presentation and/or surrender of the relevant Debt Instrument, the relevant payment is made or, if earlier (except in the case where presentation and/or surrender of the relevant Debt Instrument is not required as a precondition of payment), the seventh day after the date on which, the I&P Agent or, as the case may be, the Registrar having received the funds required to make such payment, notice of that circumstance is given to the Debt Instrument Holder in accordance with Condition 18 (except to the extent that there is failure in the subsequent payment thereof to the relevant Debt Instrument Holder).

(e) *Partly Paid Debt Instruments*

In the case of Debt Instruments specified in the Pricing Supplement as Partly Paid Debt Instruments ("**Partly Paid Debt Instruments**") (other than Partly Paid Debt Instruments which are Zero Coupon Debt Instruments), interest will accrue as aforesaid on the paid-up nominal amount of such Debt Instruments and otherwise as specified in the relevant Pricing Supplement.

(f) *Business Day Convention*

If the "**Business Day Convention**" is specified in the relevant Pricing Supplement to be:

- (i) the "**Floating Rate Convention**", such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event:
  - (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day; and
  - (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the number of months or other period specified as the Interest Period in the relevant Pricing Supplement after the preceding applicable Interest Payment Date occurred; or
- (ii) the "**Following Business Day Convention**", such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (iii) the "**Modified Following Business Day Convention**", such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in

which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day;

- (iv) the "**Preceding Business Day Convention**", such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
  - (v) "**No Adjustment**", such Interest Payment Date shall not be adjusted in accordance with any Business Day Convention.
- (g) Day Count Fraction

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest for any Interest Period:

- (i) if "**Actual/365**" or "**Actual/Actual**" is specified in the relevant Pricing Supplement, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if "**Actual/365 (Fixed)**" is specified in the relevant Pricing Supplement, the actual number of days in the Interest Period divided by 365;
- (iii) if "**Actual/360**" is specified in the relevant Pricing Supplement, the actual number of days in the Interest Period divided by 360;
- (iv) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the relevant Pricing Supplement, the number of days in the Interest Period divided by 360 calculated on a formula basis as follows:

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

where:

- "**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Calculation Period falls;
- "**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- "**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;
- "**M<sub>2</sub>**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- "**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and
- "**D<sub>2</sub>**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

- (v) if "**30E/360**" or "**Eurobond basis**" is specified in the relevant Pricing Supplement, the number of days in the Interest Period divided by 360 calculated on a formula basis as follows:

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

where:

- "Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Calculation Period falls;
- "Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- "M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;
- "M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- "D<sub>1</sub>" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and
- "D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D<sub>2</sub> will be 30;

- (vi) if "**30E/360 (ISDA)**" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

- "Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Calculation Period falls;
- "Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- "M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;
- "M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- "D<sub>1</sub>" 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 D<sub>1</sub> will be 30; and
- "D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the 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 D<sub>2</sub> will be 30;

- (vii) if "**Australian Bond Basis**" is specified in the relevant Pricing Supplement, one divided by the number of Interest Payment Dates in a year (or where the Calculation Period does not constitute an Interest Period, the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of:

- (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366; and
- (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365); or

- (viii) if "**Actual/Actual-ICMA**" is specified in the relevant Pricing Supplement:

- (i) *if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (A) the number of days in such Determination Period and (B) the number of Determination Periods normally ending in any year; and*
- (ii) *if the Calculation Period is longer than one Determination Period, the sum of:*
  - (A) *the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (aa) the number of days in such Determination Period and (ab) the number of Determination Periods normally ending in any year; and*
  - (B) *the number of days in such Calculation Period falling in the next Determination Period divided by the product of (aa) the number of days in such Determination Period and (ab) the number of Determination Periods normally ending in any year,*

*where:*

**"Determination Period"** means the period from and including an Interest Determination Date in any year to but excluding the next Interest Determination Date; and

**"Calculation Period"** means the relevant period for which interest is to be calculated (from and including the first such day to but excluding the last).

## 5.6 Zero Coupon Debt Instruments

*If the amount due and payable in respect of a Zero Coupon Debt Instrument on the redemption date is not paid when due, the Interest Rate for any such overdue principal shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield specified in the relevant Pricing Supplement.*

## 5.7 Definitions

*In these Conditions unless the contrary intention appears or as otherwise specified in the relevant Pricing Supplement:*

**"Additional Business Centre"** means any city specified as such in the relevant Pricing Supplement.

**"Banking Day"** means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business.

**"Business Day"** means:

- (a) *in the case of a Specified Currency other than Euro, U.S. Dollars or Renminbi, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in (unless otherwise agreed between the Issuer and the I&P Agent, in the case of a Bearer Debt Instrument, or the Registrar, in the case of a Registered Debt Instrument) in the principal financial centre for that currency which, if the currency is Australian Dollars, shall be Sydney; and/or*
- (b) *in the case of U.S. Dollars, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in New York City (unless otherwise agreed between the Issuer, each relevant Agent and Registrar); and/or*
- (c) *in the case of Euro, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in (unless otherwise agreed between the Issuer and the I&P Agent, in the case of a Bearer Debt Instrument, or the Registrar, in the case of a Registered Debt Instrument) London and a day on which the Trans-European Automated Real-Time Gross-Settlement Express Transfer TARGET 2 System ("TARGET 2") is operating; and/or*
- (d) *in the case of Renminbi, a day (other than a Saturday, a Sunday or a public holiday) on which commercial banks are generally open for business and settlement of Renminbi payments in Hong Kong or such other principal financial centre as may be agreed from time to time by the Issuer and the relevant Dealer(s); and/or*



- (e) in the case of a Specified Currency and/or 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 Specified Currency in (unless otherwise agreed between the Issuer and the I&P Agent, in the case of a Bearer Debt Instrument, or the Registrar, in the case of a Registered Debt Instrument) in the Additional Business Centre(s) or, if no currency is specified, generally in each of the Additional Business Centres so specified; and/or
- (f) if a Debt Instrument is to be issued or paid on such Business Day, a day on which commercial banks and foreign exchange markets settle payments in (unless otherwise agreed between the Issuer and the I&P Agent, in the case of a Bearer Debt Instrument, or the Registrar, in the case of a Registered Debt Instrument) London and a day on which each relevant Clearing System is operating.

**"Calculation Agent"** means Citibank, N.A., London Branch and any other person appointed as calculation agent by the Issuer, provided that in the event that if there is a Benchmark Disruption Event, the Issuer will appoint another person as calculation agent.

**"Clearing System"** means Euroclear Bank SA/NV (**"Euroclear"**), Clearstream Banking, S.A. (**"Clearstream, Luxembourg"**), the Central Moneymarkets Unit Service (**"CMU Service"**), Austraclear Limited (ABN 94 002 060 773), as operator of the Austraclear System (**"Austraclear"**) and/or any other clearing system specified in the relevant Pricing Supplement.

**"Reference Banks"** means the institutions specified as such in the relevant Pricing Supplement or, if none, four major banks selected by the Issuer in the inter-bank market that is most closely connected with the Reference Rate.

**"Relevant Financial Centre"** means the city specified as such in the relevant Pricing Supplement or, if none, the city most closely connected with the Reference Rate in the determination of the Calculation Agent.

**"Representative Amount"** means the amount so specified in the relevant Pricing Supplement or, if none, an amount that is representative for a single transaction in the relevant market at the relevant time.

## 6 Redemption and Purchase

### 6.1 Redemption

Unless previously redeemed or purchased and cancelled, each Debt Instrument will be redeemed on its Maturity Date as specified in the relevant Pricing Supplement at its maturity redemption amount (**"Maturity Redemption Amount"**) (which shall be its outstanding principal amount or such other Maturity Redemption Amount as may be specified in or determined in accordance with the relevant Pricing Supplement).

### 6.2 Redemption at the option of the Issuer

In the case of Subordinated Debt Instruments issued by MGL which are to be included as part of MGL's 'eligible capital' for the purposes of MGL's authority as a non-operating holding company under the Banking Act, the terms of this Condition 6.2 are subject to the prior written approval of APRA having been obtained before the issue of such Subordinated Debt Instruments. Any amendment to this Condition 6.2 will be set out in the relevant Pricing Supplement.

The Issuer may (if this Condition 6.2 is specified in the relevant Pricing Supplement as being applicable) having given at least the minimum period (if any) (but not more than the maximum period (if any)) of notice specified in the relevant Pricing Supplement to Debt Instrument Holders in accordance with Condition 18 (which notice must comply with the following paragraph and shall be irrevocable) and subject to satisfaction of any relevant conditions specified in the relevant Pricing Supplement redeem all (but not, unless and to the extent that the relevant Pricing Supplement specify otherwise, some only) of the Debt Instruments on the date specified in the relevant Pricing Supplement (**"Optional Redemption Date"**) at their early redemption amount (call) (**"Early Redemption Amount (Call)"**) (which shall be their outstanding principal amount or such other Early Redemption Amount (Call) as is specified in, or determined in accordance with, the relevant Pricing Supplement) together (unless otherwise specified in the relevant Pricing Supplement) with accrued interest (if any) thereon.

The notice referred to in the preceding paragraph shall specify:

- (a) the Series of Debt Instruments subject to redemption;

- (b) *whether such Series is to be redeemed in whole or in part only and, if in part only, the aggregate principal amount of the Debt Instruments of the relevant Series which are to be redeemed;*
- (c) *the due date for redemption;*
- (d) *the Early Redemption Amount (Call) at which such Debt Instruments are to be redeemed; and*
- (e) *whether or not accrued interest is to be paid upon redemption and, if so, the amount thereof or the basis or method of calculation thereof, all as specified in the relevant Pricing Supplement.*

*In the case of a partial redemption of Debt Instruments, the Debt Instruments to be redeemed will be selected by the I&P Agent or in the case of a Tranche represented wholly by Registered Debt Instruments, the Registrar, and notice of the Debt Instruments called for redemption (together with the serial numbers thereof) will be published in accordance with Condition 18 not less than 15 days prior to the date fixed for redemption.*

### **6.3 Redemption at the option of Debt Instrument Holders**

*The Issuer will (if this Condition 6.3 is specified in the relevant Pricing Supplement as being applicable), at the option of any Debt Instrument Holder and provided that any conditions to the exercise of such option as are specified in the relevant Pricing Supplement have been satisfied, redeem such Debt Instruments on any day (being, in the case of an interest-bearing Debt Instrument (unless otherwise specified in the relevant Pricing Supplement) one or more Interest Payment Dates) at its early redemption amount (put) ("**Early Redemption Amount (Put)**") (which shall be its outstanding principal amount or such other Early Redemption Amount (Put) as is specified in, or determined in accordance with, the relevant Pricing Supplement) together with accrued interest (if any) thereon (unless otherwise specified in the relevant Pricing Supplement).*

*To exercise such option, the Debt Instrument Holder must complete, sign and deposit at the specified office of, in the case of a Bearer Debt Instrument, the I&P Agent or, in the case of a Registered Debt Instrument, the Registrar or the Transfer Agent, a redemption notice in the form obtainable from the I&P Agent or the Registrar or the Transfer Agent (as applicable) not less than 45 days before the redemption date (or such other period as may be specified in the relevant Pricing Supplement), deposit the relevant Debt Instrument (together, in the case of an interest-bearing Bearer Debt Instrument, with any unmatured Coupons and unexchanged Talons appertaining thereto and, in the case of a Registered Debt Instrument the relevant Certificate (if certificated)) with, in the case of a Bearer Debt Instrument, the I&P Agent or, in the case of a Registered Debt Instrument, the Registrar or the Transfer Agent.*

### **6.4 Redemption for taxation reasons**

*In the case of Subordinated Debt Instruments issued by MGL which are to be included as part of MGL's 'eligible capital' for the purposes of MGL's authority as a non-operating holding company under the Banking Act, the terms of this Condition 6.4 are subject to the prior written approval of APRA having been obtained before the issue of such Subordinated Debt Instruments. Any amendment to this Condition 6.4 will be set out in the relevant Pricing Supplement.*

*If, in respect of the Debt Instruments of any Series the Issuer, on the occasion of the next payment due in respect of the Debt Instruments, would be required to pay any Additional Amounts referred to in Condition 8, then the Issuer (in the case of Subordinated Debt Instruments, subject to the prior written approval of APRA having been obtained) may at its option give not more than 60 nor less than 30 days' notice to each Agent and to the Debt Instrument Holders in accordance with Condition 18, and upon expiry of such notice shall redeem all but not some only of the Debt Instruments at their early redemption amount (tax) ("**Early Redemption Amount (Tax)**") (which shall be their outstanding principal amount or such other Early Redemption Amount (Tax) as is specified in the relevant Pricing Supplement) together (unless otherwise specified in the Pricing Supplement) with accrued interest (if any) accrued to the due date for redemption).*

*Prior to publication of any such notice of redemption, the Issuer shall deliver to the I&P Agent a certificate signed by an authorised person of the Issuer showing that the conditions precedent to the right of the Issuer so to redeem have occurred and an opinion of legal advisers of recognised standing to the Issuer in its jurisdiction of incorporation to the effect that the Issuer would be required to make any such withholding or deduction.*

*Such notice shall be given promptly upon the occurrence of any of the above events.*

## 6.5 Redemption of Subordinated Debt Instruments for loss of deductibility reasons

*In the case of Subordinated Debt Instruments issued by MGL which are to be included as part of MGL's 'eligible capital' for the purposes of MGL's authority as a non-operating holding company under the Banking Act, the terms of this Condition 6.5 are subject to the prior written approval of APRA having been obtained before the issue of such Subordinated Debt Instruments. Any amendment to this Condition 6.5 will be set out in the relevant Pricing Supplement.*

*If, prior to the earliest date on which the Issuer is entitled to redeem some or all of the Subordinated Debt Instruments in accordance with this Condition 6.5, the Issuer determines (supported by an opinion, as to such determination, from tax advisers of recognised standing in Australia) that interest payable on the Subordinated Debt Instruments is not or may not be allowed as a deduction for the purposes of Australian income tax, then the Issuer (subject to the prior written approval of APRA having been obtained) may give not more than 60 nor less than 30 days' notice to the relevant Agent and the Subordinated Debt Instrument Holders in accordance with Condition 18, and upon the next Interest Payment Date following expiry of such notice shall redeem all (but not some only) of the Subordinated Debt Instruments at their outstanding principal amount (plus accrued interest, if any) ("**Early Redemption Amount (Deductibility)**") or such other Early Redemption Amount as is specified in the relevant Pricing Supplement.*

*The notice referred to above shall specify the Subordinated Debt Instruments subject to redemption and the due date for redemption.*

## 6.6 Redemption of Subordinated Debt Instruments for regulatory reasons

*In the case of Subordinated Debt Instruments issued by MGL which are to be included as part of MGL's 'eligible capital' for the purposes of MGL's authority as a non-operating holding company under the Banking Act, the terms of this Condition 6.6 are subject to the prior written approval of APRA having been obtained before the issue of such Subordinated Debt Instruments. Any amendment to this Condition 6.6 will be set out in the relevant Pricing Supplement.*

*If, prior to the earliest date on which the Issuer is entitled to redeem some or all of the Subordinated Debt Instruments in accordance with this Condition 6.6, the Issuer determines (supported by an opinion from legal advisers of recognised standing in Australia) that the Subordinated Debt Instruments have ceased, or will cease, to qualify as eligible capital under the standards and guidelines published by APRA, then the Issuer (subject to the prior written approval of APRA having been obtained) may give not more than 60 nor less than 30 days' notice to the relevant Agent and the Subordinated Debt Instrument Holders in accordance with Condition 18, and upon the next Interest Payment Date following expiry of such notice shall redeem all (but not some only) of the Subordinated Debt Instruments at their outstanding principal amount (plus accrued interest, if any) ("**Early Redemption Amount (Regulatory)**") or such other Early Redemption Amount (Regulatory) as is specified in the relevant Pricing Supplement.*

*The notice referred to above shall specify the Subordinated Debt Instruments subject to redemption and the due date for redemption.*

## 6.7 Purchases

*MGL may only purchase Subordinated Debt Instruments which are to be included as part of MGL's 'eligible capital' for the purposes of MGL's authority as a non-operating holding company under the Banking Act and issued by it in accordance with this Condition 6.7 with the prior written approval of APRA having been obtained, unless those Subordinated Debt Instruments are immediately on-sold to an unrelated third party (or a related party acting as custodian or funds manager for one or more unrelated parties or as the responsible entity of a managed investment scheme (as defined in the Corporations Act), in which case the approval of APRA is not required.*

*The Issuer or any of its Related Entities may at any time purchase Debt Instruments, Coupons or Talons (provided that, in the case of interest-bearing Bearer Debt Instruments, all unmatured Coupons and unexchanged Talons appertaining thereto are attached or surrendered therewith) at any price in the open market or otherwise. If the Issuer proposes to purchase Debt Instruments by tender, such tender will be made available equally to all Debt Instrument Holders. Such Debt Instruments may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation. In this Condition 6.7, "**Related Entities**" has the meaning given to that term in the Corporations Act.*

## 6.8 Cancellation

All Debt Instruments redeemed or purchased for cancellation by or on behalf of the Issuer, will forthwith be surrendered for cancellation to any Paying Agent (in the case of Bearer Debt Instruments) or the Registrar or the Transfer Agent (in the case of Registered Debt Instruments which are certificated) and must be surrendered together with, in the case of interest-bearing Bearer Debt Instruments, all unmatured Coupons and unexchanged Talons and accordingly may not be reissued or resold. All such Debt Instruments will be cancelled forthwith (together with all such Coupons and Talons) and the Issuer's obligations in respect of such Debt Instruments shall be discharged upon such cancellation.

## 6.9 Zero Coupon Debt Instruments

In the case of Zero Coupon Debt Instruments (unless otherwise specified in the relevant Pricing Supplement), the Early Redemption Amount will be an amount ("**Amortised Face Amount**") equal to the sum of:

- (a) the Reference Price (as defined in the relevant Pricing Supplement); and
- (b) the product of the Accrual Yield (as defined in the relevant Pricing Supplement) (compounded annually unless otherwise specified in the relevant Pricing Supplement) being applied to the Reference Price (as defined in the relevant Pricing Supplement) from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Debt Instrument becomes due and repayable.

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

## 7 Payments

### 7.1 Payments - Bearer Debt Instruments

#### 7.1.1 Payment of amounts other than interest

Payment of amounts (other than interest) due in respect of Bearer Debt Instruments (other than definitive Bearer Debt Instruments held through the CMU Service ("**CMU Debt Instruments**")) will be made against presentation and surrender of the Debt Instrument, at the specified office of any Paying Agent.

#### 7.1.2 Payment of amounts in respect of interest on Bearer Debt Instruments

Payment of amounts due in respect of interest on Bearer Debt Instruments (other than CMU Debt Instruments) will be made:

- (a) in the case of a Debt Instrument without Coupons attached thereto at the time of its initial delivery, against presentation of the relevant Debt Instrument at the specified office of any Paying Agent outside (unless Condition 7.1.4 applies) the United States; and
- (b) in the case of a Debt Instrument delivered with Coupons attached thereto at the time of its initial delivery, against presentation and surrender of the relevant Coupon or, in the case of interest due otherwise than on a scheduled Interest Payment Date, against presentation of the relevant Bearer Debt Instrument, in either case at the specified office of any Paying Agent outside (unless Condition 7.1.4 applies) the United States.

#### 7.1.3 Payment of amounts in respect of CMU Debt Instruments

In the case of CMU Debt Instruments, payment will be made to the person for whose account interests in the relevant definitive Bearer Debt Instrument are credited as being held through the CMU Service in accordance with the CMU Rules at the relevant time as notified to the CMU Lodging Agent by the CMU Service in a relevant CMU Instrument Position Report or any relevant notification by the CMU Service, which notification, in either case, shall be conclusive evidence of the records of the CMU Service as to the identity of any accountholder and the principal amount of any Debt Instrument credited to its account (save in the case of manifest error) and payment made in accordance thereof shall discharge the obligations of the Issuer in respect of that payment.

#### 7.1.4 *Payment at specified office in the United States*

*Except as provided below, payment of amounts due in respect of interest on Bearer Debt Instruments and exchanges of Talons for Coupon sheets in accordance with Condition 7.1.5 will not be made at any specified office of any Paying Agent in the United States. Notwithstanding the foregoing, if any amount of principal and/or interest in respect of this Debt Instrument is payable in U.S. Dollars, such U.S. Dollar payments of principal and/or interest in respect of this Debt Instrument will be made at the specified office of a Paying Agent in the United States if:*

- (a) 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 principal and interest on the Debt Instruments in the manner provided above when due;*
- (b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. Dollars; and*
- (c) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.*

*If paragraphs (a) and (b) apply, the Issuer shall forthwith appoint a Paying Agent with a specified office in New York City.*

#### 7.1.5 *Unmatured Coupons and unexchanged Talons*

*Each Bearer Debt Instrument initially delivered with Coupons attached thereto should be presented and surrendered for final redemption together with all unexpired Coupons and Talons appertaining thereto (if any), failing which:*

- (a) in the case of Bearer Debt Instruments which are Fixed Rate Debt Instruments (and unless otherwise specified in the relevant Pricing Supplement), the amount of any missing unexpired Coupons (or, in the case of a payment not being made in full, that portion of the amount of such missing unexpired Coupon which the redemption amount paid bears to the total redemption amount due) (excluding, for this purpose, but without prejudice to paragraph (c) below, Talons) will be deducted from the amount otherwise payable on such final redemption. The amount so deducted will be paid against surrender of the relevant Coupon at the specified office of the I&P Agent at any time within five years of the Relevant Date applicable to payment of such final redemption amount. The "Relevant Date" is the earlier of:*
  - (i) the date on which all amounts due in respect of the Debt Instrument have been paid; and*
  - (ii) the date on which the full amount of the moneys payable has been received by the I&P Agent, in the case of a Bearer Debt Instrument, or the Registrar, in the case of a Registered Debt Instrument, and notice to that effect has been given to the Debt Instrument Holders in accordance with Condition 18;*
- (b) in the case of Bearer Debt Instruments which are Floating Rate Debt Instruments, Indexed Interest Amount Debt Instruments or Indexed Redemption Amount Debt Instruments, (or otherwise where specified in the relevant Pricing Supplement), all unexpired Coupons (excluding, for this purpose, but without prejudice to paragraph (c) below, Talons) relating to such Bearer Debt Instruments (whether or not attached) shall become void and no payment shall be made thereafter in respect of them;*
- (c) in the case of Bearer Debt Instruments initially delivered with Talons attached thereto, all unexpired Talons (whether or not surrendered therewith) shall become void and no exchange for Coupons shall be made thereafter in respect of them; and*
- (d) in the case of Bearer Debt Instruments which bear interest at a floating rate or rates, or where such a Bearer Debt Instrument is presented for redemption without all unexpired Coupons and any unexpired Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.*

*The provisions of paragraph (a) of this Condition 7.1.5 notwithstanding, if any Bearer Debt Instruments are issued with a Maturity Date and a fixed rate or fixed rates of interest such that on the presentation for payment of any such Bearer Debt Instrument without any unexpired Coupons attached thereto or surrendered therewith, the amount required by*

paragraph (a) to be deducted would be greater than the amount otherwise due for payment, then, upon the due date for redemption of any such Bearer Debt Instrument, such unmatured Coupons (whether or not attached) shall become void (and no payment shall be made in respect thereof) as shall be required so that, upon application of the provisions of paragraph (a) in respect of such Coupons as have not so become void, the amount required by paragraph (a) to be deducted would not be greater than the amount otherwise due for payment. Where the application of the foregoing sentence requires some but not all of the unmatured Coupons relating to a Bearer Debt Instrument to become void, the I&P Agent shall determine which unmatured Coupons are to become void, and shall select for such purpose Coupons maturing on later dates in preference to Coupons maturing on earlier dates.

#### 7.1.6 Exchange of Talons

In relation to Bearer Debt Instruments initially delivered with Talons attached thereto, on or after the due date for the payment of interest on which the final Coupon comprised in any Coupon sheet matures, the Talon comprised in the Coupon sheet may be surrendered at the specified office of any Paying Agent outside (unless Condition 7.1.4 applies) the United States in exchange for a further Coupon sheet (including any appropriate further Talon), subject to the provisions of Condition 10 below. Each Talon shall, for the purpose of these Conditions, be deemed to mature on the due date for payment of interest on which the final Coupon comprised in the relative Coupon sheet matures.

#### 7.1.7 United States

For the purpose of these Conditions, "**United States**" means the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands).

### 7.2 Payments - Registered Debt Instruments

#### 7.2.1 Payment of principal in respect of Registered Debt Instruments

Payment of principal (which for this purpose shall include any final redemption amount) due in respect of Registered Debt Instruments will be made to the Debt Instrument Holder (or, in the case of joint Debt Instrument Holders, the first named) as appearing in the Register as at opening of business (local time in the place of the specified office of the Registrar or the specified office of the Transfer Agent) on the fifteenth (eighth, if the specified office of the Registrar or the specified office of the Transfer Agent is located in Sydney or Melbourne) Relevant Banking Day before the due date for such payment and (if in certificated form) against presentation and, save in the case of partial payment of the amount due upon final redemption by reason of insufficiency of funds, surrender of the relevant Certificate at the specified office of the Registrar or the specified office of the Transfer Agent.

#### 7.2.2 Payment of interest in respect of Registered Debt Instruments

Payment of interest due in respect of Registered Debt Instruments will be paid to the Debt Instrument Holder (or, in the case of joint Debt Instrument Holders, the first named) as appearing in the Register as at opening of business (local time in the place of the specified office of the Registrar or the specified office of the Transfer Agent) on the fifteenth (seventh, if the specified office of the Registrar or the specified office of the Transfer Agent is located in Sydney or Melbourne) Relevant Banking Day before the due date for such payment ("**Record Date**").

"**Relevant Banking Day**" means a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the place where the specified office of the Registrar and the specified office of the Transfer Agent is located.

#### 7.2.3 Payment in respect of Registered Debt Instruments held through the CMU Service

In the case of Registered Debt Instruments held through the CMU Service, payment will be made to the person for whose account interests in the relevant Registered Debt Instrument are credited as being held through the CMU Service in accordance with the CMU Rules at the relevant time as notified to the CMU Lodging Agent by the CMU Service in a relevant CMU Instrument Position Report or any relevant notification by the CMU Service, which notification, in either case, shall be conclusive evidence of the records of the CMU Service as to the identity of any accountholder and the

principal amount of any Debt Instrument credited to its account (save in the case of manifest error) and payment made in accordance thereof shall discharge the obligations of the Issuer in respect of that payment.

#### 7.2.4 Manner of payments pursuant to Condition 7.2.2

Notwithstanding the provisions of Condition 7.4, payments in respect of Registered Debt Instruments pursuant to Condition 7.2.2 will be made by cheque and posted to the address (as recorded in the Register) of the Debt Instrument Holder (or, in the case of joint Debt Instrument Holders, the first-named) on the relevant due date for payment unless prior to the relevant Record Date the Debt Instrument Holder (or, in the case of joint Debt Instrument Holders, the first-named) has applied to the Registrar and the Registrar has acknowledged such application for payment to be made to a designated account in the relevant currency.

### 7.3 7.3 Payment due on a non-Payment Business Day

If the due date for payment of the final redemption amount, interest or any other amount due in respect of any Debt Instrument is not a Payment Business Day (as defined in Condition 7.4), then the Debt Instrument Holder will not be entitled to payment of such amount until the next day which is a Payment Business Day and no further payment on account of principal or interest or otherwise shall be due in respect of such postponed payment unless there is a subsequent failure to pay in accordance with these Conditions, in which event interest shall continue to accrue as provided in Condition 5.5(d).

### 7.4 Payments - general provisions

Subject to Condition 7.2.4, payments of amounts due (whether principal, redemption amount, interest or otherwise) in respect of Debt Instruments will be made as follows:

- (a) payments in a Specified Currency other than Euro or Renminbi will be made by transfer to an account in the relevant Specified Currency (which, in the case of a payment in Yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with, or by a cheque in such Specified Currency drawn on, a bank (which, in the case of a payment in Yen to a non-resident of Japan, shall be an authorised foreign exchange bank) in the principal financial centre of the country of such Specified Currency, provided however that no payment may be made by transfer of funds to an account maintained in the United States or by cheque mailed to an address in the United States;
- (b) payments in Renminbi will be made by transfer to a Renminbi bank account maintained in Hong Kong by or on behalf of a payee with a bank; and
- (c) payments in respect of definitive Debt Instruments in Euro will be made 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.
- (d) Payments will, without prejudice to the provisions of Condition 8, be subject in all cases to any applicable fiscal or other laws, regulations and directives and the administrative practices and procedures of fiscal and other authorities in relation to tax, anti-money laundering and other requirements which may apply to payments of amounts due (whether principal, redemption amount, interest or otherwise) in respect of Debt Instruments. In particular, if any withholding or deduction is required under the Foreign Account Tax Compliance Act provisions, sections 1471 through to 1474 of the US Internal Revenue Code of 1986, and any regulations or official interpretations issued, agreements entered into or any law implementing an international intergovernmental approach with respect thereto ("FATCA"), or is required pursuant to any taxing authority of the United States or any political subdivision thereof, in the case of any Registered Debt Instrument that may give rise to US Source Interest (as defined in Condition 8) the Issuer will not be required to pay any additional amount under Condition 8 on account of such withholding or deduction. No commission or expenses shall be charged to the Debt Instrument Holders or Couponholders (if any) in respect of such payments. For the avoidance of doubt, the provisions of Condition 8 in relation to the payment of Additional Amounts (as defined in Condition 8) only apply in respect of withholdings or deductions of Taxes (as defined in Condition 8) required by law and imposed or levied by or on behalf of Australia or Victoria or any political subdivision thereof or any authority therein or thereof having power to tax or, in the case of Debt Instruments issued by the Issuer acting through an establishment located outside Australia, Taxes imposed or levied by or on behalf of the country in which such establishment is located or any political subdivision thereof or any authority therein or thereof having power to tax and the provisions of Condition 8 do not apply to withholding or deductions made for or on account of FATCA.

In these Conditions, unless otherwise specified in the relevant Pricing Supplement, "**Payment Business Day**" means any day which is both:

- (i) a day on which commercial banks and foreign exchange markets settle payments in the relevant place of presentation and (in the case of a payment in Euro) on which banks are open for business and carrying out transactions in Euro in the jurisdiction in which the Euro account specified by the payee is located; and
- (ii) a Business Day (as defined in Condition 5.7).

## 7.5 Interpretation of Principal and Interest

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

- (a) any Additional Amounts which may be payable with respect to principal under Condition 8;
- (b) the Maturity Redemption Amount of the Debt Instruments;
- (c) the Early Redemption Amount (Call) of the Debt Instruments;
- (d) the Early Redemption Amount (Put) of the Debt Instruments;
- (e) the Early Redemption Amount (Deductibility) of the Debt Instruments;
- (f) the Early Redemption Amount (Regulatory) of the Debt Instruments;
- (g) the Early Redemption Amount (Tax) of the Debt Instruments;
- (h) the Early Redemption Amount (Default) of the Debt Instruments;
- (i) in relation to Zero Coupon Debt Instruments, the Amortised Face Amount; and
- (j) any premium and any other amounts which may be payable by the Issuer under or in respect of the Debt Instruments.

Any reference in these Conditions to interest in respect of the Debt Instruments shall be deemed to include, as applicable, any Additional Amounts which may be payable with respect to interest under Condition 8.

## 8 Taxation

All payments by the Issuer (in respect of principal, redemption amount or interest) in respect of the Debt Instruments or Coupons will be made free and clear of and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed or levied by or on behalf of Australia or Victoria or any political subdivision thereof or any authority therein or thereof having power to tax or, in the case of Debt Instruments issued by the Issuer acting through an establishment located outside Australia, Taxes imposed or levied by or on behalf of the country in which such establishment is located or any political subdivision thereof or any authority therein or thereof having power to tax, or in the case of Registered Debt Instruments that may give rise to US Source Interest (as defined below), Taxes imposed or levied by or on behalf of the United States or any political subdivision thereof or any authority therein or thereof having the power to tax, unless in each case such withholding or deduction of such Taxes is required by law or made for or on account of FATCA. In that event, the Issuer will pay such additional amounts ("**Additional Amounts**") as may be necessary in order that the net amounts received by the Debt Instrument Holders and Couponholders after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in respect of the Debt Instruments or, as the case may be, Coupons in the absence of such withholding or deduction; except that no Additional Amounts are payable in relation to any payment in respect of any Debt Instrument or Coupon:

- (a) to, or to a third party on behalf of, a Debt Instrument Holder who is liable to such Taxes in respect of such Debt Instrument or Coupon by reason of his having some connection with Australia or Victoria or the country in which such establishment is located other than the mere holding of such Debt Instrument or Coupon or receipt of principal or interest in respect thereof or who could have lawfully avoided (but has not so avoided) such liability



by providing or procuring that any third party provides the Debt Instrument Holder's TFN and/or ABN or evidence that the Debt Instrument Holder is not required to provide a TFN and/or ABN to the Issuer or, in the case of Debt Instruments issued by the Issuer acting through an establishment located outside Australia, satisfies similar requirements or otherwise provides details of the Debt Instrument Holder's name and address to the Issuer;

- (b) to, or to a third party on behalf of, a Debt Instrument Holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the Debt Instrument is presented for payment;
- (c) where the Debt Instrument or Coupon is presented for payment more than 30 days after the Relevant Date except to the extent that a Debt Instrument Holder would have been entitled to Additional Amounts on presenting the same for payment on the last day of the period of 30 days assuming, whether or not such is in fact the case, that day to have been a Business Day;
- (d) to, or to a third party on behalf of, a Debt Instrument Holder who is liable to the Taxes in respect of the Debt Instrument or Coupon by reason of the Debt Instrument Holder being an associate of the Issuer for the purposes of section 128F(9) of the Income Tax Assessment Act 1936 of Australia (as amended) ("**Australian Tax Act**");
- (e) in a case where the Issuer receives a notice or direction under section 260-5 of Schedule 1 to the Taxation Administration Act 1953 of Australia, section 255 of the Australian Tax Act or any analogous provisions, any amounts paid or deducted from sums payable to a PD Debt Instrument Holder by the Issuer in compliance with such notice or direction on account of any Taxes or charges payable by the Issuer;
- (f) where such withholding or deduction is due to Taxes imposed or levied by or on behalf of the United States, or any political subdivision thereof or any authority therein or thereof having power to tax under the United States;
- (g) where such withholding or deduction is made for, or on account of, FATCA (as withheld or deducted by the Issuer, an Agent or any other party); or
- (h) in such other circumstances as may be specified in the relevant Pricing Supplement.

"**Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the I&P Agent on or before the due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Debt Instrument Holders in accordance with Condition 18.

"**US Source Interest**" means interest, as defined under U.S. tax principles (including original issue discount) paid on Registered Debt Instruments which may be treated as interest paid by a U.S. trade or business for U.S. federal income tax purposes.

## 9 Events of Default

### 9.1 Events of Default - Unsubordinated Debt Instruments

If any of the events of default specified below occur, then by notice to the Issuer at the specified office of the I&P Agent, effective upon receipt of such notice by the I&P Agent, (1) in the case of the event of default specified in paragraphs (a), (d), (e), (f), (g) or (h) any holder of Unsubordinated Debt Instruments may declare that all the Unsubordinated Debt Instruments held by that Debt Instrument Holder are immediately due and repayable, or (2) in any case, holders of not less than 25% of the outstanding Unsubordinated Debt Instruments of a Series may declare that all the Unsubordinated Debt Instruments of that Series are immediately due and repayable. The events of default in respect of the Unsubordinated Debt Instruments are:

- (a) (**(non-payment)**) the Issuer fails to pay any principal or any interest in respect of the Unsubordinated Debt Instruments or the relevant Series or any of them within 14 days of the relevant due date; or
- (b) (**(other obligations)**) the Issuer defaults in performance or observance of or compliance with any of its other obligations set out in the Unsubordinated Debt Instruments which default is incapable of remedy or, if capable

of remedy, is not remedied within 21 Business Days after notice requiring such default to be remedied shall have been given to the Issuer by the Debt Instrument Holder; or

- (c) **(winding-up)** an application (other than a frivolous or vexatious application or an application which is discharged or stayed within 21 Business Days) or an order is made for the winding-up of the Issuer or a resolution is passed for the winding-up of the Issuer other than for the purposes of a solvent reconstruction or amalgamation; or
- (d) **(receiver)** a receiver, receiver and manager, administrator, liquidator, official manager, trustee or similar officer is appointed in respect of all or any part of the assets of the Issuer and such appointment is not terminated within 21 Business Days; or
- (e) **(insolvency)** the Issuer is unable to pay its debts when they fall due or is deemed unable to pay its debts under any applicable legislation (other than as the result of a failure to pay a debt or claim which is the subject of a good faith dispute); or
- (f) **(arrangement or composition)** the Issuer makes or enters into (i) a readjustment or rescheduling of its indebtedness with creditors generally or (ii) an assignment for the benefit of, or an arrangement or composition with, its creditors generally, in each case, other than for the purposes of a reconstruction, amalgamation, reorganisation or merger where the Issuer is solvent.

Upon any such notice being given to the Issuer, such Unsubordinated Debt Instrument shall immediately become due and payable at its Early Redemption Amount (Default).

## 9.2 Events of Default - Subordinated Debt Instruments

In the case of Subordinated Debt Instruments issued by MGL which are to be included as part of MGL's 'eligible capital' for the purposes of MGL's authority as a non-operating holding company under the Banking Act, the terms of this Condition 9.2 are subject to the prior written approval of APRA having been obtained before the issue of such Subordinated Debt Instruments. Any amendment to this Condition 9.2 will be set out in the relevant Pricing Supplement.

If either of the events of default specified below occur, then, subject to Condition 9.3(b), by notice to the Issuer at the specified office of the I&P Agent, effective upon receipt of such notice by the I&P Agent, (1) any holder of Subordinated Debt Instruments may declare that all the Subordinated Debt Instruments held by that Debt Instrument Holder are immediately due and repayable, or (2) holders of not less than 25% of the outstanding Subordinated Debt Instruments of a Series may declare that all the Subordinated Debt Instruments of that Series are immediately due and repayable. The events of default in respect of the Subordinated Debt Instruments are:

- (a) the Issuer fails to pay any amount of principal in respect of the Subordinated Debt Instruments of the relevant Series or any of them within 14 days of the relevant due date or fails to pay any amount of interest in respect of the Subordinated Debt Instruments of the relevant Series or any of them within 30 days of the relevant due date. For the avoidance of doubt, if the condition to payment in Condition 4.2(b) is not satisfied, then the Issuer is not obliged to make payment and, accordingly, no amount is due and the event of default in this paragraph (a) cannot occur; or
- (b) an order is made or an effective resolution is passed for the winding-up of the Issuer.

## 9.3 Subordinated Debt Instruments - Remedies

In the case of Subordinated Debt Instruments issued by MGL which are to be included as part of MGL's 'eligible capital' for the purposes of MGL's authority as a non-operating holding company under the Banking Act, the terms of this Condition 9.3 are subject to the prior written approval of APRA having been obtained before the issue of such Subordinated Debt Instruments. Any amendment to this Condition 9.3 will be set out in the relevant Pricing Supplement.

- (a) In the event of the occurrence of either of the Events of Default set out above in Condition 9.2 (a) or (b), then in addition to giving notice under Condition 9.2, the holder of any Subordinated Debt Instruments of the relevant Series may, subject to paragraph (b) below, institute proceedings for a winding-up or liquidation of the Issuer or, subject to Condition 4.2(e), for proving or claiming in any winding-up or liquidation of the Issuer; and

- (b) *no remedy against the Issuer (including, without limitation, any right to sue for a sum of damages which has the same economic effect of an acceleration of the Issuer's payment obligations), other than the institution of proceedings for winding-up or liquidation or, subject to Condition 4.2(e), for proving or claiming in any winding-up or liquidation of the Issuer, shall be available to the holders of any Subordinated Debt Instruments for the recovery of amounts owing in respect of the Subordinated Debt Instruments or in respect of any breach by the Issuer of any obligation, condition or provision binding on the Issuer under the terms of the Subordinated Debt Instruments. In particular, no holders of any Subordinated Debt Instruments shall be entitled to exercise any right of set-off or counterclaim which may be available to the Debt Instrument Holder against amounts owing by the Issuer in respect of such Subordinated Debt Instruments (whether prior to, or following, any bankruptcy, liquidation, winding-up or sequestration of the Issuer).*

#### **10 Prescription**

*Claims against the Issuer for payment in respect of the Debt Instruments or Coupons (which, for this purpose, shall not include Talons) will be prescribed and become void unless made within ten years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date.*

#### **11 Replacement of Debt Instruments, Coupons and Talons**

*Should any Debt Instrument, Coupon, Talon or Certificate be lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of any Paying Agent (in the case of Bearer Debt Instruments, Coupons and Talons) or the Registrar (in the case of Registered Debt Instruments in certified form), subject to all applicable laws, upon payment by the claimant of the expenses incurred in connection therewith and on such terms as to evidence, security, indemnity and otherwise as the Issuer or the I&P Agent may require. Mutilated or defaced Debt Instruments, Coupons or Talons must be surrendered before replacements will be issued.*

#### **12 Currency Indemnity**

*The Specified Currency is, unless otherwise specified in the relevant Pricing Supplement, the sole currency of account and payment for all sums payable by the Issuer in respect of the Debt Instruments, including damages. Any amount received or recovered in a currency other than the Specified Currency (whether as a result of, or on the enforcement of, a judgment or order of a court of any jurisdiction or otherwise) by any Debt Instrument Holder in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the amount in the Specified Currency which such Debt Instrument Holder is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that amount is less than the amount in the Specified Currency expressed to be due to any Debt Instrument Holder in respect of such Debt Instrument the Issuer shall indemnify each such Debt Instrument Holder against any cost of making such purchase which is reasonably incurred. These indemnities constitute a separate and independent obligation from the Issuer's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Debt Instrument Holder and shall continue in full force and effect despite any judgment, order, claim or proof for a liquidated amount in respect of any sum due in respect of the Debt Instruments or any judgment or order. Any such loss aforesaid shall be deemed to constitute a loss suffered by the relevant Debt Instrument Holder and no proof or evidence of any actual loss will be required by the Issuer.*

#### **13 Further Issues**

*In the case of Subordinated Debt Instruments issued by MGL which are to be included as part of MGL's 'eligible capital' for the purposes of MGL's authority as a non-operating holding company under the Banking Act, any further issue of Subordinated Debt Instruments of that Series under this Condition 13 is subject to the prior written approval of APRA having been obtained before such further issue.*

*The Issuer may from time to time without the consent of the Debt Instrument Holders (or any of them) create and issue further Debt Instruments forming a single Series with any existing Debt Instruments either having the same terms and conditions as such Debt Instruments in all respects or in all respects except in connection with the Issue Date, Interest Commencement Date and the amount of the first payment of interest (if any) and so that the same shall be consolidated and form a single Series with the outstanding Debt Instruments.*

#### **14 Agents**

*The Agents and their initial specified offices are as set out in the Base Prospectus. The Issuer reserves the right at any time to terminate the appointment of any Agent or to appoint additional or other Agents, provided that it will maintain:*

- (a) *an I&P Agent;*
- (b) *for so long as any Debt Instruments are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system, maintain a Paying Agent in London and/or such other place as may be required by such listing authority, stock exchange and/or quotation system;*
- (c) *for so long as any Registered Debt Instruments are listed, a Transfer Agent; and*
- (d) *a Registrar maintaining the Register in such city as is specified in the relevant Pricing Supplement.*

*Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Debt Instrument Holders in accordance with Condition 18.*

## **15 Exchange of Talons**

*On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the I&P Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Debt Instrument to which it appertains) a further Talon, subject to the provisions of Condition 10. Each Talon shall, for the purposes of these Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the Coupon sheet in which that Talon was included on issue matures.*

## **16 Modification and waiver**

### **16.1 Meetings of Debt Instrument Holders**

*The Agency Agreement contains provisions for convening meetings of the Debt Instrument Holders to consider any matter affecting their interests, including the modification by Extraordinary Resolution of any of these Conditions or any of the provisions of the Agency Agreement. The quorum at any meeting for passing an Extraordinary Resolution will be two or more persons present holding or representing in the aggregate at least 51% in principal amount of the Debt Instruments for the time being outstanding except that at any meeting the business of which includes the modification of certain of these Conditions the necessary quorum for passing an Extraordinary Resolution will be two or more persons present holding or representing in the aggregate at least 75% in principal amount of the Debt Instruments for the time being outstanding, or at any adjourned meeting two or more persons present whatever the principal amount of the Debt Instruments held or represented by them, except that at any adjourned meeting, the business of which includes the modification of certain of these Conditions, the necessary quorum for passing an Extraordinary Resolution will be two or more persons present holding or representing in the aggregate not less than 51% of the principal amount of the Debt Instruments for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Debt Instrument Holders will be binding on all Debt Instrument Holders, whether or not they are present at the meeting, and on all Couponholders.*

### **16.2 Modification and Waiver**

*The Issuer may, without the consent of the Debt Instrument Holders or Couponholders, make any modification of any of these Conditions or any of the provisions of the Agency Agreement which is not materially prejudicial to the interests of the Debt Instrument Holders or to any modification which is of a formal, minor or technical nature or to correct a manifest error.*

*Notwithstanding the foregoing, no consent of the Debt Instrument Holders or Couponholders shall be required in order to make any amendments to the Conditions and/or the Agency Agreement as the Issuer may deem necessary or desirable to give effect to the provisions as provided for in Condition 5.3(d).*

*The Issuer will not make any modification to the conditions of any Subordinated Debt Instrument which impact upon the eligibility of the Subordinated Debt Instrument for inclusion as part of the regulatory capital of the Issuer for the purposes*

of any prudential standard, prudential regulation or other requirement of APRA which is applicable to the Issuer without the prior written consent of APRA having been obtained.

### 16.3 Notification

Any modification, waiver or authorisation shall be binding on the Debt Instrument Holders and the Couponholders and any modification shall be notified by the Issuer to the Debt Instrument Holders as soon as practicable thereafter in accordance with Condition 18.

## 17 Substitution

In the case of Subordinated Debt Instruments issued by MGL which are to be included as part of MGL's 'eligible capital' for the purposes of MGL's authority as a non-operating holding company under the Banking Act, MGL may only exercise its rights under this Condition 17 with the prior written approval of APRA.

### 17.1 Substitution

The Issuer may, without the consent of the relevant Debt Instrument Holders, substitute any of the Issuer's wholly-owned Subsidiaries for the Issuer as the principal debtor in respect of all obligations arising from or in connection with the relevant Debt Instruments ("**Relevant Debt Instruments**") ("**Substituted Issuer**"). The Issuer may only do this if:

- (a) the Substituted Issuer assumes all of the obligations of the Issuer under the Relevant Debt Instruments and (if applicable) the Agency Agreement and the Master Deed of Covenant;
- (b) the Issuer unconditionally and irrevocably guarantees the obligations to be assumed by the Substituted Issuer;
- (c) the Substituted Issuer has obtained all necessary authorisations to assume such obligations;
- (d) the Substituted Issuer has, if necessary, appointed an agent for the service of process in New South Wales or England (as the case may be);
- (e) there have been delivered to the I&P Agent opinions of lawyers of recognised standing in:
  - (i) New South Wales and Australia or England (as the case may be); and
  - (ii) the place of incorporation of the Substituted Issuer,
 which are collectively to the effect that:
  - (iii) the matters referred to in paragraphs (a), (b) and (c) above have been satisfied;
  - (iv) the Substituted Issuer is validly existing;
  - (v) the obligations assumed by the Substituted Issuer are valid and binding on it;
  - (vi) the substitution is not in breach of any law or regulation or the constitution of the Substituted Issuer; and
  - (vii) the choice of governing law and submission to jurisdiction are valid; and
- (f) the Relevant Debt Instruments continue to have a credit rating from at least one internationally recognised rating agency at least equal to the relevant rating from that rating agency immediately prior to the substitution.

### 17.2 Notice

The Substituted Issuer must give notice of any substitution made under this Condition 17 to the relevant Debt Instrument Holders in accordance with Condition 18. The notice must provide the contact details of the Substituted Issuer for the purposes of receiving notices under Condition 18.

### **17.3 Effective Date**

A substitution under this Condition 17 takes effect on and from the date specified in the notice given under Condition 17.2 ("**Effective Date**"), which must be a date not earlier than the date on which the notice is given.

### **17.4 Effect of substitution**

On, and with effect from, the *Effective Date*:

- (a) the Substituted Issuer shall assume all of the obligations of the Issuer with respect to the Relevant Debt Instruments (whether accrued before or after the *Effective Date*);
- (b) the Issuer shall be released from all of its obligations as principal debtor under the Relevant Debt Instruments; and
- (c) any reference in the Conditions of the Relevant Debt Instruments to:
  - (i) the Issuer shall from then on be deemed to refer to the Substituted Issuer; and
  - (ii) the country in which the Issuer is domiciled or resident for taxation purposes shall from then on be deemed to refer to the country of domicile or residence for tax purposes of the Substituted Issuer.

### **17.5 No regard to consequences of substitution**

In connection with any substitution effected pursuant to this Condition 17, neither the Issuer nor any Substituted Issuer need have any regard to the consequences of any such substitution for individual Debt Instrument Holders resulting from their being for any purpose domiciled or resident in, or otherwise connected with or subject to the jurisdiction of, any particular territory and no Debt Instrument Holder shall be entitled to claim from the Issuer or any Substituted Issuer under the Debt Instruments any indemnification or payment in respect of any tax or other consequences arising from such substitution.

## **18 Notices**

### **18.1 Bearer Debt Instruments**

Subject to Conditions 18.3 and 18.4, all notices regarding Bearer Debt Instruments shall be published in a leading English language daily newspaper of general circulation in the place specified in the relevant Pricing Supplement. 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 the required newspapers.

Couponholders shall be deemed for all purposes to have notice of any notice given to Debt Instrument Holders in accordance with this Condition.

Notices to be given by any Bearer Debt Instrument Holder shall be in writing and given by lodging the same, together with the relative Bearer Debt Instrument or Bearer Debt Instruments with the Issuer.

### **18.2 Registered Debt Instruments**

Subject to Conditions 18.3 and 18.4, all notices regarding the Registered Debt Instruments will be valid if sent by first class mail (or equivalent) or (if posted to an overseas address) by air mail to the Registered Debt Instrument Holder (or, in the case of joint Debt Instrument Holders, to the first-named in the Register) at their respective addresses as recorded in the Register, and will be deemed to have been validly given on the fourth day after the date of such mailing or, if posted from another country, on the fifth such day.

Notices to be given by any Registered Debt Instrument Holder shall be in writing and given by lodging the same, together with the relative Registered Debt Instrument or Registered Debt Instruments with the Issuer and (if certificated) with the Registrar.

### **18.3 Listed Debt Instruments**

*So long as the Debt Instruments are listed on a stock exchange, notices shall be published in accordance with the rules of that stock exchange (and without need for publication of any such notice as required under Condition 18.1 or Condition 18.2).*

### **18.4 Global Debt Instruments**

*So long as the Debt Instruments are represented by a Global Debt Instrument and the Global Debt Instrument is held on behalf of:*

- (a) Euroclear and Clearstream, Luxembourg or any other clearing system), all notices regarding the Debt Instrument may be given to Euroclear, Clearstream, Luxembourg or such other clearing system, as the case may be, or otherwise to the holder of the Global Debt Instrument; or*
- (b) the CMU Service, all notices regarding the Debt Instrument may be given to the persons shown in a CMU Instrument Position Report issued by the CMU Service on the second business day preceding the date of dispatch of such notice as holding interests in this Global Debt Instrument,*

*(in each case, without need for publication of any such notice as required under Condition 18.1 or Condition 18.2 (as applicable)). Any such notice will be deemed to have been given on the date on which the notice was given.*

## **19 Governing law and jurisdiction**

### **19.1 Governing law**

*The Agency Agreement is governed by, and shall be construed in accordance with, New South Wales law.*

*The Debt Instruments and the Coupons are governed by, and shall be construed in accordance with, the law specified in the relevant Pricing Supplement.*

### **19.2 Jurisdiction of the courts of New South Wales**

*If the relevant Pricing Supplement specifies that the Debt Instruments and Coupons are governed by, and construed in accordance with, New South Wales law, this Condition 19.2 applies.*

*The courts of New South Wales are to have jurisdiction to settle any disputes which may arise out of or in connection with the Debt Instruments and accordingly any legal action or proceedings arising out of or in connection with the Debt Instruments ("Proceedings") may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of the courts and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. These submissions are made for the benefit of each Debt Instrument Holder and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).*

### **19.3 Jurisdiction of the courts of England**

- (a) If the relevant Pricing Supplement specifies that the Debt Instruments and Coupons (and any non-contractual obligations arising out of or in connection therewith) are governed by, and construed in accordance with, English law, this Condition 19.3 applies.*
- (b) The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with (including any non-contractual obligations arising out of or in connection therewith) the Debt Instruments and accordingly any legal action or proceedings arising out of or in connection with the Debt Instruments ("Proceedings") may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. These submissions are made for the benefit of each Debt Instrument Holder and shall not limit the right of any of them to take Proceedings in any other court*

*of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).*

- (c) *MGL irrevocably appoints Macquarie Bank Limited, London Branch whose registered office is currently at Ropemaker Place, 28 Ropemaker Street, London EC2Y 9HD, United Kingdom. If for any reason the Issuer does not have such a branch in England, it will promptly appoint a process agent to receive service of process in any Proceedings in England based on the Debt Instruments and notify the Debt Instrument Holders of such appointment in accordance with Condition 18 as its agent in England to receive service of process in any Proceedings in England based on the Debt Instruments. Nothing herein shall affect the right to serve process in any other manner permitted by law.*

This Second Supplementary Offering Circular is to be read in conjunction with the Additional General Information section of the Second Supplementary Prospectus (save as amended herein) which will be deemed to be incorporated by reference herein, save that references to "Base Prospectus" shall be deemed to be to the "Offering Circular" and references to "Second Supplementary Prospectus" shall be deemed to be to this "Second Supplementary Offering Circular".