

PROGRAMME CIRCULAR FOR THE ISSUE OF EXEMPT NOTES

THIS PROGRAMME CIRCULAR HAS BEEN PREPARED BY THE ISSUER IN CONNECTION WITH THE ISSUE OF EXEMPT NOTES UNDER THE PROGRAMME WHICH ARE NEITHER TO BE ADMITTED TO TRADING ON A REGULATED MARKET IN THE EUROPEAN ECONOMIC AREA NOR OFFERED IN THE EUROPEAN ECONOMIC AREA IN CIRCUMSTANCES WHERE A PROSPECTUS IS REQUIRED TO BE PUBLISHED UNDER THE PROSPECTUS DIRECTIVE.

NEITHER THE ISSUER NOR ANY DEALER HAS AUTHORISED, NOR DO THEY AUTHORISE, THE MAKING OF ANY OFFER OF EXEMPT NOTES IN CIRCUMSTANCES IN WHICH AN OBLIGATION ARISES FOR THE ISSUER OR ANY DEALER TO PUBLISH OR SUPPLEMENT A PROSPECTUS FOR SUCH OFFER.

THIS PROGRAMME CIRCULAR HAS NOT BEEN REVIEWED OR APPROVED BY THE FINANCIAL CONDUCT AUTHORITY AS COMPETENT AUTHORITY IN THE UNITED KINGDOM, NOR HAS IT BEEN REVIEWED OR APPROVED BY ANY COMPETENT AUTHORITY IN ANY OTHER MEMBER STATE OF THE EUROPEAN ECONOMIC AREA AND DOES NOT CONSTITUTE A PROSPECTUS FOR THE PURPOSES OF THE PROSPECTUS DIRECTIVE.

Commonwealth Bank Australia

Commonwealth Bank of Australia, A.B.N. 48 123 123 124

Incorporated in Australia with limited liability



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

Euro Medium Term Note Programme

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

Commonwealth Bank of Australia (the "Issuer" or the "Bank") may from time to time issue Euro Medium Term Notes under this U.S.\$70,000,000,000 Euro Medium Term Note Programme (the "Programme") for which no prospectus is required to be published (the "Exempt Notes") under Directive 2003/71/EC as amended (including the amendments made by Directive 2010/73/EU) (the "Prospectus Directive"). The Exempt Notes may be issued in any form contemplated in "Conditions of the Exempt Notes" herein and as described in "Overview of the Programme" herein.

The Exempt Notes will be issued from time to time to one or more of the Dealers specified on page 6 (each a "Dealer" and together the "Dealers", which expression shall include any additional Dealers appointed under the Programme (as defined below) from time to time). References in this Programme Circular to the "relevant Dealer" shall, in the case of an issue of Exempt Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe for such Exempt Notes. The Issuer may agree with any Dealer that Exempt Notes may be issued in a form not contemplated by the "Conditions of the Exempt Notes" herein.

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

Notice of the aggregate nominal amount of, interest (if any) payable in respect of, the issue price of, and any other terms and conditions not contained herein which are applicable to, each Tranche of Exempt Notes will be set out in a pricing supplement (the "Pricing Supplement") copies of which will be available for viewing during normal business hours at the registered office of the Issuer at Ground Floor, Tower 1, 201 Sussex Street, Sydney, NSW, Australia, 2000 and the specified office set out herein of each of the Paying Agents (as defined below).

The Issuer has been rated AA- by Standard & Poor's (Australia) Pty Ltd. ("S&P"), Aa2 by Moody's Investor Service Pty Ltd. ("Moody's") and AA- by Fitch Australia Pty Ltd ("Fitch").

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

This document is issued in replacement of a Programme Circular dated 24 June 2014 and accordingly supersedes that earlier Programme Circular. This does not affect any notes issued under the Programme prior to the date of this Programme Circular.

Arranged by:

UBS Investment Bank

Dealers:

Barclays

Citigroup

Daiwa Capital Markets Europe

HSBC

Nomura

BNP PARIBAS

Commonwealth Bank of Australia

Deutsche Bank

J.P. Morgan

The Royal Bank of Scotland

BofA Merrill Lynch

Credit Suisse

Goldman Sachs International

Morgan Stanley

UBS Investment Bank

Dated 24 June 2015

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

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

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

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

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

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

The distribution of this Programme Circular and the offer or sale of the Exempt Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Programme Circular or any Exempt Notes come must inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of this Programme Circular and the offer or sale of the Exempt Notes in the United States of America, the European Economic Area (including the United Kingdom and Luxembourg), Japan, Australia, New Zealand, Hong Kong, the People's Republic of China, Singapore and Taiwan (see "*Subscription and Sale*").

In the United Kingdom, this document is being distributed only to, and is directed only at, investors (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order") or who fall within Article 49(2)(a) to (d) of the Order, and (ii) to whom it may otherwise lawfully be communicated (all such persons together being referred to as "Relevant Persons"). This document must not be acted on or relied on in the United Kingdom by persons who are not Relevant Persons. Any investment or investment activity to which this communication relates is available only to Relevant Persons and will be engaged in only with Relevant Persons.

The Exempt Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, (the "Securities Act") and the Exempt Notes include Exempt Notes in bearer form that are subject to

U.S. federal tax law requirements. Subject to certain exceptions, Exempt Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (see "*Subscription and Sale*").

This Programme Circular has been prepared on the basis that any offer of Exempt Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Exempt Notes. Accordingly any person making or intending to make an offer of Exempt Notes in that Relevant Member State may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Exempt Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

Any reference herein to an agreement between the Issuer and the relevant Dealer shall, in the case of Exempt Notes being, or intended to be, subscribed by more than one Dealer, be to an agreement between such Issuer and all such Dealers.

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

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

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

PRESENTATION OF INFORMATION

In this Programme Circular, all references to:

- "U.S. dollars", "USD" and "U.S.\$" are to United States dollars;
- "JPY", "Yen" and "¥" are to Japanese yen;
- "Sterling", "GBP" and "£" are to pounds sterling;
- "AUD" and "A\$" are to Australian dollars;
- "NZD" and "NZ\$" are to New Zealand dollars;

- "HKD" are to Hong Kong dollars;
- "Renminbi", "RMB" and "CNY" are to the lawful currency of People's Republic of China (the "PRC") which for purposes of this Programme Circular excludes the Hong Kong Special Administrative Region of the PRC, the Macao Special Administrative Region of the PRC and Taiwan;
- "CHF" are to Swiss Francs; and
- "euro", "EUR" and "€" refer to the currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty on the Functioning of the European Union, as amended.

AUSTRALIAN BANKING LEGISLATION

The Issuer is an authorised deposit-taking institution (an "ADI") for the purposes of the Banking Act 1959 of Australia (the "Banking Act"). The Banking Act provides that, in the event an ADI becomes unable to meet its obligations or suspends payment, the ADI's assets in Australia are available to meet specified liabilities of the ADI in priority to all other liabilities of the ADI (including, in the case of the Issuer, any Exempt Notes issued under the Programme). These specified liabilities include certain obligations of the ADI to the Australian Prudential Regulation Authority ("APRA") in respect of amounts payable by APRA to holders of protected accounts, other liabilities of the ADI in Australia in relation to protected accounts, debts to the Reserve Bank of Australia ("RBA") and certain other debts to APRA. A "protected account" is, subject to certain conditions including as to currency and unless prescribed otherwise by regulations, an account or a specified financial product: (a) where the ADI is required to pay the account-holder, on demand or at an agreed time, the net credit balance of the account, or (b) otherwise prescribed by regulation. The Australian Treasurer has published a declaration of products prescribed as protected accounts for the purposes of the Banking Act. Changes to applicable law may extend the liabilities required to be preferred by law.

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

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

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Overview of the Programme

The following overview does not purport to be complete and is qualified in its entirety by the remainder of this Programme Circular and, in relation to the terms and conditions of any particular Tranche of Exempt Notes, the applicable Pricing Supplement. The Issuer and any relevant Dealer may agree that Exempt Notes shall be issued in a form other than that contemplated in the Conditions.

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

| | |
|------------------------------|---|
| Issuer: | Commonwealth Bank of Australia |
| Risk Factors: | There are certain factors that may affect the Issuer's ability to fulfil its obligations under Exempt Notes issued under the Programme. These are set out under " <i>Risk Factors</i> " below. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Exempt Notes issued under the Programme. These are set out under " <i>Risk Factors</i> " and include certain risks relating to the structure of particular Series of Exempt Notes and certain market risks. |
| Description: | Euro Medium Term Note Programme |
| Arranger: | UBS Limited |
| Dealers: | Barclays Bank PLC BNP Paribas Citigroup Global Markets Limited Commonwealth Bank of Australia Credit Suisse Securities (Europe) Limited Daiwa Capital Markets Europe Limited Deutsche Bank AG, London Branch Goldman Sachs International HSBC Bank plc J.P. Morgan Securities plc Merrill Lynch International Morgan Stanley & Co. International plc Nomura International plc The Royal Bank of Scotland plc UBS Limited and any other Dealers appointed in accordance with the Programme Agreement. |
| Certain restrictions: | Each issue of Exempt Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time including the following restrictions applicable at the date of this Programme Circular. |

Exempt Notes having a maturity of less than one year

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

| | |
|---|---|
| Issuing and Principal Paying Agent: | Deutsche Bank AG, London Branch |
| Registrar: | Deutsche Bank Luxembourg S.A. |
| Distribution: | Exempt Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis. |
| Currencies: | U.S. dollars, euro, Yen, Sterling, Australian dollars, New Zealand dollars, Hong Kong dollars, Renminbi, Swiss Francs and such other currencies as may be agreed with the relevant Dealer. |
| Maturities: | Subject to any applicable laws and regulations, any original maturity. |
| Issue Price: | Exempt Notes may be issued at par or at a discount to, or premium over, par and on a fully-paid basis. |
| Form of Exempt Notes: | The Exempt Notes will be issued in bearer or registered form as described in " <i>Form of the Exempt Notes</i> ". Registered Notes will not be exchangeable for Bearer Notes and <i>vice versa</i> . |
| Taxation: | All payments in respect of the Exempt Notes will be made by the Issuer without withholding or deduction for, or on account of, any Taxes of any Taxing Jurisdiction as provided in Condition 9 unless such withholding or deduction is required by law. In the event that any such withholding or deduction is made, the Issuer will, save in certain limited circumstances provided in Condition 9, be required to pay such additional amounts in respect of the Exempt Notes as will result (after withholding or deduction of the Taxes) in payment to the holders of the Exempt Notes of the amounts which would have been payable had there been no such withholding or deduction. |
| Status of Exempt Notes: | The Exempt Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and will rank equally among themselves and equally with the Issuer's other unsecured and unsubordinated obligations (except for certain debts that are required to be preferred by applicable laws) subject as provided in Condition 3(a). |
| Events of Default and other provisions for Exempt Notes: | Events of Default for each Tranche of Exempt Notes are set out in Condition 11(a). There is no cross default or negative pledge. |
| Fixed Rate Notes: | Fixed interest will be payable in arrear on such date or dates in each year as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer. |
| Fixed Reset Notes: | Fixed Reset Notes will initially bear interest at the Initial Interest Rate until (but excluding) the Reset Date. On the Reset Date, the interest rate will be reset to the rate per annum equal to the aggregate of the applicable Reset Reference Rate and the Margin as determined by the Principal Paying Agent on the relevant Reset Determination Date. |
| Floating Rate Notes: | Floating Rate Notes will bear interest at a rate determined on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions, published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Exempt Notes, or on the basis of a reference rate appearing on an agreed screen page of a commercial quotation service or on such other basis as may be specified in the applicable Pricing Supplement. |

The Margin (if any) relating to such floating rate will be specified in the applicable Pricing Supplement.

Index Linked Notes: Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula or formulae as the Issuer and the relevant Dealer may agree.

Other provisions in relation to Floating Rate Notes and Index Linked Interest Notes:

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

Interest on Floating Rate Notes and Index Linked Interest Notes will be payable on Interest Payment Dates, as agreed at the time of agreement to issue, and (where applicable) will be calculated on the basis of the Day Count Fraction specified in the applicable Pricing Supplement.

Details of the interest rate applicable to the then current Interest Period in respect of the Floating Rate Notes or (where applicable) Index Linked Interest Notes of any Series will be available from the Principal Paying Agent.

Dual Currency Notes: Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the Issuer and the relevant Dealer may agree.

Zero Coupon Notes: Zero Coupon Notes will be offered and sold at par or at a discount to their nominal amount and will not bear interest.

Redemption: The applicable Pricing Supplement will indicate either that the Exempt Notes of that Tranche cannot be redeemed prior to their stated maturity, other than in specified instalments or for taxation reasons, or that such Exempt Notes will be redeemable at the option of the Issuer (in specified amounts if the applicable Pricing Supplement so indicate) and/or at the option of the holder(s) of such Exempt Notes on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be indicated in the applicable Pricing Supplement.

The applicable Pricing Supplement may provide that Exempt Notes may be redeemed in two or more instalments and on such dates and on such other terms as may be indicated in such Pricing Supplement.

Exempt Notes having a maturity of less than one year from the date of issue may be subject to restrictions on their denomination and distribution, see "*Certain Restrictions – Notes having a maturity of less than one year*" above.

Governing Law: English law.

Risk Factors

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

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

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

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

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

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

In recent years, global credit and equity markets have been characterised by uncertainty and volatility. More recently, the global backdrop has improved and volatility in global financial markets has receded. The Issuer believes that challenging market conditions may return when major central banks begin the process of normalising monetary policy settings. The uneven pace of economic growth and deflation risks in Europe, concerns about the strength of the US economy and its unresolved fiscal issues, the sustainability of economic growth and financial market settings in China and geopolitical risks all pose risks to global financial markets.

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

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

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

The Issuer continues to monitor industry and company specific developments and the state of the global and Australian economies and markets.

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

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

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

Internationally, concerns about sovereign debt, banking system fragility and weaknesses in some of Australia's trading partners impacted on 2014 financial year economic activity and sentiment in Australia and elsewhere. China is Australia's major trading partner and a significant driver of commodity prices that affect Australian

incomes. Anything that adversely affects China's economic growth could adversely affect the Australian economy, particularly the mining and resources sectors.

During the 2014 calendar year, the fundamentals of the Australian economy remained sound; however, high levels of unemployment and uncertainty in the outlook for the Australian and global economies resulted in the persistence of higher rates of savings, limited appetite for credit and lower discretionary spending.

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

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

The Issuer may incur losses associated with its counterparty exposures

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

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

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

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

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

Disruptions, uncertainty or volatility in financial markets may limit the Issuer's ability to access capital markets in a timely manner or at a cost that is acceptable to the Issuer. There may be circumstances where Issuer specific conditions (for example reduced profitability), as opposed to general market conditions (for example a global recession), could also limit the Issuer's access to capital markets. The Issuer operates an Internal Capital Adequacy Assessment Process ("ICAAP") to manage its capital levels and to maintain them above Board approved minimum levels (which in turn are set to exceed regulatory minimal standards). The ICAAP includes

forecasting and stress testing of capital levels which guides the Issuer in selecting any capital management initiatives it may undertake. Should the ICAAP forecasts or stress tests prove to be ineffective, the Issuer's business may be adversely impacted.

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

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

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

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

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

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

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

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

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

The Issuer is subject to extensive regulation, which could impact its results

The Issuer's banking, funds management and insurance activities are subject to extensive regulation, including those relating to capital levels, liquidity levels, solvency, risk management, provisioning and insurance policy terms and conditions, accounting and reporting requirements, taxation, remuneration, consumer protection,

competition, anti-bribery and corruption, anti-money laundering and counter-terrorism financing. The Issuer's business and earnings are also affected by the fiscal or other policies that are adopted by various regulatory authorities of the Australian and New Zealand governments and the governments and regulators of the other jurisdictions in which the Issuer conducts businesses.

The requirement to maintain certain levels of Common Equity and Tier One and Total Capital determines the level of lending activity or, alternatively, requires the issue of additional equity capital or subordinated debt, which are additional sources of its funds for the Issuer. Any change in regulation, including changes that increase the requirements of regulatory capital, for example to address current or potential risks in the housing market, could have an adverse impact on the Issuer's results of operations or the ability of the Issuer to maintain or grow the Issuer's current businesses.

Any changes to the regulatory requirements to which the issuer is subject could have an adverse impact on the Issuer's results of operations. For example, any changes to the liquidity requirements that increase the minimum level of liquid assets to be held could increase the Issuer's funding costs. Significant breaches of regulatory requirements may have a material adverse impact on the Issuer's results of operations and financial condition.

Regulatory actions taken now or in the future may significantly affect the Issuer's operations and financial condition

The Issuer and its businesses are subject to extensive regulation by Australian regulators and regulators in other jurisdictions in which the Issuer conducts business.

The events in the financial services industry and, more generally, in the international financial markets and the global economy over the past seven years, have resulted in various proposals to change the regulation of the financial services industry. In Australia, APRA is adopting regulations (in stages, beginning 1 January 2013) designed to enhance the capital adequacy of, and liquidity and funding risk management by, authorised deposit-taking institutions ("ADIs"), including the issuer, based on the proposals adopted by the Basel Committee on Banking Supervision ("Basel III").

APRA implemented the base capital requirements of Basel III on 1 January 2013. From 1 January 2016, APRA will require ADIs to maintain a capital conservation buffer (of 2.5 per cent. of risk weighted assets) above the Basel III minimum requirements and will also have the discretion to apply an additional countercyclical buffer of up to 2.5 per cent. of risk weighted assets. APRA will also require domestic systemically important Australian banks, including the Issuer, to hold a further buffer of 1 per cent. of risk weighted assets from 1 January 2016.

From 1 January 2015, APRA also implemented the Basel III Liquidity Cover Ratio ("LCR"). The LCR requires ADIs to hold a stock of high quality liquid assets to meet expected cash outflows for a 30-day period under a severe stress scenario.

The Financial System Inquiry (the "Inquiry") initiated by the Australian Federal Government released its report on 7 December 2014. The Inquiry was given the task of examining how the Australian financial system could be positioned to best meet Australia's evolving needs and support Australia's economic growth. The report released by the Inquiry has made a number of recommendations (covering "Bank Capital and Risk-Weights", "Capital and Competition", "Leverage Ratios", "Bail-In Bonds", "Credit Ratings", "Superannuation funds", "Regulation", "Consumer protection", "Tax", "Wealth and financial advice", "General insurance, Technology and Payments") all of which are under consideration by the Government and the potential for legislative changes may or may not impact the operations or profitability of the Issuer.

In the United States, the Issuer is subject to the provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 ("Dodd-Frank"), which, subject to certain exceptions, transition periods and exemptions, generally restricts the ability of banking entities to engage in proprietary trading, to sponsor or invest in private funds and to conduct certain transactions with sponsored or advised funds.

The Issuer does not engage in material amounts of proprietary trading and has been actively positioning its businesses to address these changes, but there can be no assurance that these changes will not have an adverse impact on the Issuer. The Issuer is also subject to regulation as a foreign banking organisation under Dodd-Frank. Reforms in the over-the-counter derivatives markets continue on a global basis, with the governments of the G20 nations proceeding with plans to transform the capital regimes, national regulatory frameworks and

infrastructures in which the Issuer and other market participants operate. As these reforms are passed, the Issuer may experience changes in its wholesale banking business, some of which will impact its client and trading related derivatives revenues.

The Issuer is registered as a swap dealer in the United States to enable the continuation of its swaps business with United States persons. Regulations issued by the United States Commodity Futures Trading Commission ("CFTC") impose substantial requirements on registered swap dealers. Application of these requirements to the Issuer's swaps business could be considered an implementation burden, duplicating or conflicting with legal requirements applicable to the Issuer outside the United States and may place the Issuer at a competitive disadvantage with banks that are not CFTC-registered swap dealers. The effect on the Issuer's business cannot yet be determined fully because the regulations and their implementation have not yet been finalised.

Regulation is becoming increasingly extensive and complex. Some areas of potential regulatory change involve multiple jurisdictions seeking to adopt a coordinated approach. Notwithstanding regulators' efforts to coordinate their approach, many measures adopted or proposed differ significantly across the major jurisdictions, making it increasingly difficult to manage a global institution.

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

The Issuer may face operational risks associated with being a complex financial institution and may incur losses as a result of ineffective risk management processes and strategies

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

The Issuer is exposed to the risk of loss resulting from human error, the failure of internal or external processes and systems or from external events including the failure of third party suppliers and vendors to provide contracted services. Such operational risks may include theft and fraud, improper business practices, client suitability and servicing risks, product complexity and pricing risk or improper recording, evaluating or accounting for transactions, breach of security and physical protection systems, or breaches of the Issuer's internally and externally imposed policies and regulations.

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

While the Issuer employs a range of risk monitoring and risk mitigation techniques as part of the implementation of its Operational Risk Management Framework, there can be no assurance that the risk management processes and strategies that the Issuer has developed in response to current market conditions will adequately anticipate additional market stress or unforeseen circumstances. Therefore the Issuer may, in the course of the Issuer's activities, incur losses or reputational harm as a result of operational disruptions. Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that the Issuer will be unable to comply with its obligations as a company with securities admitted to the Official List or that the Issuer will be unable to comply with its obligations as a supervised firm regulated by the Financial Conduct Authority.

The Issuer may face technology risks associated with being a complex financial institution and may incur losses as a result of ineffective risk management processes and strategies.

The Issuer's businesses are highly dependent on the Issuer's ability to process and monitor, in many cases on a daily basis, a very large number of transactions, many of which are highly complex, across multiple markets in

many currencies. The Issuer's financial, accounting, data processing or other operating systems and facilities may fail to operate properly or may become disabled as a result of events that are wholly or partially beyond the Issuer's control, such as a spike in transaction volume, adversely affecting the Issuer's ability to process these transactions or provide these services.

As with any business operating in the financial services market, the Issuer utilises complex technology frameworks and systems to deliver its services and manage internal processes. Some of these technology systems are provided and/or supported by third party suppliers and vendors. Additionally, the Issuer's strategy seeks to establish long term global competitive advantage through leadership in the application of technology.

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

As part of its Technology Risk Management Framework, the Issuer employs a range of risk monitoring and risk mitigation techniques however there can be no assurance that the risk management processes and strategies that the Issuer has developed in response to current market conditions will adequately anticipate additional market stress or unforeseen circumstances. Therefore the Issuer may, in the course of the Issuer's activities, incur losses or reputational harm as a result of technology disruptions.

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

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

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

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

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

An information security failure could have serious consequences for the Issuer including among other things, operational disruption, financial losses, a loss of customer or business opportunities, litigation, regulatory penalties or intervention, reputational damage, theft of intellectual property and customer data, and could result in violations of applicable privacy laws, all of which could have a material impact on the Issuer.

The Issuer maintains a Technology Risk Management Framework which covers information security risk. The Issuer believes that it, and its third party suppliers and vendors, have and maintain adequate anti-virus and malware software and have control frameworks in place to mitigate these risks, but no assurance can be given that such mitigation steps will be effective.

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

The Issuer operates in a range of regulated markets both in Australia and globally and is highly dependent on the conduct of its employees, contractors and external service providers. The Issuer and its businesses could, for example, be adversely affected if an employee, contractor or external service provider does not act in

accordance with regulations and associated procedures, or engages in inappropriate or fraudulent conduct. Losses, financial penalties or variations to the operating licenses may be incurred from an unintentional or negligent failure to meet a professional obligation to specific clients, including fiduciary and suitability requirements, or from the nature or design of a product. These may include client, product and business practice risks such as product defects and unsuitability, market manipulation, insider trading, misleading or deceptive conduct in advertising and inadequate or defective financial advice. While the Issuer has policies and processes to minimise the risk of human error and employee, contractor or external service provider misconduct, these policies and processes may not always be effective.

Market risks could adversely impact the Issuer's results

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

The Issuer trades and distributes financial market products and risk management services to customers on a global basis.

The objectives of the Issuer's financial markets activities are to:

- provide risk management and capital market products to customers;
- efficiently assist in managing the Issuer's own market risks; and
- conduct profitable trading within a controlled framework, leveraging off the Issuer's market presence and expertise.

Liquidity and funding, compliance and strategic risks could adversely impact the Issuer's results

The Issuer is subject to liquidity and funding risks, compliance, insurance and strategic risks, which could adversely impact its future results. Liquidity risk is the risk of being unable to meet financial obligations as they fall due. Funding risk is the risk of over-reliance on a funding source to the extent that a change in that funding source could increase overall funding costs or cause difficulty in raising funds. Further information on liquidity and funding risk is outlined above (See - *Failure to maintain credit ratings could adversely affect the Issuer's cost of funds, liquidity, access to debt and capital markets, and competitive position*) also included in note 36 to the Issuer's audited consolidated and non-consolidated annual financial statements for the financial year ended 30 June 2014.

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

Strategic business risk is defined as the risk of economic loss resulting from changes in the business environment caused by the following factors:

- macroeconomic conditions;
- competitive forces at work;
- technology;
- regulatory; or
- social trends.

Strategic business risk is taken into account as business strategies and objectives are defined. The Board receives reports on business plans, major projects and change initiatives and monitors progress and reviews successes compared to plans.

Investor activism whereby shareholder or special interest groups target the Issuer in relation to social or environmental issues and influencing how the Issuer operates or implements its strategy is a risk to the Issuer. Drivers include: institutional investors' growing awareness and practice of socially responsible investment; and financing or doing broader business with businesses that do not demonstrate responsible management of environmental and social issues.

There is a strategic threat to the Issuer's market share posed by new non-bank entrants who are unregulated or subject to lower regulatory standards.

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

Insurance risk could adversely impact the Issuer's results

Insurance risk is the risk of loss due to increases in policy benefits arising from variations in the incidence or severity of insured events. Insurance risk exposure arises in the insurance business as the risk that claims payments are greater than expected. In the life insurance business this exposure arises primarily through mortality (death) and morbidity (illness and injury) related claims being greater than expected whereas for the general insurance business, variability arises mainly through weather related incidents (such as floods or bushfires) and similar calamities, as well as general variability in home, motor and travel insurance claim amounts. The Issuer believes its exposure to insurance risk is small due to the size of its insurance business relative to the size of the Issuer. Additionally, the Issuer believes it maintains good risk controls around its insurance exposures and enters into reinsurance arrangements (as further described in note 33 to the 2014 Financial Statement), however, no assurance can be given that the foregoing effectively mitigates the Issuer's insurance risk.

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

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

The Issuer faces intense competition in all of its principal areas of operation and geographical markets, principally Australia and New Zealand. Competition in the banking and funds management markets has, however, had the most significant effect on its results of operations. As financial markets recover and the Issuer's competitors overcome any difficulties they have experienced, competition is expected to increase, especially if non-Australian financial services providers continue to expand in Australia.

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

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

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

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

Reputational damage could harm the Issuer's business and prospects

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

The Issuer could suffer losses due to catastrophic events

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

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

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

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

Risks related to the structure of a particular issue of Exempt Notes

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

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

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

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

The interest rate on Fixed Reset Notes will reset on each Reset Date, which can be expected to affect interest payments on an investment in Fixed Reset Notes and could affect the secondary market and the market value of the Fixed Reset Notes concerned

Fixed Reset Notes will initially bear interest at the Initial Interest Rate until (but excluding) the Reset Date. On the Reset Date, the interest rate will be reset to the rate per annum equal to the aggregate of the applicable Reset Reference Rate and the Margin as determined by the Principal Paying Agent on the relevant Reset Determination Date (each such interest rate being the "Reset Rate"). The Reset Rate for any Reset Period could be less than the Initial Interest Rate and could therefore adversely affect the market value of an investment in the Fixed Reset Notes.

If the Issuer has the right to convert the interest rate on any Exempt Notes from a fixed rate to a floating rate, or vice versa, or the terms of the Exempt Notes otherwise provide for such conversion, this can be expected to affect interest payments on an investment in such Exempt Notes and may affect the secondary market and the market value of the Exempt Notes concerned.

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

Index Linked Notes and Dual Currency Notes

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

- (i) the market price of such Exempt Notes may be volatile;
- (ii) they may receive no interest;
- (iii) payment of principal or interest may occur at a different time or in a different currency than expected;
- (iv) they may lose all or a substantial portion of their principal;
- (v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (vi) if a Relevant Factor is applied to Exempt Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified; and
- (vii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

The historical levels of an index should not be viewed as an indication of the future performance of such index during the term of any Index Linked Notes.

Certain factors affecting the value and trading price of Index Linked Notes

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

- (i) market interest rates;
- (ii) fluctuations in currency exchange rates;
- (iii) fluctuations in the prices of securities generally;
- (iv) the time remaining to any redemption date; and

- (v) economic, financial, regulatory, political, terrorist, military or other events in one or more jurisdictions, including factors affecting capital markets generally or the stock exchanges on which any Index Linked Notes may be traded.

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

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

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

- (a) a percentage participation factor that is less than 100 per cent. of a price or level of such Index;
- (b) a cap or maximum amount; and/or
- (c) a negative spread or percentage deduction to a relevant price or level of such Index,

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

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

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

Index Linked Notes may be redeemed prior to their scheduled redemption date if an Additional Disruption Event occurs

If an Additional Disruption Event (as specified in the applicable Pricing Supplement) occurs, the Issuer will either (i) request the Calculation Agent to adjust the terms and conditions of the Index Linked Notes (without the consent of the Noteholders) or (ii) procure their early redemption, in each case, in accordance with the Conditions and the applicable Pricing Supplement. Prospective investors should be aware that depending on the terms and conditions of the Exempt Notes in question, the early cash settlement amount payable on any redemption may be less than the initial investment. Following any early redemption of Index Linked Notes, a Noteholder may not be able to reinvest the amount received at any effective interest rate as high as the interest rate or yield on the Exempt Notes being redeemed and may only be able to do so at a significantly lower rate. Investors in Index Linked Notes should consider reinvestment risk in light of other investments available at that time.

If Index Linked Notes are redeemed before their due date for redemption because an Additional Disruption Event occurs, the Issuer will take into account when determining the settlement amount, and may deduct from

the settlement amount, an amount in respect of all costs, losses and expenses (if any) incurred (or expected to be incurred) by or on behalf of the Issuer in connection with the redemption of the Exempt Notes, including without duplication or limitation, hedging termination and funding breakage costs (whether actual or notional). Such costs, losses and expenses will reduce the amount received by Noteholders on redemption and may reduce the settlement amount to zero. The Issuer is not under any duty to hedge itself at all or in any particular manner, and is not required to hedge itself in a manner that would (or may be expected to) result in the lowest costs, losses and expenses.

Principal protected Index Linked Notes are only principal protected to the extent that the Exempt Notes are held to maturity. Consequently, if principal protected Index Linked Notes are redeemed early Noteholders may lose some or all of their principal.

Disrupted Days and Disruption Events

Where the Calculation Agent determines that a day on which a valuation or determination is to be made is a disrupted day or that a relevant disruption event (including, for example, where an Exchange or Related Exchange fails to open on a Valuation Date or an Averaging Date, as applicable) has occurred, any such determination may have an effect on the timing of the valuation or determination and consequently may adversely affect the value of the relevant Index Linked Notes and/or may delay settlement of the Exempt Notes. Prospective investors should review the relevant conditions of the Index Linked Notes and the applicable Pricing Supplement to ascertain whether and how such provisions apply to any Exempt Notes they are considering purchasing.

Furthermore, if the calculation of an Index is discontinued or suspended, it may become difficult to determine the value of the Exempt Notes and the Calculation Agent may, *inter alia*, make a good faith estimate in its sole discretion of the value the Index would have had at a certain Valuation Date.

Valuation of Index Linked Notes: commissions and/or fees

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

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

Hedging

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

The issuer of a security comprised in an index could take actions that may adversely affect an Index Linked Note

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

Exempt Notes with a multiplier or other leverage factor can be volatile investments

Exempt Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar

related features, their market values may be even more volatile than those for securities that do not include those features.

Inverse Floating Rate Notes

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

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

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

Risks related to Exempt Notes generally

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

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

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

Insolvency laws

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

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

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

Substitution of the Issuer

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

The Exempt Notes may be subject to withholding taxes in circumstances where the Issuer is not obliged to make gross up payments and this would result in holders receiving less interest than expected and could significantly adversely affect their return on the Exempt Notes.

Withholding under the EU Savings Directive

Under Council Directive 2003/48/EC on the taxation of savings income (the "Savings Directive"), Member States are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income paid or secured by a person established in a Member State to or for the benefit of an

individual resident in another Member State or certain limited types of entities established in another Member State.

For a transitional period, Austria is required (unless during that period it elects otherwise) to operate a withholding system in relation to such payments. The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

On 24 March 2014, the Council of the European Union adopted a Council Directive (the "Amending Directive") amending and broadening the scope of the requirements described above. The Amending Directive requires Member States to apply these new requirements from 1 January 2017 and if they were to take effect the changes would expand the range of payments covered by the Savings Directive, in particular to include additional types of income payable on securities. They would also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported or subject to withholding. This approach would apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

However, the European Commission has proposed the repeal of the Savings Directive from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other Member States (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the Savings Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU). The proposal also provides that, if it proceeds, Member States will not be required to apply the new requirements of the Amending Directive.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent (as defined in the Conditions of the Exempt Notes) nor any other person would be obliged to pay additional amounts with respect to any Exempt Note as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Savings Directive.

U.S. Foreign Account Tax Compliance Act Withholding

Whilst the Exempt Notes are in global form and held within Euroclear Bank SA/NV or Clearstream Banking, société anonyme (together the "ICSDs"), in all but the most remote circumstances it is not expected that the new reporting regime and potential withholding tax imposed by Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 ("FATCA") will affect the amount of any payment received by the ICSDs (see "*General Information - U.S. Foreign Account Tax Compliance Act Withholding*"). However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer's obligations under the Exempt Notes are discharged once it has made payment to, or to the order of, the common depository for the ICSDs (as bearer or registered holder of the Exempt Notes, as the case may be) and the Issuer has therefore no responsibility for any amount thereafter transmitted through the ICSDs and custodians or intermediaries. Further, foreign financial institutions in a jurisdiction which has entered into an intergovernmental agreement with the United States (an "IGA") are

generally not expected to be required to withhold under FATCA or an IGA (or any law implementing an IGA) from payments they make.

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

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

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

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

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

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

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

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

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

Risks related to the market generally

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

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

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

The Issuer may, but is not obliged to, list an issue of Exempt Notes on a stock exchange. If Exempt Notes are not listed or traded on any exchange, pricing information for the relevant Exempt Notes may be more difficult to obtain and the liquidity of such Exempt Notes may be adversely affected.

The secondary market price of any Exempt Notes immediately following their issue may be less than the Issue Price/Offer Price.

If Exempt Notes are not listed on a regulated market, they may be traded on trading systems governed by the laws and regulations in force from time to time (e.g. multilateral trading systems or "MTF") or in other trading systems (e.g. bilateral systems, or equivalent trading systems). Trading in such Exempt Notes may take place outside the above-mentioned trading systems, with possible risks as to the transparency of the determination of prices. Investors should note that the Issuer does not grant any warranty to Noteholders as to the methodologies used to determine the price of Exempt Notes which are traded outside a trading system, however, where the Issuer or any of their affiliates determine the price of such Exempt Notes, they will take into account the market parameters applicable at such time in accordance with applicable provisions of law.

In the case of unlisted Exempt Notes (i) subject to optional redemption by the Issuer and (ii) where principal or interest is determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors ("Unlisted Callable Structured Notes"), the Issuer may from time to time publish on a screen page of a commercial quotation service or on such other basis as it may advise the relevant Dealers an indication of the charges it may apply on any purchase by it of such Unlisted Callable Structured Notes.

Any such publication is in the Issuer's sole and absolute discretion and the Issuer may subsequently change any indicative charge so published or cease such publication at any time and for any reason. No such publication will constitute an offer to buy or a solicitation of an offer to sell any Unlisted Callable Structured Notes or represent any undertaking or other commitment by the Issuer to purchase any Unlisted Callable Structured Notes and any actual charge applied by the Issuer on any purchase of Unlisted Callable Structured Notes by it may be greater or less than any indicative charge published. the Issuer will not at any time purchase any Unlisted Callable Structured Exempt Notes from any Noteholder in any jurisdiction in which such purchase is unlawful and the Issuer may decide not to purchase Unlisted Callable Structured Notes at any time and for any reason.

Any charge the Issuer may apply on any purchase of Unlisted Callable Structured Notes will be only one of the relevant considerations in determining the purchase price of the relevant Unlisted Callable Structured Notes and other relevant factors may include, without limitation, the weighted average life of the Unlisted Callable Structured Notes and the cost to the Issuer of unwinding any underlying and/or related hedging and funding arrangements. The determination of such factors and any price at which the Issuer may purchase any Unlisted Callable Structured Notes will be in the sole and absolute discretion of the Issuer.

Investors should note that a secondary market may be affected by both legal restrictions in certain jurisdictions and by the Issuer and/or any Dealer purchasing or holding Exempt Notes.

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

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

Impact of implicit fees on the Issue/Offer Price

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

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

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

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

The Issuer will pay principal and interest on the Exempt Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Exempt Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Exempt Notes and (3) the Investor's Currency-equivalent market value of the Exempt Notes.

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

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

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

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

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

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

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

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

Potential conflicts of interest

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

The Issuer and/or any of its affiliates may from time to time engage in transactions involving securities comprised in indices to which payments under the Exempt Notes are linked for their proprietary accounts or for other accounts under their management, subject to requirements of the Securities Act. The Issuer and/or its affiliates may also issue other derivative instruments in respect of any such securities. The Issuer and/or its affiliates may also act as underwriter in connection with future offerings of shares or other securities related to an issue of Exempt Notes or may act as financial adviser to certain companies or companies whose shares are included in a basket of shares or in a commercial banking capacity for such companies. These activities may have a positive or negative effect on the value of the relevant securities and consequently upon the value of the Exempt Notes.

The Issuer and any Dealer may at the date hereof or at any time hereafter, be in possession of information in relation to an Index or any security comprised in an Index that is or may be material in the context of the Exempt Notes and may or may not be publicly available to Noteholders. There is no obligation on the Issuer or any Dealer to disclose to Noteholders any such information.

The Issuer and/or any of its affiliates may have existing or future business relationships with the sponsors of an Index and/or the issuers of securities comprised in an Index (including, but not limited to, lending, depositary, risk management, advisory and banking relationships), and will pursue actions and take steps that they or it deems necessary or appropriate to protect their and/or its interests arising therefrom without regard to the consequences for a Noteholder.

Where Exempt Notes are offered to potential investors, as the relevant Manager(s)/Dealer and any distributors act pursuant to a mandate granted by the Issuer and they receive fees on the basis of the services performed and the outcome of the placement of such Exempt Notes, potential conflicts of interest could arise.

Any further risk factors relating to additional conflicts of interest with respect to a particular issue of the Exempt Notes will be specified in the applicable Pricing Supplement.

Risks relating to Exempt Notes denominated in Renminbi

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

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

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

On 13 October 2011, the People's Bank of China (the "PBoC") promulgated the "Administrative Measures on Renminbi Settlement of Foreign Direct Investment" (the "PBoC FDI Measures") as part of the implementation

of the PBoC's detailed foreign direct investment ("FDI") accounts administration system. The system covers almost all aspects in relation to FDI, including capital injections, payments for the acquisition of PRC domestic enterprises, repatriation of dividends and other distributions, as well as Renminbi denominated cross-border loans. On 14 June 2012, the PBoC further issued the implementing rules for the PBoC FDI Measures. Under the PBoC FDI Measures, special approval for FDI and shareholder loans from the PBoC, which was previously required, is no longer necessary. In some cases however, post-event filing with the PBoC is still necessary.

On 5 July 2013, the PBoC promulgated the "Circular on Policies related to Simplifying and Improving Cross-Border Renminbi Business Procedures", which sought to improve the efficiency of the cross-border Renminbi settlement process and facilitate the use of cross-border Renminbi settlement by banks and enterprises.

On 3 December 2013, the Ministry of Commerce of the PRC ("MOFCOM") promulgated the "Circular on Issues in relation to Cross-border Renminbi Foreign Direct Investment" (the "MOFCOM Circular"), which became effective on 1 January 2014, to further facilitate FDI by simplifying and streamlining the applicable regulatory framework. Pursuant to the MOFCOM Circular, written approval from the appropriate office of MOFCOM and/or its local counterparts specifying "Renminbi Foreign Direct Investment" and the permitted capital contribution amount is required for each FDI transaction.

Unlike previous MOFCOM regulations on FDI, the MOFCOM Circular has also removed the approval requirement for foreign investors who intend to change the currency of their existing capital contribution from a foreign currency to Renminbi. In addition, the MOFCOM Circular clearly prohibits FDI funds from being used for any investments in securities and financial derivatives (except for investments in PRC listed companies by strategic investors) or for entrustment loans in the PRC.

As the MOFCOM Circular and the PBoC FDI Measures are relatively new circulars, they will be subject to interpretation and application by the relevant authorities in the PRC.

There is no assurance that the PRC Government will continue to liberalise control over cross-border remittance of Renminbi in the future, that any pilot schemes for Renminbi cross-border utilisation will not be discontinued or that new regulations in the PRC will not be promulgated which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. In the event that funds cannot be repatriated outside the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the Issuer to source Renminbi to finance its obligations under Renminbi Notes.

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

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

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

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

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance

that new PRC regulations will not be promulgated or the settlement agreements will not be terminated or amended so as to have the effect of restricting availability of Renminbi outside the PRC. The limited availability of Renminbi outside the PRC may affect the liquidity of investments in the Renminbi Notes. To the extent that the Issuer is required to source Renminbi outside the PRC to service the Renminbi Notes, there is no assurance that the Issuer will be able to source such Renminbi on satisfactory terms, if at all.

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

An investment in Renminbi Notes is subject to exchange rate risks

The value of the Renminbi against the U.S. dollar and other foreign currencies fluctuates from time to time and is affected by changes in the PRC and international political and economic conditions and by many other factors. All payments of interest and principal with respect to Renminbi Notes will be made in Renminbi unless a RMB Currency Event is specified in the applicable Pricing Supplement, and a RMB Currency Event occurs, in which case payment will be made in U.S. dollars. As a result, the value of these Renminbi payments in U.S. dollar or other foreign currency terms may vary with the prevailing exchange rates in the marketplace. If the value of the Renminbi depreciates against the U.S. dollar or other foreign currencies, then the value of any investment in Renminbi Notes in terms of the U.S. dollar or other applicable foreign currency will decline.

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

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

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

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

Documents Incorporated by Reference

The following documents published or issued from time to time after the date hereof shall be deemed to be incorporated in, and to form part of, this Programme Circular:

- (a) the most recently published audited consolidated and non-consolidated annual financial statements and auditors' reports and, if published later, the most recently published unaudited consolidated interim financial statements (including the auditor's review report thereon) of the Issuer; and
- (b) all supplements to this Programme Circular including, without limitation, each Pricing Supplement, each supplement published by the Issuer to the programme circular of the Issuer dated the same date as this Programme Circular and prepared in connection with the issue of Notes by the Issuer under the Programme other than Exempt Notes (which supplement shall be deemed also to supplement this Programme Circular to the extent applicable) and any other supplement circulated by the Issuer from time to time in accordance with the undertaking given by the Issuer in the Programme Agreement (as defined in "Subscription and Sale"), save that any statement contained in any such supplement (or contained in any document incorporated by reference therein) shall to the extent applicable (whether expressly by implication or otherwise) be deemed to modify or supersede statements contained in this Programme Circular or in a document which is incorporated by reference in this Programme Circular. Any statement so modified or superseded shall not except as so modified or superseded, constitute a part of this Programme Circular.

Copies of documents incorporated by reference in this Programme Circular will be available from the branch in London of Commonwealth Bank of Australia and from the London office of Deutsche Bank AG, London Branch specified at the end of this Programme Circular.

Form of the Exempt Notes

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

Bearer Notes

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

If an interest payment date for any Bearer Notes occurs whilst such Exempt Notes are represented by a Temporary Bearer Global Note, the related interest payment will be made through Euroclear and/or Clearstream, Luxembourg or the CMU Service against presentation of the Temporary Bearer Global Note only to the extent that certification of non-U.S. beneficial ownership (in the form set out in the Temporary Bearer Global Note) has been received by Euroclear or Clearstream, Luxembourg or any entity appointed in relation to the relevant Exempt Notes as the CMU Lodging and Paying Agent as specified in the applicable Pricing Supplement (the "CMU Lodging and Paying Agent"). On or after the date (the "Exchange Date") which is 40 days after the date on which the Temporary Bearer Global Note is issued, provided that certification of non-U.S. beneficial ownership has been received, interests in the Temporary Bearer Global Note will be exchanged either for (i) interests in a permanent global Note in bearer form (a "Permanent Bearer Global Note" and, together with a Temporary Bearer Global Note, a "Bearer Global Note") or (ii), at the option of the Issuer, Exempt Notes in definitive bearer form. The CMU Service may require that any such exchange for a Permanent Bearer Global Note is made in whole and not in part and in such event, no such exchange will be effected until all relevant account holders (as set out in a CMU Instrument Position Report (as defined in the rules of the CMU Service (the "CMU Rules"))) or any other relevant notification supplied to the CMU Lodging and Paying Agent by the CMU Service) have so certified. No payments of interest will be made on a Temporary Bearer Global Note after the Exchange Date. Payments of principal, premium (if any) or interest (if any) on a Permanent Bearer Global Note will be made through Euroclear or Clearstream, Luxembourg against presentation or surrender, as the case may be, of the permanent global Note without any requirement for certification of non-U.S. beneficial ownership. In respect of a Bearer Global Note held through the CMU Service, any payments of principal, interest (if any) or any other amounts shall be made to the person(s) for whose account(s) interests in the relevant Bearer Global Note are credited (as set out in a CMU Instrument Position Report or any other relevant notification supplied to the CMU Lodging and Paying Agent by the CMU Service) and save in the case of final payment, no presentation of the relevant Bearer Global Note shall be required for such purpose. The applicable Pricing Supplement will specify whether a Permanent Bearer Global Note will be exchangeable in whole for security-printed definitive Bearer Notes (i) upon at least 45 days' written notice expiring at least 30 days after the Exchange Date from the holders of interests in the Permanent Bearer Global Note or (ii) only upon the occurrence of an Exchange Event. For these purposes, "Exchange Event" means that (i) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg or, in the case of Exempt Notes held through the CMU Service, the CMU Service have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available or (ii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Exempt Notes represented by the Permanent Bearer Global Note to be in definitive form. The Issuer will promptly give notice to Noteholders in accordance with Condition 16 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event (a) in the case of Exempt Notes held by a common depository for Euroclear and/or Clearstream, Luxembourg, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) and/or (b) in the case of Exempt Notes held through the CMU Service, the relevant accountholders therein, may give notice to the Principal Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (ii) above, the Issuer may also give notice to the Principal Paying Agent or, as the case may be, the CMU Lodging and Paying Agent requesting exchange. Any such

exchange shall occur not later than 60 days after the date of receipt of the first relevant notice by the Principal Paying Agent or, as the case may be, the CMU Lodging and Paying Agent. At present, neither Euroclear nor Clearstream, Luxembourg regard Exempt Notes in global form as fungible with Exempt Notes in definitive form. Temporary Bearer Global Notes and Permanent Bearer Global Notes and definitive Bearer Notes will be issued by the Principal Paying Agent acting on behalf of the Issuer.

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

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

Registered Notes

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

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

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

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

Clearing Systems

Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Exempt Notes*"), the Principal Paying Agent shall arrange that, where a further Tranche of Exempt Notes is issued which is intended to form a single Series with an existing Tranche of Exempt Notes at a point after the Issue Date of the further Tranche, the Exempt Notes of such further Tranche shall be assigned a common code, ISIN and, where applicable, a CMU instrument number which are different from the common code, ISIN and CMU instrument number assigned to Exempt Notes of any other Tranche of the same Series until such time as the Tranches are

consolidated and form a single Series which shall not be prior to the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Exempt Notes of such Tranche.

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

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

An Exempt Note may be accelerated by the holder thereof in certain circumstances described in Condition 11. In such circumstances, where any Exempt Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Conditions of such Exempt Notes and payment in full of the amount due has not been made in accordance with the provisions of the Global Note then the Global Note will become void at 8.00 p.m. (London time) on such day. At the same time holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg and/or the CMU Service, as the case may be, will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear, Clearstream, Luxembourg on and subject to the terms of a deed of covenant (the "Deed of Covenant") dated 19 June 2013 and executed by the Issuer.

Form of Pricing Supplement

Set out below is the form of Pricing Supplement which will be completed for each Tranche of Exempt Notes issued under the Programme.

[Date]

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

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

Part A– Contractual Terms

The Programme Circular referred to below (as completed by this Pricing Supplement) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area (each, a "Relevant Member State") which has implemented Directive 2003/71/EC as amended (which includes the amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in that Relevant Member State) (the "Prospectus Directive") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

[This document constitutes the Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Programme Circular dated 24 June 2015 for the issue of Notes under the Programme for which no prospectus is required to be published under the Prospectus Directive[and the supplement[s] to it dated [date[s]] (the "Programme Circular"). This Pricing Supplement contains the final terms of the Notes described herein and must be read in conjunction with the Programme Circular.

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Programme Circular. The Programme Circular is available for viewing during normal business hours at the registered and head office of the Issuer at Ground Floor, Tower 1, 201 Sussex Street, Sydney, NSW, Australia, 2000 and copies may be obtained from the Principal Paying Agent at Winchester House, 1 Great Winchester Street, London EC2N 2DB, England.]

[The following alternative language applies if the first tranche of an issue which is being increased was issued under a Schedule of Forms and a Programme Circular with an earlier date.]

[This document constitutes the Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "Conditions") set forth in the Programme Circular dated [original date] (the "Original Programme Circular"). This Pricing Supplement must be read in conjunction with the Programme Circular dated 24 June 2015 for the issue of Notes under the Programme for which no prospectus is required to be published under the Prospectus Directive[and the supplement[s] to it dated [date[s]] (the "Programme Circular"), save in respect of the Conditions which are extracted from the Original Programme Circular and are attached hereto.

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement, the Conditions and the Programme Circular. The Original Programme Circular and the Programme Circular are available for viewing during normal business hours at the registered and head office of the Issuer at Ground Floor, Tower 1, 201 Sussex Street, Sydney, NSW, Australia, 2000 and copies may be obtained from the Principal Paying Agent at Winchester House, 1 Great Winchester Street, London EC2N 2DB, England.]]

[Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Pricing Supplement.]

1. Issuer: Commonwealth Bank of Australia
2. (i) Series of which Notes are to be treated as forming part: []
 (ii) Tranche Number: []
(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)
3. Specified Currency or Currencies: []
4. Aggregate Nominal Amount:
 (i) Series: []
 (ii) Tranche: []
5. Issue Price of Tranche: [] per cent. of the Aggregate Nominal Amount [plus accrued interest from *[insert date]* (*in the case of fungible issues only, if applicable*)]
6. (i) Specified Denominations: []
 (ii) Calculation Amount: []
(If only one Specified Denomination, insert the words "Specified Denomination". If more than one Specified Denomination, insert the amount of the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)
7. (i) Issue Date: []
 (ii) Interest Commencement Date: [*specify*]/Issue Date/Not Applicable]
(N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)
8. Maturity Date: [*Unadjusted Fixed Rate Notes – specify date/Floating Rate Notes/Adjusted Fixed Rate Notes – Interest Payment Date falling in or nearest to [specify month and year]*]
9. Interest Basis:
 [Fixed Rate]
 [Fixed Reset]
 [Floating Rate]
 [Zero Coupon]
 [Index Linked Interest]
 [Dual Currency Interest]
 [*specify other*]
 (further particulars specified below)
10. Redemption/Payment Basis:
 [Redemption at par]
 [Index Linked Redemption]
 [Dual Currency Redemption]

- [Instalment]
[specify other]
11. Change of Interest Basis or Redemption/Payment Basis: [Not Applicable]
[Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis]
12. Put/Call Options: [Not Applicable]
[Investor Put]
[Issuer Call]
[(further particulars specified below)]
13. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. **Fixed Rate Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate[(s)] of Interest: [] per cent. per annum [payable [annually/semi-annually/quarterly/other (specify)] in arrear]
(If payable other than annually, consider amending Condition 5)
- (ii) (A) Interest Payment Date(s): [] in each year up to and including the Maturity Date/[specify other]
(NB: This will need to be amended in the case of long or short coupons)
- (B) Interest Periods: [Adjusted/Unadjusted]
- (iii) Fixed Coupon Amount(s): [[] per [] Calculation Amount/Not Applicable] *(NB: If Fixed Coupon Amount(s) is specified, Interest Periods should be specified as Unadjusted in item (ii)(B) above)*
(Applicable to Notes in definitive form)
- (iv) Business Day Convention: [Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/[specify other]/ Not Applicable]
(N.B. Only applicable in the case of Adjusted Fixed Rate Notes)
- (v) Additional Business Centre(s): [specify/Not Applicable]
(N.B. Only applicable to the calculation of the Interest Payment Date(s) in the case of Adjusted Fixed Rate Notes and the application of the relevant Business Day Convention)
- (vi) Broken Amount(s): [] per Calculation Amount, payable on the Interest Payment Date falling [in/on] []
(Applicable to Notes in definitive form)
- (vii) Day Count Fraction: [Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/360
360/360 or Bond Basis]

30E/360 or Eurobond Basis
 Actual/Actual (ICMA)
 30/360 (Fixed) or 30/360, unadjusted
 30E/360 (ISDA)
specify other]

[(NB: Actual/Actual (ICMA) is normally appropriate for Unadjusted Fixed Rate Notes except for Unadjusted Fixed Rate Notes denominated in U.S. dollars for which 30/360 (Fixed) or 30/360, unadjusted is normally appropriate)]

- (viii) Determination Date(s): [] in each year *[Insert interest payment dates except where there are long or short periods. In these cases, insert regular interest payment dates. NB: Only relevant where Day Count Fraction is Actual/Actual (ICMA)]*
- (ix) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/give details]
15. **Fixed Reset Note Provisions:** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Initial Interest Rate: [] per cent. per annum [payable [annually/semi-annually/quarterly] in arrear]
- (ii) Interest Payment Date(s): [[] in each year up to and including the Maturity Date]
(NB: This will need to be amended in the case of long or short coupons)
- (iii) Interest Periods: [Adjusted/Unadjusted]
- (iv) Fixed Coupon Amount to (but excluding) the Reset Date: [[] per Calculation Amount/Not Applicable]
(Applicable to Notes in definitive form.) (NB: If Fixed Coupon Amount(s) is specified, Interest Periods should be specified as Unadjusted in item (iii) above)
- (i) Business Day Convention: [Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/[specify other]/ Not Applicable]
(N.B. Only applicable in the case of Adjusted Fixed Rate Notes)
- (ii) Additional Business Centre(s): [specify/Not Applicable]
(N.B. Only applicable to the calculation of the Interest Payment Date(s) in the case of Adjusted Fixed Rate Notes and the application of the relevant Business Day Convention)
- (iii) Broken Amount(s): [[] per Calculation Amount payable on the Interest Payment Date falling [in/on] []]
(Applicable to Notes in definitive form.)
- (i) Day Count Fraction: [Actual/Actual (ISDA)
 Actual/365 (Fixed)
 Actual/360

360/360 or Bond Basis
 30E/360 or Eurobond Basis
 Actual/Actual (ICMA)
 30/360 (Fixed) or 30/360, unadjusted
 30E/360 (ISDA)
specify other

[(NB: Actual/Actual (ICMA) is normally appropriate for Unadjusted Fixed Rate Notes except for Unadjusted Fixed Rate Notes denominated in U.S. dollars for which 30/360 (Fixed) or 30/360, unadjusted is normally appropriate)]

- (i) Determination Date(s): [] in each year *[Insert interest payment dates except where there are long or short periods. In these cases, insert regular interest payment dates. NB: Only relevant where Day Count Fraction is Actual/Actual (ICMA)]*
- (ii) Reset Date: []
- (iii) Reset Determination Date: *[specify/Not Applicable]*
- (iv) Reset Reference Rate: []
- (v) Reset Margin: [+/-][] per cent. per annum
- (vi) Relevant Screen Page: []
- (vii) Specified Time: []
- (viii) Specified Financial Centre: []
- (ix) Fallback Reset Reference Rate: []
- (x) Fallback Reset Reference Rate Quotations []

["Reference [Banks/Dealers]" means []]

["Representative Amount" means an amount that is representative for a single transaction in the relevant market at the relevant time]

16. Floating Rate Note Provisions

[Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Specified Period(s)/Specified Interest Payment Date(s): []
- (ii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention][Preceding Business Day Convention][Not Applicable][*specify other*]
- (iii) Additional Business Centre(s): []
(N.B. Applicable to the calculation of the Interest Payment Date(s) in the application of the relevant Business Day Convention)
- (iv) Manner in which the Rate of Interest and Interest Amount are to be determined: [Screen Rate Determination/ISDA Determination/*specify other*]
- (v) Party responsible for calculating the []

- Rate of Interest and Interest Amount
(if not the Principal Paying Agent):
- (vi) Screen Rate Determination:
- Reference Rate: []
(Either LIBOR, EURIBOR or other, although additional information is required if other – including fallback provisions in the Agency Agreement)
 - Interest Determination Date(s): []
(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling LIBOR or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)
 - Relevant Screen Page: []
(In the case of EURIBOR, if not Reuters EURIBOR 01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
- (vii) ISDA Determination:
- Floating Rate Option: []
 - Designated Maturity: []
 - Reset Date: []
- (viii) Margin(s): [+/-] [] per cent. per annum
- (ix) Minimum Rate of Interest: [] per cent. per annum
- (x) Maximum Rate of Interest: [] per cent. per annum
- (xi) Day Count Fraction: [Actual/Actual (ISDA)
Actual/Actual (ICMA)
Actual/365 (Fixed)
Actual/360
30/360 (Floating) or 360/360 or Bond Basis
30E/360 or Eurobond Basis
30/360 (Fixed) or 30/360, unadjusted
30E/360 (ISDA)
Other]
(See Condition 5)
- (xii) Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: []
17. **Zero Coupon Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Accrual Method: [Linear Accrual / Compounding Accrual]
 - (ii) Accrual Yield: [] per cent. per annum
 - (iii) Reference Amount: []

- (iv) Any other formula/basis of determining amount payable: []
- (v) Day Count Fraction in relation to Zero Coupon Notes: [Conditions 5(d) and 6(f) apply/specify other]
(Consider applicable day count fraction if not U.S. dollar denominated)
18. **Index Linked Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Index Linked Redemption Notes: [Yes/No]
[If yes, specify the formula for calculating the Final Redemption Amount and any Early Redemption Amount]
- (ii) Index Linked Interest Notes: [Yes/No]
[If yes, specify the formula for calculating Rate of Interest and/or Interest Amount]

(If no, delete the remaining sub-paragraphs of this paragraph)
- (a) Party responsible for calculating the Rate of Interest and Interest Amount: [] (the "Calculation Agent")
- (b) Specified Period(s)/Specified Interest Payment Date(s): []
- (c) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[specify other]]
- (d) Additional Business Centre: []

(N.B. Applicable to the calculation of the Interest Payment Date(s) in the application of the relevant Business Day Convention)
- (e) Minimum Rate of Interest: [] per cent. per annum
- (f) Maximum Rate of Interest: [] per cent. per annum
- (g) Day Count Fraction: []
- (iii) Index/Indices: [Specify the following details for each index:
Index Name: []
Multi-exchange Index: [Yes/No]]
- (iv) Exchange(s): [Specify for each applicable Index other than a Multi-exchange Index]
- (v) Related Exchange(s): [All Exchanges][Specify other][Not Applicable]
- (vi) Weighting for each Index comprised in a Basket of Indices: [Specify weighting for each Index] [Not Applicable]

- (vii) Averaging: [Applicable][Not Applicable]
(if not applicable, delete the remaining sub-paragraphs of this paragraph)
- (a) Averaging Dates: Reference Date Averaging Dates
[insert relevant Interest
Payment Date] [] [] []
[Maturity Date] [] [] []
- (b) Consequence of an Averaging Date being a Disrupted Day: [Omission][Postponement][Modified Postponement]
- (c) Specified methodology for determining Index Level if an Averaging Date is a Disrupted Day: [Condition 8(a)(4) applies][*specify other*]
- (viii) Valuation Date: [The [second] Scheduled Trading Date preceding the due date for redemption][*Specify other*]
Specified methodology for determining Index Level if the Valuation Date is a Disrupted Day: [Condition 8(a)(4) applies][*Specify other*]
- (ix) Valuation Time: [Definition in Condition 8(d) applies] [*Specify other*]
- (x) Additional Disruption Events:
(a) Change in Law: [Applicable][Not Applicable]
(b) Hedging Disruption: [Applicable][Not Applicable]
(c) Increased Cost of Hedging: [Applicable][Not Applicable]
(d) Other: [*Specify*][Not Applicable]
- (xi) FX Disruption Event: [Applicable]
[N/A]
(if not applicable, delete the remaining sub-paragraphs of this paragraph)
- (a) Payment Currency: []
(b) Payment Jurisdiction: []
- (xii) Early Settlement Amount: [Definition in Condition 8(d) applies][*Specify other*]
- (xiii) Other adjustments: [*Specify*][Not Applicable]
19. **Dual Currency Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Condition 5(f)(2): [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of paragraph 19(i))
- (a) Rate of Interest: [((First Dual Currency Percentage x [FX1/FX0]) – Second Dual Currency Percentage) x Day Count Fraction]

- [(First Dual Currency Percentage x [FX1/FX0]) x Day Count Fraction]
- (b) Interest Payment Date(s): [] in each year up to and including the Maturity Date
(N.B: This will need to be amended in the case of long or short coupons)
- (c) First Dual Currency Percentage: [] per cent.
- (d) Second Dual Currency Percentage: [[] per cent.] [Not Applicable]
- (e) FX0: []
- (f) FX Rate: [Australian dollars/JPY exchange rates]
[U.S. dollars/JPY exchange rates]
[Swiss francs/JPY exchange rates]
[Pounds sterling/JPY exchange rates]
[Euro/JPY exchange rates]
[Canadian dollars/JPY exchange rates]
[Specify other]
- (g) Relevant Amount: Currency [Australian dollars 1.00]
[U.S. dollars 1.00]
[Swiss francs 1.00]
[Pounds sterling 1.00]
[Euro 1.00]
[Canadian dollars 1.00]
[Specify other]
- (h) Relevant Column: Currency ["AUD"]
["DLR"]
["SFR"]
["STG"]
["EUR"]
["CAD"]
[Specify other]
- (i) Minimum Rate of Interest: [] per cent. per annum
- (j) Maximum Rate of Interest: [] per cent. per annum
- (ii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Not Applicable/specify other]
- (iii) Additional Business Centre(s): [[]/Not Applicable]
(N.B. Applicable to the calculation of the Interest Payment Date(s) in the application of the relevant Business Day Convention. Specify as not applicable if Business Day Convention above is specified as not applicable)
- (iv) Day Count Fraction: [Actual/Actual (ISDA)
Actual/Actual (ICMA)
Actual/365 (Fixed)
Actual/360]

30/360 (Floating) or 360/360 or Bond Basis
 30E/360 or Eurobond Basis
 30/360 (Fixed) or 30/360, unadjusted
 30E/360 (ISDA)
Other]
 (See Condition 5)

- (v) Rate of Exchange/method of calculating Rate of Exchange: [give details] [For the purposes of calculating the Interest Amount in respect of the Notes the Rate of Exchange is [] per Calculation Amount] [Not Applicable]
(N.B. Not applicable if Condition 5(e)(2) is applicable)
- (vi) Party, if any, responsible for calculating the principal and/or interest due:
 [[] (the "Calculation Agent")] [Not Applicable]
- (vii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [need to include a description of market disruption or settlement disruption events and adjustment provisions] [Not Applicable]
(N.B. Not applicable if Condition 5(e)(2) is applicable)
- (viii) Other terms relating to Dual Currency Rate Notes, if different from those set out in the Conditions: [None/give details]

PROVISIONS RELATING TO REDEMPTION

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

between the Issuer and the Principal Paying Agent)

21. Investor Put: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount and method, if any, of calculation of such amount(s): [[] per Calculation Amount/specify other/ see Appendix] *[If applicable, include a description of any relevant market disruption or settlement disruption events and adjustment provisions]*
- (iii) Notice period (if other than as set out in the Conditions): []
(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent)
22. Final Redemption Amount: [[] per Calculation Amount/specify other/see Appendix] *[If applicable, include a description of any relevant market disruption or settlement disruption events and adjustment provisions]*
23. Early Redemption Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 6(g): [[] per Calculation Amount/Early Settlement Amount/specify other/see Appendix] *[If applicable, include a description of any relevant market disruption or settlement disruption events and adjustment provisions]*

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. Form of Notes: **[Bearer Notes:**
Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for Definitive Notes [on 45 days' notice/only upon an Exchange Event]

[Temporary Bearer Global Note exchangeable for Definitive Notes on and after the Exchange Date]

[Notes shall not be physically delivered in Belgium, except to a clearing system, a depository or other institution for the purpose of their immobilisation in accordance with article 4 of the Belgian Law of 14 December 2005¹]

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

[Registered Global Note held through the CMU Service]]

¹ Include for Notes that are to be offered in Belgium

(N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]." Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.)

25. Payment Business Day Convention [Following Business Day Convention/Modified Following Business Day Convention]
26. Additional Financial Centre(s) or other special provisions relating to Payment Dates: [Not Applicable/give details]
(Note that this item relates to payment of any amount other than on Interest Payment Dates in the case of Adjusted Fixed Rate Notes, Floating Rate Notes and Index Linked Interest Notes, to which items 14(v), 15(iii), and 17(ii)(d) relate)
27. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. If yes, give details]
28. Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: [Not Applicable/give details]
29. Other final terms: [Not Applicable/give details]

DISTRIBUTION

30. If syndicated, names of Managers: [Not Applicable/give names]
31. If non-syndicated, name of relevant Dealer: [Not Applicable/give name]
32. Total commission and concession: [] per cent. of the Aggregate Nominal Amount
33. Whether TEFRA D rules applicable or TEFRA rules not applicable: TEFRA D/TEFRA not applicable]
34. Additional selling restrictions: [Not Applicable/give details]

PROVISIONS APPLICABLE TO RMB NOTES

35. RMB Currency Event: [Applicable/Not Applicable]
36. Spot Rate (if different from that set out in Condition 7(m)): [Specify/Not Applicable]
37. Party responsible for calculating the Spot Rate: [Give name (the "Calculation Agent")]
38. Relevant Currency (if different from that in Condition 7(m)): [Specify/Not Applicable]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement. *[[Relevant third party information]* has been extracted from *[specify source]*. The Issuer confirms that such information has been

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

Signed on behalf of Commonwealth Bank of Australia:

By:

Duly authorised

Part B– Other Information

- 1. LISTING** [Application [has been made/is expected to be made] by the Issuer (or on its behalf) for the Notes to be listed on [specify market - note this should not be a regulated market] with effect from [.].] [Not Applicable]
- 2. RATINGS**
- Ratings: The Notes to be issued [have been]/[are expected to be]/[have not been] rated[:
- [S & P: []]
- [Moody's: []]
- [[Other]: []]
- 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**
- [Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business - Amend as appropriate if there are other interests].
- 4. OPERATIONAL INFORMATION**
- (i) ISIN: []
- (ii) Common Code: []
- (iii) CMU Instrument Number: []
- (iv) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]
- (v) CMU Lodging and Paying Agent: [[]/Not Applicable]
- (vi) Delivery: Delivery [against/free of] payment
- (vii) Names and addresses of additional Paying Agent(s) (if any): []
- (viii) U.S. Selling Restrictions: [Reg. S Compliance Category 2; TEFRA D/ TEFRA not applicable]

For the purpose of calculating the U.S. dollar equivalent of the nominal amount of Notes outstanding under the Programme from time to time, (i) Zero Coupon Notes will be included in such nominal amount by reference to the net proceeds received by the Issuer for the relevant issue, (ii) Dual Currency Notes and Index Linked Notes shall be included in such nominal amount by reference to the original nominal amount of the relevant issue and (iii) the U.S. dollar equivalent of Notes denominated in another Specified Currency shall be determined as of the date of agreement to issue such Notes (the "Agreement Date") on the basis of the Exchange Rate on such date. As used in this paragraph, the "Exchange Rate" against U.S. dollars for any currency means the spot rate for the sale of U.S. dollars against the purchase of such currency in the London foreign exchange market on the Agreement Date quoted by any leading bank selected by the Issuer.

Conditions of the Exempt Notes

The following are the Conditions of the Exempt Notes which (subject to amendment and except for the paragraph in italics) will be incorporated by reference into each global Note and will be endorsed upon each definitive Note provided that the applicable Pricing Supplement in relation to any Note may specify other conditions which shall, to the extent so specified or to the extent inconsistent with the following Conditions, replace or modify the following Conditions for the purpose of such Exempt Note. The applicable Pricing Supplement will be endorsed upon, or attached to, each global Exempt Note and definitive Exempt Note.

This Note is one of a Series of Euro Medium Term Notes (all of the Euro Medium Term Notes from time to time issued by the Commonwealth Bank of Australia (the "Issuer") which are for the time being outstanding being hereinafter referred to as the "Notes", which expression shall include (i) in relation to any Notes represented by a global Note, units of the lowest Specified Denomination in the Specified Currency of the relevant Notes, (ii) definitive Notes issued in exchange (or part exchange) for a global Note and (iii) any global Note. The Notes, the Receipts (as defined below), the Coupons (as defined below) and the Talons (as defined below) have the benefit of an Amended and Restated Agency Agreement (as amended and/or supplemented and/or restated from time to time, the "Agency Agreement") dated 19 June 2013 and made between, *inter alios*, the Issuer, Deutsche Bank AG, London Branch as principal paying agent (the "Principal Paying Agent" which expression shall include any successor as principal paying agent), Deutsche Bank Luxembourg S.A. as registrar (the "Registrar" which expression shall include any successor as registrar) and the paying agents and transfer agents named therein (the "Paying Agents" and the "Transfer Agents", which expressions shall include any additional or successor paying agents and transfer agents). The Noteholders, the Receiptholders, the Couponholders and the Talonholders are entitled to the benefit of the Deed of Covenant (such Deed of Covenant as modified and/or supplemented and/or restated from time to time, the "Deed of Covenant") dated 19 June 2013 and made by the Issuer. The original of the Deed of Covenant is held by the common depositary for Euroclear (as defined below) and Clearstream, Luxembourg (as defined below). Copies of the Agency Agreement and the Deed of Covenant are available for inspection during normal business hours at the specified office of each of the Paying Agents. Copies of the applicable Pricing Supplement are available for viewing during normal business hours at the registered office of the Issuer at Ground Floor, Tower 1, 201 Sussex Street, Sydney, NSW, Australia, 2000 and copies may be obtained from the Principal Paying Agent at Winchester House, 1 Great Winchester Street, London EC2N 2DB, England save that the applicable Pricing Supplement will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer and the relevant Paying Agent as to its holding of such Notes and identity. The Noteholders, the Receiptholders, the Couponholders and the Talonholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Deed of Covenant and the applicable Pricing Supplement which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

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

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

The applicable Pricing Supplement (which term, as used herein, means, in relation to this Note, Part A of the Pricing Supplement attached hereto or endorsed hereon) may specify other Conditions which shall, to the extent

so specified or to the extent inconsistent with these Conditions, replace these Conditions for the purposes of this Note.

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

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

1 Form, Denomination and Title

The Notes of this Series are Bearer Notes or Registered Notes as specified in the applicable Pricing Supplement and in each case are in the currency (the "Specified Currency") and the denominations (the "Specified Denomination(s)") specified in the applicable Pricing Supplement. Definitive Notes of this Series (if issued) will be serially numbered and Bearer Notes may not be exchanged for Registered Notes and vice versa. This Note is a Fixed Rate Note, a Fixed Reset Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, a Dual Currency Interest Note or any appropriate combination thereof depending upon the Interest Basis specified in the applicable Pricing Supplement and is a Dual Currency Redemption Note, an Index Linked Redemption Note, an Instalment Note or a combination of any of the foregoing, depending on the Redemption/Payment Basis specified in the applicable Pricing Supplement. If this Note is a definitive Bearer Note, it is issued with Coupons for the payment of interest ("Coupons") and, if applicable, Talons for further Coupons ("Talons") attached, unless it is a Zero Coupon Note in which case references to interest (other than in relation to interest due after the Maturity Date) and Coupons or Talons in these Conditions are not applicable. If this Note is a definitive Bearer Note redeemable in instalments, it is issued with Receipts ("Receipts") for the payment of instalments of principal prior to the final Maturity Date attached. Wherever Dual Currency Notes or Index Linked Notes are issued to bear interest on a fixed or floating rate basis or on a non-interest-bearing basis, the provisions in these Conditions relating to Fixed Rate Notes, Floating Rate Notes and Zero Coupon Notes respectively shall, where the context so admits, apply to such Dual Currency Notes or Index Linked Notes. In the case of Dual Currency Notes, references to the Specified Currency in relation to any payment or calculation of a payment are to the currency in which that payment is required to be made. This Note is also an Index Linked Note where payment in respect of principal (each an "Index Linked Redemption Note") and/or interest (each an "Index Linked Interest Note") is linked to an Index and/or a Formula, and the appropriate provisions of these Conditions will apply accordingly. References in these Conditions, except in this paragraph, Condition 7 and Condition 10, to Coupons or Couponholders shall be deemed to include references to Talons or Talonholders and Receipts or Receipholders.

Subject as set out below, title to the definitive Bearer Notes and the Coupons will pass by delivery and title to the definitive Registered Notes will pass upon the registration of transfers in accordance with the provisions of the Agency Agreement. The holder of each Coupon, whether or not such Coupon is attached to a Bearer Note, in his capacity as such, shall be subject to, and bound by, all the provisions contained in the relevant Note. Subject as set out below, the Issuer, any Paying Agent and any Transfer Agent may (to the fullest extent permitted by applicable laws) deem and treat the bearer of any Bearer Note or Coupon and the registered holder of any Registered Note as the absolute owner thereof (whether or not such Note or Coupon shall be overdue and notwithstanding any notation of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any global Note, without prejudice to the provisions set out below.

For so long as any Notes are represented by a global Note held on behalf of Euroclear Bank S.A./N.V. ("Euroclear") and/or Clearstream Banking société anonyme ("Clearstream, Luxembourg"), each person

who is for the time being shown in the records of Euroclear and/or Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and any Paying Agent as the holder of such nominal amount of Notes for all purposes other than with respect to payments on the Notes for which purpose the bearer of the relevant global Bearer Note or the registered holder of the relevant global Registered Note shall be treated by the Issuer and any Paying Agent as the holder of such Notes in accordance with and subject to the terms of the relevant global Note and the terms "Noteholder" and "holder of Notes" and related expressions shall be construed accordingly.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, except in the preceding paragraph and in Condition 16, wherever the context so permits, be deemed to include a reference to any additional or alternative clearance system specified in the applicable Pricing Supplement or as may otherwise be approved by the Issuer and the Principal Paying Agent.

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

2 Transfer

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

- (e) The names of the initial Registrar and other initial Transfer Agents and their initial specified offices in respect of this Series of Notes are set out at the end of these Conditions. The Issuer reserves the right at any time to vary or terminate the appointment of the Registrar or any other Transfer Agent and to appoint another Registrar or additional or other Transfer Agents. Notice of any termination or appointment and of any changes in specified offices will be given to the holders of the Notes of this Series promptly by the Issuer in accordance with Condition 16.

3 Status of the Notes

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

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

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

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

4 *[This Condition is no longer applicable]*

5 Interest

(a) Interest on Fixed Rate Notes

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

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

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

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

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

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

notified the holder in accordance with Condition 16 that it has received all sums due in respect thereof up to that date.

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

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

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

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

In this Condition 5(a), "Day Count Fraction" has the meaning given in Condition 5(d).

In these Conditions :

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

- (b) Interest on Fixed Reset Notes

Each Fixed Reset Note bears interest:

- (A) from (and including) the Interest Commencement Date to (but excluding) the Reset Date at the rate per annum equal to the Initial Interest Rate; and
- (B) from (and including) the Reset Date to (but excluding) the Maturity Date (the "Reset Period") at the rate per annum equal to the aggregate of the Reset Reference Rate and the Reset Margin for the Reset Period,

(in each case rounded if necessary to the fifth decimal place, with 0.000005 being rounded up to 0.00001) (each a "Rate of Interest") payable, in each case, in arrear on the Interest Payment Date(s) in each year up to and including the Maturity Date.

For the purposes of any determination by the Principal Paying Agent of the Rate of Interest for a Reset Period in accordance with this Condition 5(b), the relevant provisions of Condition 5(c) shall apply, as applicable, as if the Fixed Reset Notes were Floating Rate Notes. The Rate of Interest for each Reset Period shall otherwise be determined by the Principal Paying Agent on the relevant Reset Determination Date in accordance with the provisions of this Condition 5(b). Once the Rate of Interest is determined for a Reset Period, the relevant provisions of Condition 5(a) shall apply to Fixed Reset Notes, as applicable, as if the Fixed Reset Notes were Fixed Rate Notes.

In these Conditions:

"Relevant Screen Page" means the display page on the relevant service as specified in the applicable Pricing Supplement or such other page as may replace it on that information service, or on such other equivalent information service as determined by the Principal Paying Agent, for the purpose of displaying the relevant swap rates for swap transactions in the Specified Currency with an equivalent maturity to the Reset Period;

"Reset Determination Date" means the second Business Day immediately preceding the relevant Reset Date unless otherwise specified in the applicable Pricing Supplement; and

"Reset Reference Rate" means, in relation to a Reset Date and the Reset Period commencing on that Reset Date, the form of rate for the Reset Date as indicated in the applicable Pricing Supplement, expressed as a percentage, which rate in the specified form appears on the Relevant Screen Page as of approximately the Specified Time in the Specified Financial Centre on the Reset Determination Date. If such rate does not so appear on the Relevant Screen Page, the Reset Reference Rate for the Reset Date will be the Fallback Reset Reference Rate for the Reset Period.

(c) Interest on Floating Rate Notes and Index Linked Interest Notes

(1) *Interest Payment Dates*

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

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

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

(2) *Interest Payments and Accrual*

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

(3) *Rate of Interest and Interest Amount*

The Rate of Interest payable from time to time in respect of each Floating Rate Note and the Rate of Interest and/or the Interest Amount payable from time to time in respect of each Index Linked Interest Note will be determined in the manner specified in the applicable Pricing Supplement.

(4) *ISDA Determination for Floating Rate Notes*

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

Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes, (the "ISDA Definitions") and under which:

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

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

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

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

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

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

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

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

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (A) above, no such offered quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph. Such provisions will apply to each Floating Rate Note where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Pricing Supplement as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Pricing Supplement.

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

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

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

- (i) In this Condition, "Business Day" has the meaning given to it in Condition 5(d).
- (ii) In this Condition, "Interest Determination Date" has the meaning set out in the applicable Pricing Supplement.
- (iii) In this Condition, "Relevant Screen Page" has the meaning set out in the applicable Pricing Supplement.

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

The Principal Paying Agent, in the case of Floating Rate Notes, the Calculation Agent specified in the applicable Pricing Supplement, in the case of Index Linked Interest Notes, or other person specified in the applicable Pricing Supplement will, as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest and/or calculate the Interest Amount payable on the Floating Rate Notes or Index Linked Notes for the relevant Floating Interest Period as soon as practicable after calculating the same.

Unless otherwise specified in the applicable Pricing Supplement, the Interest Amount payable on the Floating Rate Notes or Index Linked Interest Notes for the relevant Floating Interest Period will be calculated by applying the Rate of Interest to:

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

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

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

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

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

the event of an extension or shortening of the Floating Interest Period. Any such amendment will be promptly notified to any stock exchange on which the Notes affected thereby are for the time being listed.

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

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

(11) *Linear Interpolation*

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

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

(d) Day Count Fraction and Business Day Convention

(i) Day Count Fraction

"Day Count Fraction" means, unless otherwise specified in the applicable Pricing Supplement:

- (1) if "Actual/Actual (ISDA)" is specified in the applicable Pricing Supplement, the actual number of days in, for the purposes of Condition 5(a), the Fixed Interest Period or, if interest is required to be calculated for a period (the "Relevant Period") other than a full Interest Period, the Relevant Period, as the case may be, and, for the purposes of Condition 5(c), the Floating Interest Period, in each case divided by 365 (or, if any portion of the relevant period falls in a leap year, the sum of (A) the actual number of days in that portion of the relevant period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the relevant period falling in a non-leap year divided by 365);
- (2) if "Actual/365 (Fixed)" is specified in the applicable Pricing Supplement, the actual number of days in, for the purposes of Condition 5(a), the Fixed Interest Period or the Relevant Period, as the case may be, and, for the purposes of Condition 5(c), the Floating Interest Period, in each case divided by 365;
- (3) *[This condition is no longer applicable]*
- (4) if "Actual/360" is specified in the applicable Pricing Supplement, the actual number of days in, for the purposes of Condition 5(a), the Fixed Interest Period or the Relevant Period, as the case may be, and, for the purposes of Condition 5(c), the Floating Interest Period, in each case divided by 360;
- (5) if "30/360 (Floating)", "360/360" or "Bond Basis" is specified in the applicable 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:

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

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

"M₁" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

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

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

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

- (6) if "30E/360" or "Eurobond Basis" is specified in the applicable Pricing Supplement, the number of days in, for the purposes of Condition 5(a), the Fixed Interest Period or the Relevant Period, as the case may be, and, for the purposes of Condition 5(c), the Floating Interest Period, in each case divided by 360, calculated on a formula basis as follows:

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

where:

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

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

"M₁" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

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

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

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

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

occur in one calendar year assuming interest was to be payable in respect of the whole of that year; and

- (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year assuming interest was to be payable in respect of the whole of that year;

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

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

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

where:

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

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

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

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

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

- (ii) *Business Day Convention*

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

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

- (3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Conditions:

"Business Day" means (unless otherwise stated in the applicable Pricing Supplement):

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and, if any Additional Business Centre(s) is specified in the applicable Pricing Supplement, in such Additional Business Centre(s); and
 - (B) either (1) in relation to any sum payable in a Specified Currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre of the country of the relevant Specified Currency or (2) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System ("TARGET2") is open.
- (e) Zero Coupon Notes

Where a Zero Coupon Note becomes due and repayable prior to the Maturity Date and is not paid when due, the amount due and repayable shall be the Amortised Face Amount of such Note as determined in accordance with Condition 6(f). As from the Maturity Date any overdue principal of such Note shall bear interest at a rate per annum equal to the Accrual Yield. Such interest shall continue to accrue (as well after as before any judgment) until whichever is the earlier of (A) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the holder of such Note and (B) the day which is seven days after the date on which the Principal Paying Agent has notified the holder in accordance with Condition 16 that it has received all sums due in respect thereof up to that date. Unless otherwise specified in the applicable Pricing Supplement, such interest will be calculated as provided for the relevant calculation to be made in respect of the applicable Day Count Fraction in Condition 6(f).

(f) Dual Currency Interest Notes

- (1) In the case of Dual Currency Interest Notes where the applicable Pricing Supplement specifies that Condition (5)(f)(2) is not applicable and the rate of interest falls to be determined by reference to the Rate of Exchange, the provisions for determining the rate of interest, accrual of interest, calculation of interest amounts, determination of interest payment dates and other relevant provisions shall be specified in the applicable Pricing Supplement and payment shall be made in accordance with Condition 7.
- (2) If the applicable Pricing Supplement specifies that Condition (5)(f)(2) is applicable, each Dual Currency Interest Note will bear interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

Such interest will be payable in respect of each period from and including an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date (each such period, a "Dual Currency Interest Period").

The Calculation Agent will calculate the Interest Amount payable on Dual Currency Interest Notes for the relevant Dual Currency Interest Period by applying the Rate of Interest to:

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

and, in each case rounding the resultant figure to the nearest whole JPY, with half a JPY being rounded upwards (with the resultant figure of FX1 or FX0, as applicable, or any equivalent calculation in any Rate of Interest formula for the determination of the Rate of Interest specified in the applicable Pricing Supplement to be rounded to the nearest five decimal places of one per cent. for the purposes of the calculation of such Interest Amount).

If the applicable Pricing Supplement specifies a Minimum Rate of Interest for any Dual Currency Interest Period, then, in the event that the Rate of Interest in respect of any such Dual Currency Interest Period determined in accordance with the above provisions is less than such Minimum Rate of Interest, the Rate of Interest for such Dual Currency Interest Period shall be such Minimum Rate of Interest. If the applicable Pricing Supplement specifies a Maximum Rate of Interest for any Dual Currency Interest Period, then, in the event that the Rate of Interest in respect of any such Dual Currency Interest Period determined in accordance with the above provisions is greater than such Maximum Rate of Interest, the Rate of Interest for such Dual Currency Interest Period shall be the Maximum Rate of Interest.

In this Condition 5(f)(2):

"Business Day" has the meaning given to it in Condition 5(d);

"FX1" means the arithmetic mean of the bid and offered rate for the FX Rate, expressed as a number of JPY per Relevant Currency Amount as of 3.00 p.m. Tokyo time on the Reference Date which appears under the Relevant Currency Column on Reuters Screen Page "JPNU";

"JPY" shall mean Japanese yen;

"Reference Date" shall be the 10th Business Day immediately preceding each Interest Payment Date; and

"Reuters Screen Page "JPNU"" means the display page on the Reuters Monitor Money Rates Service designated as the "JPNU" page or such other page as may replace it on that information service, or on such other equivalent information service as may be nominated by the person providing or sponsoring such information, in all cases for the purpose of displaying the FX Rate in succession thereto.

The Calculation Agent will cause the Interest Amount to be notified to the Principal Paying Agent, which will cause such Interest Amount to be further notified as provided in Condition 5(c)(9).

In the event that Reuters Screen Page "JPNU" (or such successor page) should not be available, or the bid and offered rate for the FX Rate should not appear on Reuters Screen Page "JPNU" (or any successor page), in each case on the relevant Reference Date at or around 3.00 p.m. Tokyo time, then the Calculation Agent shall determine FX1 by requesting each of the five leading banks in the relevant currency and foreign exchange markets (the "Reference Banks"), as selected by the Calculation Agent, to provide a quotation for FX1.

If four or five such quotations are provided as requested, after disregarding the highest of such quotations and the lowest of such quotations (provided that, if two or more such quotations are the highest such quotations, then only one of such quotations shall be disregarded, and if two or more such quotations are the lowest quotations then only one of such lowest quotations shall be disregarded), the applicable rate shall be determined by the Calculation Agent as the arithmetic mean (rounded to the nearest five decimal places, 0.000005 being rounded upwards) of the remaining such quotations for such rate.

If only three or fewer such quotations are provided as requested, the applicable rate shall be the arithmetic mean of such quotations as determined by the Calculation Agent as described above.

If no such quotations are provided as requested, and the Calculation Agent determines in its sole discretion that no suitable replacement Reference Banks who are prepared to quote are available, the Calculation Agent shall be entitled to calculate the applicable rate in good faith and a commercially reasonable manner.

6 Redemption and Purchase

(a) Final Redemption

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

(b) Redemption for Tax Reasons

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

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

If Issuer Call is specified as being applicable in the applicable Pricing Supplement, the Issuer may on any Optional Redemption Date specified in the applicable Pricing Supplement at its option, on giving not less than the period of notice specified in the applicable Pricing Supplement to the holders of the Notes of this Series (which notice shall be irrevocable and shall specify the date fixed for redemption) in accordance with Condition 16, redeem all or from time to time some only of the Notes of this Series then outstanding on the relevant Optional Redemption Date and at the Optional Redemption Amount(s) specified in the applicable Pricing Supplement together with (in the case of Fixed Rate Notes) interest accrued to, but excluding, the relevant Optional Redemption Date.

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

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

If Investor Put is specified as being applicable in the applicable Pricing Supplement, upon any Noteholder giving to the Issuer in accordance with Condition 16 not less than 30 nor more than 60 days' notice (the "notice period"), the Issuer will, upon the expiry of such notice redeem in whole (but not in part) the Notes the subject of the notice on the Optional Redemption Date and at the Optional Redemption Amount indicated in the applicable Pricing Supplement together with (in the case of Fixed Rate Notes) interest accrued up to, but excluding, the Optional Redemption Date. It may be that before an Investor Put can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable Pricing Supplement.

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

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

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

(e) Pricing Supplement

The applicable Pricing Supplement indicates that either (1) this Note cannot be redeemed prior to its Maturity Date except as provided in paragraph (b) above or (2) that this Note will be redeemable at the option of the Issuer and/or the holder of this Note prior to such Maturity Date in accordance with the provisions of paragraphs (c) and/or (d) above an Optional Redemption Date and at an Optional Redemption Amount and in any Minimum Redemption Amount or Higher Redemption Amount indicated therein or (3) that this Note will be redeemable in instalments and the relevant Instalment Amounts and Instalment Dates.

(f) Zero Coupon Notes

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

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

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

where:

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

"Accrual Yield" means the rate specified as such in the applicable Pricing Supplement; and

"y"

is the Day Count Fraction specified in the applicable Pricing Supplement which will be either (i) 30/360 (Fixed) or 30/360 unadjusted (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (Fixed) (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365).

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

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

(g) Early Redemption Amounts

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

(h) Index Linked Redemption Notes and Dual Currency Redemption Notes

In respect of an Index Linked Redemption Note or a Dual Currency Redemption Note where the amount payable in respect of principal upon redemption (the "Final Redemption Amount") falls to be determined by reference to one or more Indices and/or Formulae or, as the case may be, Rates of Exchange, the Final Redemption Amount shall be determined in accordance with such Indices and/or Formulae or, as the case may be, Rates of Exchange in the manner specified in the applicable Pricing Supplement and each such Index Linked Redemption Note or Dual Currency Redemption Note shall, unless previously redeemed or purchased and cancelled as provided below, be redeemed at the applicable Final Redemption Amount on the Maturity Date. In respect of an Index Linked Redemption Note or a Dual Currency Redemption Note where the amount payable on an early redemption (including an early redemption pursuant to Condition 11) in respect of principal only or principal and interest (the "Early Redemption Amount") falls to be determined in whole or in part by reference to one or more Indices and/or Formulae or, as the case may be, Rates of Exchange, the Early Redemption Amount shall be calculated in accordance with the applicable Pricing Supplement and shall be paid

together with, in the case of a Note where the Early Redemption Amount is calculated in respect of principal only, interest accrued to, but excluding, the date fixed for redemption.

(i) Purchase and Cancellation

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

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

(j) Instalments

Each Note which is redeemable in instalments will be redeemed in the Instalment Amounts and on the Instalment Dates, in the case of all instalments other than the final instalment by (in the case of Bearer Notes in definitive form) surrender of the relevant Receipt (which must be presented with the Note to which it appertains) or by (in the case of Notes represented by a global Note) presentation and endorsement of the global Note, and (in the case of the final instalment) by surrender of the relevant Note, all in accordance with Condition 7.

(k) Business days

Where any period of notice for the purposes of any redemption of the Notes under this Condition 6 is expressed as a specified number of business days, the expression "business day" shall have the meaning given in Condition 7(h).

7 Payments and Exchange of Talons

(a) Payments in respect of definitive Bearer Notes

(1) Payments of principal and interest (if any) in respect of definitive Bearer Notes (if issued) will (subject as provided below) be made against surrender (or, in the case of part payment only, presentation and endorsement) of definitive Bearer Notes, Receipts or Coupons (which expression, in this Condition and Condition 10, shall not include Receipts or Talons), as the case may be, at any specified office of any Paying Agent outside Australia.

(2) In the case of Bearer Notes in definitive form, payments of principal in respect of instalments (if any), other than the final instalment, will (subject as provided below) be made against surrender (or, in the case of part payment only, presentation and endorsement) of the relevant Receipt. Payment of the final instalment will be made against surrender (or, in the case of part payment only, presentation and endorsement) of the relevant definitive Bearer Note. Each Receipt must be presented for payment of such instalment together with the relevant definitive Bearer Note against which the amount will be payable in respect of that instalment. If any definitive Bearer Notes are redeemed or become repayable prior to the Maturity Date in respect thereof, principal will be payable on surrender of each such Note together with all unmatured Receipts appertaining thereto. Unmatured Receipts and Receipts presented without the definitive Bearer Notes to which they appertain do not constitute obligations of the Issuer.

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

States (or any other account outside Australia or (except as otherwise provided in paragraph (d) below) the United States to which euro may be transferred) specified by the payee.

(b) Payments in respect of Registered Notes

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

(c) Payments in respect of global Bearer Notes

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

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

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

Notwithstanding the foregoing, payments of interest in U.S. dollars in respect of Bearer Notes will only be made at the specified office of any Paying Agent in the United States (which expression, as used herein, means the United States of America (including the States and District of Columbia and its possessions)) (1) if (A) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment

at such specified offices outside the United States of the full amount of interest on the Bearer Notes in the manner provided above when due, (B) payment of the full amount of such interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions and (C) such payment is then permitted under United States law and (2) at the option of the relevant holder if such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

(e) *[This paragraph is no longer applicable]*

(f) Payments subject to applicable laws

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

(g) Unmatured Receipts, Coupons and Talons

(1) Fixed Rate Notes in definitive bearer form (other than Long Maturity Notes (as defined in subparagraph (2)) and Dual Currency Notes and save as provided in Condition 7(f)) should be presented for redemption together with all unmaturing Coupons (which expression shall include Coupons falling to be issued on exchange of Talons which will have matured on or before the relevant redemption date) appertaining thereto, failing which, the amounts of any missing unmaturing Coupons (or, in the case of payment of principal not being made in full, that proportion of the aggregate amount of such missing unmaturing Coupons that the sum of principal so paid bears to the total principal amount due) will be deducted from the sum due for payment. Any amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupons at any time in the period expiring 10 years after the Relevant Date (as defined in Condition 9) for the payment of such principal, whether or not such Coupon would otherwise have become void pursuant to Condition 10 or, if later, five years from the due date for payment of such Coupon. Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmaturing Receipts and Talons (if any) appertaining thereto will become void and no payments in respect of any such Receipts and no further Coupons in respect of any such Talons will be made or issued, as the case may be.

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

(h) Payments due on non-business days

If any date for payment of principal, interest or any other payment in respect of any Bearer Note, Receipt or Coupon is not a business day, then the holder thereof shall not be entitled to payment at the place of presentation of the amount due until either (A) if the Payment Business Day Convention is specified as Following Business Day Convention in the applicable Pricing Supplement, the next following business day or (B) if the Payment Business Day Convention is specified as Modified Following Business Day Convention in the applicable Pricing Supplement, the next day which is a

business day unless it would thereby fall into the next calendar month, in which event the holder shall be entitled to such payment at the place of presentation on the immediately preceding business day (in each case, unless otherwise specified in the applicable Pricing Supplement) and shall not be entitled to any interest or other sum in respect of any such postponed payment.

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

In this Condition "business day" means, subject as provided in the applicable Pricing Supplement:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
 - (A) in the case of Notes in definitive form only, the relevant place of presentation; and
 - (B) any Additional Financial Centre specified in the applicable Pricing Supplement; and
- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

(i) Payment of accrued interest

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

(j) Exchange of Talons

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

(k) Initial Paying Agents

The names of the initial Principal Paying Agent and the other initial Paying Agents and their initial specified offices in respect of this Series of Notes are set out below. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Pricing Supplement. The Issuer may at any time vary or terminate the appointment of any Paying Agent and appoint additional or other Paying Agents, provided that it will, so long as any of the Notes of this Series is outstanding, maintain:

- (i) a Principal Paying Agent,

- (ii) a Paying Agent (which may be the Principal Paying Agent) having a specified office in a leading financial centre in Europe,
- (iii) so long as any Notes of this Series are admitted to trading on a stock exchange, a Paying Agent (which may be the Principal Paying Agent) having a specified office in such place as may be required by that stock exchange, and
- (iv) a Paying Agent in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive.

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

- (l) All payments in respect of the Notes in RMB will be made solely by credit to a RMB account maintained by the payee at a bank in Hong Kong in accordance with applicable laws, rules, regulations and guidelines issued from time to time (including all applicable laws and regulations with respect to the settlement of RMB in Hong Kong).

- (m) RMB Currency Event

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

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

For the purpose of this Condition 7(m) and unless stated otherwise in the applicable Pricing Supplement:

"Governmental Authority" means any de facto or de jure government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of Hong Kong;

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

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

"Relevant Currency" means U.S. dollars or such other currency as may be specified in the applicable Pricing Supplement;

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

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

"RMB Inconvertibility" means the occurrence of any event that makes it impossible for the Issuer to convert any amount due in respect of the Notes into RMB on any payment date at the general RMB exchange market in Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such

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

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

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

8 Structured Note Fallback Provisions

(a) Index Linked Notes

(1) Index Adjustment Events

If:

(A) on or prior to any date on which the level of a relevant Index is to be calculated, including without limitation any Averaging Date or Valuation Date (a "Determination Date"), in respect of Index Linked Notes, the relevant Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating the Index or in any other way materially modifies the Index (other than a modification prescribed in that formula or method to maintain the Index in the event of changes in constituent stock and capitalisation and other routine events) (an "Index Modification") or permanently cancels the Index and no successor Index exists (an "Index Cancellation"); or

(B) on any Determination Date in respect of Index Linked Notes the Index Sponsor fails to calculate and announce a relevant Index (an "Index Disruption" and together with an Index Modification and an Index Cancellation, an "Index Adjustment Event"),

then the Calculation Agent shall determine if the Index Adjustment Event has a material effect on the Index Linked Notes and, if so, shall calculate the level of the affected Index for the relevant Determination Date by using, in lieu of a published level for the affected Index, the level for that Index as at the relevant time on that Determination Date as determined by the Calculation Agent in accordance with the formula for and method of calculating the affected Index last in effect prior to the Index Adjustment Event, but using only those securities that constituted the affected Index immediately prior to the Index Adjustment Event.

In the event that the Calculation Agent determines that it cannot or can no longer continue to calculate the affected Index, the Calculation Agent may determine that the Index Adjustment Event constitutes an Additional Disruption Event.

(2) *Successor Index Sponsor or Substitution of Index with Substantially Similar Calculation*

If a relevant Index is (A) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor ("Successor Index Sponsor") acceptable to the Calculation Agent or

(B) replaced by a successor index ("Successor Index") using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the affected Index, then (i) the index as calculated and announced by the Successor Index Sponsor or (ii) the Successor Index, will be deemed to be the relevant Index.

(3) *Correction of an Index*

If the level of a relevant Index used or to be used by the Calculation Agent in making any determination is subsequently corrected and the correction is published by the Index Sponsor or a Successor Index Sponsor prior to the second Exchange Business Day preceding the due date for the relevant payment on the Notes in respect of which the determination was made (the "Cut-off Date"), the Calculation Agent shall recalculate the relevant amount payable using the corrected level of the relevant Index. The Calculation Agent shall notify the Issuer of (A) that correction and (B) the corrected amount of the relevant payment, as soon as possible after their determination and the Issuer will cause that information to be notified to Noteholders in accordance with Condition 16 as soon as possible thereafter. For the avoidance of doubt, corrections published on or after the relevant Cut-off Date shall be disregarded by the Calculation Agent.

(4) *Consequences of Disrupted Days following a Market Disruption Event affecting an Index or Basket of Indices*

If, in the opinion of the Calculation Agent, a Valuation Date is a Disrupted Day, then:

- (A) in the case of Index Linked Notes referencing an Index, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the original date that, but for the Disrupted Days, would have been the Valuation Date (the "Scheduled Valuation Date") is a Disrupted Day. In that case (i) the eighth Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the level of the Index (the "Index Level") as of the Valuation Time on the eighth Scheduled Trading Day in the manner set out in the applicable Pricing Supplement or, if not so set out or if not practicable, in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the relevant Exchange traded or quoted price (the "Traded Price") as of the Valuation Time on that eighth Scheduled Trading Day of each security included in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of a relevant security included in the Index on that eighth Scheduled Trading Day, its determination of the Traded Price for the relevant security as of the Valuation Time on that eighth Scheduled Trading Day); or
- (B) in the case of Index Linked Notes referencing a Basket of Indices, the Valuation Date for each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Index affected by the occurrence of a Disrupted Day (each an "Affected Index") shall be the first succeeding Scheduled Trading Day for the Affected Index that is not a Disrupted Day relating to the relevant Affected Index, unless each of the eight Scheduled Trading Days for the Affected Index immediately following the Scheduled Valuation Date is a Disrupted Day relating to the relevant Affected Index. In that case (i) that eighth Scheduled Trading Day shall be deemed to be the Valuation Date for the relevant Affected Index, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the level of the relevant Affected Index as of the Valuation Time on that eighth Scheduled Trading Day in the manner set out in the applicable Pricing Supplement or, if not so set out or if not practicable, in accordance with the formula for and method of calculating the relevant Affected Index last in effect prior to the occurrence of the first Disrupted Day relating to the relevant Affected Index using the relevant Traded Price as of the Valuation Time on that eighth Scheduled Trading Day of each security included in the relevant Affected Index (or if an event giving rise to a Disrupted Day has occurred in respect of a relevant security included in the relevant Affected Index on that eighth Scheduled Trading Day, its determination of the Traded Price for the relevant security as of the Valuation Time on that eighth Scheduled Trading Day).

In connection with the postponement of any Determination Date the relevant date for payment of the amount to be calculated by reference to such Determination Date and the Maturity Date may also be postponed by the Issuer or the Calculation Agent to enable the relevant calculation to be made and the Issuer will cause notice of any such postponement to be notified to Noteholders in accordance with Condition 16 as soon as possible thereafter. No additional amounts shall be payable by the Issuer as a result of any postponement of payment or postponement of the Maturity Date in these circumstances.

(5) *Additional Disruption Event*

If an Additional Disruption Event occurs, the Issuer may:

- (A) (without limiting its ability to subsequently give an Additional Disruption Event Notice under paragraph (B) below in the event of any determination by the Calculation Agent that no appropriate adjustment can be made under this paragraph (A)) request that the Calculation Agent determines whether an appropriate adjustment can be made to the Conditions and/or any other provisions relating to the Notes to account for the economic effect of the Additional Disruption Event on the Notes and to preserve substantially the economic effect to the Noteholders of a holding of the Notes. If the Calculation Agent determines that an appropriate adjustment can be made, the Issuer shall determine the effective date of the adjustment and take the necessary steps to effect the adjustment. The Issuer shall notify the Noteholders of any adjustment in accordance with Condition 16 as soon as reasonably practicable after the nature and effective date of the adjustment is determined. If the Calculation Agent determines that no adjustment that could be made would produce a commercially reasonable result and preserve substantially the economic effect to the Noteholders of a holding of the Notes it shall notify the Issuer of such determination and no adjustment shall be made. None of the Calculation Agent, the Issuer or any other party shall be liable to any Noteholder or any other person for any determination and/or adjustment made by the Calculation Agent and/or the Issuer pursuant to this Condition; or
- (B) on giving not less than 5 Business Days' irrevocable notice to Noteholders in accordance with Condition 16 (such notice an "Additional Disruption Event Notice") redeem all of the Notes in whole at their Early Settlement Amount on the date specified in the Additional Disruption Event Notice (the "Early Settlement Date"). Any Additional Disruption Event Notice shall also specify details of the Additional Disruption Event concerned and the Early Settlement Amount.

(6) *FX Disruption Event*

If FX Disruption Event is specified as applying in the applicable Pricing Supplement, upon the occurrence of an FX Disruption Event, the Issuer may take any one or more of the actions described below:

- (A) make payment of any amount payable by the Issuer pursuant to the Conditions in the Payment Currency instead of the Specified Currency, the amount payable in the Specified Currency being determined by the Calculation Agent; or
- (B) deduct an amount calculated by the Calculation Agent as representing any applicable charge or deduction arising in connection with the FX Disruption Event from any amount payable by the Issuer pursuant to the Conditions; or
- (C) postpone the relevant payment date until, in the determination of the Calculation Agent, the FX Disruption Event is no longer subsisting.

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

(b) *Adjustments Generally*

(1) *Adjustments not Made by a Futures or Options Exchange*

Notwithstanding that an adjustment is required to be made by this Condition in respect of any event affecting an Index or its Index Sponsor, the Issuer reserves the right not to make that adjustment if, at the time the adjustment is to be made, an option on the relevant Index is traded on any Futures or Options Exchange and no adjustment is made by that Futures or Options Exchange to the entitlement under that traded option in respect of that event.

(2) *Notice of Adjustments*

All determinations made by the Calculation Agent pursuant to this Condition shall be conclusive and binding on the Noteholders, the Agents and the Issuer, except in the case of manifest error. The Issuer will give, or procure that there is given, notice as soon as practicable of any adjustment and of the date from which such adjustment is effective by publication in accordance with Condition 16, provided that failure to give, or non-receipt of, such notice will not affect the validity or binding nature of the relevant adjustment.

(c) Calculations and Determinations

(1) *Manner of making Calculations and Determinations*

All calculations and determinations by the Issuer and the Calculation Agent under this Condition shall be made in good faith and in a commercially reasonable manner.

(2) *Rounding Conventions*

For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified) (a) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundredth of a percentage point (with 0.005 per cent. being rounded up), (b) all figures shall be rounded to two decimal places (with 0.005 being rounded up) and (c) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with 0.005 being rounded up). For these purposes, "unit" means the lowest amount of such currency that is available as legal tender in the country of such currency.

(3) *Disclaimer of Liability*

The Calculation Agent shall have no responsibility or liability to any person for errors or omissions in any calculations or determinations made, or actions taken, pursuant to this Condition and all such calculations and determinations shall (save in the case of manifest error) be final and binding on the Issuer, the Agents and the Noteholders.

(d) Definitions

"Averaging Date" means, in respect of a Reference Date each date specified as an Averaging Date in the applicable Pricing Supplement or, if any such date is not a Scheduled Trading Day for all the Indices, the immediately following Scheduled Trading Day for all the Indices unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day for any of the Indices. If any such day is a Disrupted Day, then:

(A) if "Omission" is specified as applying in the applicable Pricing Supplement, then such date will be deemed not to be an Averaging Date for the purposes of determining the relevant level or amount provided that, if through the operation of this provision no Averaging Date would occur in respect of such Reference Date, then the provisions of paragraph (a)(4) above will apply for purposes of determining the level, of the relevant Index or Indices on the final Averaging Date with respect to that Reference Date as if such final Averaging Date were a Valuation Date that was a Disrupted Day; or

(B) if "Postponement" is specified as applying in the applicable Pricing Supplement, then the provisions of paragraph (a)(4) above will apply for the purposes of determining the level of the relevant Index or Indices on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or

- (C) if "Modified Postponement" is specified as applying in the applicable Pricing Supplement then:
- (i) where the Notes reference a single Index, that Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the eighth Scheduled Trading Day immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of such Reference Date, then (A) that eighth Scheduled Trading Day shall be deemed to be that Averaging Date (irrespective of whether such day is a Disrupted Day or that eighth Scheduled Trading Day is already an Averaging Date), and (B) the Calculation Agent shall determine the relevant level or price for that Averaging Date in accordance with sub-paragraph (A) of paragraph (a)(4) above; and
 - (ii) where the Notes reference a Basket of Indices, that Averaging Date for each Index not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date and the Averaging Date for each Index affected by the occurrence of a Disrupted Day (each an "Affected Index") shall be the first succeeding Valid Date in relation to the Affected Index. If the first succeeding Valid Date in relation to the Affected Index has not occurred as of the eighth Scheduled Trading Day for the Affected Index immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of such Reference Date, then (A) that eighth Scheduled Trading Day shall be deemed that Averaging Date for the Affected Index (irrespective of whether such day is a Disrupted Day or that eighth Scheduled Trading Day is already an Averaging Date), and (B) the Calculation Agent shall determine the level of the Affected Index as of the Valuation Time on that Averaging Date in accordance with sub-paragraph (B) of paragraph (a)(4) above.

For the purposes of this definition, "Valid Date" means in respect of an Index, a Scheduled Trading Day for such Index that is not a Disrupted Day for such Index and on which another Averaging Date in relation to the relevant Reference Date does not or is not deemed to occur.

"Additional Disruption Events" means any of "Change in Law", "Hedging Disruption", "Increased Cost of Hedging", in each case, if specified as applicable in the applicable Pricing Supplement and any other event specified as an Additional Disruption Event in the applicable Pricing Supplement.

"Basket of Indices" means a basket composed of each Index specified in the applicable Pricing Supplement in the relative weightings indicated in the applicable Pricing Supplement.

"Change in Law" means that, on or after the date on which agreement is reached between the Issuer and any Dealer to issue the Notes (the "Trade Date"), (a) due to the adoption or announcement of or any change in any applicable law or regulation (including, without limitation, any tax law) or (b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines that (i) it has become illegal for the Issuer to hold, acquire, deal in or dispose of the Hedge Positions relating to the Notes or (ii) the Issuer will incur a materially increased cost in performing its obligations under the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

"Disrupted Day" means:

- (A) with respect to an Index other than a Multi-exchange Index, any Scheduled Trading Day for such Index on which a relevant Exchange or Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event in respect of such Index has occurred; and
- (B) with respect to a Multi-exchange Index, any Scheduled Trading Day for such Index on which (i) the relevant Index Sponsor fails to publish the level of the Index; (ii) the Related Exchange

for such Index fails to open for trading during its regular trading session; or (iii) a Market Disruption Event in respect of such Index has occurred.

"Early Closure" means:

- (A) with respect to an index other than a Multi-exchange Index, the closure on any Exchange Business Day for such Index of any relevant Exchange relating to securities underlying the Index that comprise 20 per cent. or more of the level of the Index or any Related Exchange for such Index prior to its Scheduled Closing Time unless such earlier closing time is announced by the relevant Exchange or Related Exchange at least one hour prior to the earlier of (a) the actual closing time for the regular trading session on the relevant Exchange or Related Exchange on such Exchange Business Day and (b) the submission deadline of orders to be entered into the relevant Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day; and
- (B) with respect to any Multi-exchange Index, the closure on any Exchange Business Day for such Index of the Exchange in respect of any securities underlying the Index or any Related Exchange for such Index prior to its Scheduled Closing Time unless such earlier closing is announced by the relevant Exchange or Related Exchange at least one hour prior to the earlier of: (i) the actual closing time for the regular trading session on the relevant Exchange or Related Exchange on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the relevant Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day.

"Early Settlement Amount" means, unless otherwise specified in the applicable Pricing Supplement, an amount per Specified Denomination determined by the Calculation Agent as the market value of the Notes following the event triggering the early redemption or cancellation, adjusted to take into account any costs, losses and expenses which are incurred (or expected to be incurred) by the Issuer in connection with the early redemption of the Notes, including (without duplication or limitation) hedging termination and funding breakage costs (whether actual or notional). In determining the Early Settlement Amount, the Calculation Agent may take into account prevailing market prices and/or proprietary pricing models, or where these pricing methods may not yield a commercially reasonable result, may estimate such Early Settlement Amount. The Early Settlement Amount will be determined by the Calculation Agent on or as soon as reasonably practicable following the event giving rise to the early redemption or cancellation of the Notes. For the purposes of calculating any Early Settlement Amount at any time for the purposes of Condition 11, the Calculation Agent will ignore the effect of the relevant Event of Default upon the market value of the Notes.

"Exchange" means:

- (A) with respect to an Index other than a Multi-exchange Index, each exchange or quotation system specified as such for the Index in the applicable Pricing Supplement, any successor to that exchange or quotation system or any substitute exchange or quotation system to which trading in the securities underlying the Index has temporarily relocated provided that the Calculation Agent has determined that there is comparable liquidity relative to the securities underlying the Index on such temporary substitute exchange or quotation system as on the original Exchange; and
- (B) with respect to any Multi-exchange Index and in respect of each security underlying the Index, the principal stock exchange on which the security is principally traded, as determined by the Calculation Agent.

"Exchange Business Day" means:

- (A) with respect to an Index other than a Multi-exchange Index, any Scheduled Trading Day on which each Exchange and each Related Exchange for such Index is open for trading during its respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time; and

- (B) with respect to a Multi-exchange Index, any Scheduled Trading Day for such Index on which (i) the Index Sponsor for such Index publishes the level of the Index and (ii) each Related Exchange for such Index is open for trading during its regular trading session, notwithstanding any such Related Exchange closing prior to its Scheduled Closing Time.

"Exchange Disruption" means:

- (A) with respect to an Index other than a Multi-exchange Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, securities that comprise 20 per cent. or more of the level of the relevant Index on any relevant Exchange, or (ii) to effect transactions in, or obtain market values for, futures and options contracts relating to the relevant Index on any relevant Related Exchange; and
- (B) with respect to any Multi-exchange Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for: (i) any security underlying the Index on the Exchange in respect of such security; or (ii) futures or options contracts relating to the Index on any relevant Related Exchange.

"Futures or Options Exchange" means, in respect of an Index, the relevant exchange in options or futures contracts on the Index, as determined by the Calculation Agent.

"FX Disruption Event" means:

- (A) the determination by the Calculation Agent of the occurrence of any event on or prior to the relevant date for payment that has or would have the effect of preventing or delaying the Issuer directly or indirectly from:
- (i) converting the Specified Currency into the Payment Currency (or vice versa) through customary legal channels;
 - (ii) converting the Specified Currency into the Payment Currency (or vice versa) at a rate at least as favourable as the rate for domestic institutions located in the Payment Jurisdiction;
 - (iii) delivering the Payment Currency from accounts inside the Payment Jurisdiction to accounts outside the Payment Jurisdiction; or
 - (iv) delivering the Specified Currency between accounts inside the Payment Jurisdiction or to a party that is a non-resident of the Payment Jurisdiction; or
- (B) the Calculation Agent determines that the government of the Payment Jurisdiction has given public notice of its intention to impose any capital or exchange controls which the Calculation Agent determines are likely to materially affect the Issuer's ability to hedge its obligations with respect to the Notes or to unwind such hedge.

"Hedge Positions" means any (a) positions or contracts in securities, options, futures, derivatives or foreign exchange, (b) stock loan transactions or (c) other instruments or arrangements (howsoever described) by the Issuer in order to hedge, individually or on a portfolio basis, its obligations in respect of the Notes.

"Hedging Disruption" means that the Issuer is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the price risk of issuing and performing its obligations with respect to the Notes or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

"Increased Cost of Hedging" means that the Issuer would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the price risk of issuing and performing its obligations with respect to the Notes or (B) realise, recover or remit the proceeds of any such

transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer shall not be deemed an Increased Cost of Hedging.

"Index" means an index or indices (including, but not limited to, a proprietary index created by the Issuer or an associate of the Issuer) specified in the applicable Pricing Supplement.

"Index Sponsor" means, in relation to an Index, the corporation or entity that (a) is responsible for setting and reviewing the rules and procedures, and the methods of calculation and adjustments, if any, related to the Index and (b) announces (directly or through an agent) the level of the Index on a regular basis during each Scheduled Trading Day.

"Market Disruption Event" means:

- (A) with respect to an Index other than a Multi-exchange Index, the occurrence or existence of:
 - (i) a Trading Disruption which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time;
 - (ii) an Exchange Disruption, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time; or
 - (iii) an Early Closure; and
- (B) with respect to a Multi-exchange Index:
 - (1) the occurrence or existence, in respect of any security underlying the Index, of:
 - (i) a Trading Disruption, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange in respect of such security; or
 - (ii) an Exchange Disruption, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange in respect of such security; or
 - (iii) an Early Closure; andthe aggregate of all securities in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists comprises 20 per cent. or more of the level of the Index; or
 - (2) the occurrence or existence, in respect of futures or options contracts relating to the Index, of (i) a Trading Disruption, which the Calculation Agent determines is material, at any time during the one hour period that ends at the Valuation Time in respect of the relevant Related Exchange; (ii) an Exchange Disruption, which the Calculation Agent determines is material, at any time during the one hour period that ends at the Valuation Time in respect of the relevant Related Exchange; or (iii) an Early Closure.

In addition:

- (1) for the purposes of determining whether a Market Disruption Event exists in respect of an Index which is not a Multi-exchange Index at any time, if a Market Disruption Event occurs in respect of a security underlying the Index at any time, then the relevant percentage contribution of that security to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that security and (y) the overall level of the Index, in each case immediately before the Market Disruption Event occurred; and
- (2) for the purposes of determining whether a Market Disruption Event exists in respect of an Index which is a Multi-exchange Index at any time, if a Market Disruption Event occurs in respect of a security underlying the Index at any time, then the relevant percentage contribution of that security to the level of the Index shall be

based on a comparison of (x) the portion of the level of the Index attributable to that security to (y) the overall level of the Index, in each case using the official opening weightings as published by the Index Sponsor as part of the market "opening data".

"Multi-exchange Index" means any Index specified as such in the applicable Pricing Supplement.

"Payment Currency" means the currency specified as such in the applicable Pricing Supplement.

"Payment Jurisdiction" means the jurisdiction specified as such in the applicable Pricing Supplement.

"Related Exchange" means, subject to the second proviso below, in respect of an Index, each exchange or quotation system specified as such for the Index in the applicable Pricing Supplement, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to the Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to the Index on such temporary substitute exchange or quotation system as on the original Related Exchange), provided, however that where "All Exchanges" is specified as the Related Exchange in the applicable Pricing Supplement for the Index, "Related Exchange" shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to the Index.

"Scheduled Closing Time" means, with respect to an Index and any Exchange or Related Exchange and a Scheduled Trading Day for the Index, the scheduled weekday closing time of the relevant Exchange or Related Exchange on that Scheduled Trading Day, without regard to after-hours or other trading outside regular trading session hours.

"Scheduled Trading Day" means:

- (A) with respect to an Index other than a Multi-exchange Index, any day on which each Exchange and each Related Exchange for the Index are scheduled to open for trading for their respective regular trading sessions; and
- (B) with respect to any Multi-exchange Index, any day on which (i) the relevant Index Sponsor is scheduled to publish the level of the Index and (ii) each Related Exchange for the Index is scheduled to be open for trading for its regular trading session.

"Specified Currency" means the currency specified as such in the applicable Pricing Supplement.

"Trading Disruption" means:

- (A) with respect to an Index other than a Multi-exchange Index, any suspension of, impairment of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (i) relating to any security that comprises 20 per cent. or more of the level of the Index on any relevant Exchange, or (ii) in futures or options contracts relating to the Index on any relevant Related Exchange; and
- (B) with respect to a Multi-exchange Index, any suspension of, impairment of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (i) relating to any security underlying the Index on the Exchange in respect of that security; or (ii) in futures or options contracts relating to the Index on any relevant Related Exchange.

"Valuation Date" means the second Business Day preceding the Maturity Date or any Optional Redemption Date, as the case may be, or such other date specified as such in the applicable Pricing Supplement (or, if that date is not a Scheduled Trading Day for all the Indices, the next following Scheduled Trading Day for all the Indices) unless there is a Disrupted Day in respect of any of the Indices on that date in which event paragraph (a)(4) above will apply.

"Valuation Time" means:

- (A) with respect to an Index other than a Multi-exchange Index, the time specified as such in the applicable Pricing Supplement or, if no such time is specified, the Scheduled Closing Time on the relevant Exchange on the relevant Scheduled Trading Day. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be the actual closing time; and
- (B) with respect to a Multi-exchange Index, (i) for the purposes of determining whether a Market Disruption Event in respect of such Index has occurred: (a) in respect of any security underlying the Index, the Scheduled Closing Time on the Exchange in respect of such security, and (b) in respect of any options contracts or future contracts on the Index, the close of trading on the Related Exchange; and (ii) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the relevant Index Sponsor.

"Weighting" means, in respect of an Index, the weighting specified for such Index in the applicable Pricing Supplement.

9 Taxation

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

- (a) by or on behalf of a holder who is subject to such Taxes in respect of such Note or Coupon by reason of his being connected with a Taxing Jurisdiction other than by reason only of the holding of the Note or Coupon or the receipt of payment thereon;
- (b) by or on behalf of a holder who is an associate (as that term is defined in section 128F of the Income Tax Assessment Act 1936 of the Commonwealth of Australia (the "Australian Tax Act")) of the Issuer and the payment being sought is not, or will not be, exempt from interest withholding tax because of section 128F(6) of the Australian Tax Act;
- (c) more than 30 days after the Relevant Date, except to the extent that the holder thereof would have been entitled to such additional amount on presenting the same for payment on the last day of such period of 30 days;
- (d) by or on behalf of a holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying with any statutory requirements in force at the present time or in the future or by making a declaration of non-residence or other claim or filing for exemption;
- (e) where such withholding or deduction is imposed on a payment and is required to be made pursuant to Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, or providing for measures equivalent to those laid down in, such Directive; or
- (f) by or on behalf of a holder who would be able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a member state of the European Union which does not impose such withholding or deduction.

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

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

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

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

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

10 Prescription

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

11 Events of Default

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

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

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

12 [This Condition is no longer applicable].

13 Meetings of Noteholders; Modifications of Conditions; Waiver

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

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

14 Substitution

- (1) The Issuer may, without the consent or sanction of the Noteholders, the Couponholders, the Receiptholders or the Talonholders, agree to the substitution in place of the Issuer as the principal debtor under the Notes of any other corporation (hereinafter in this Condition referred to as the "Substituted Company") provided that:
- (A) a deed poll and such other documents (if any) shall be executed by the Issuer and the Substituted Company as may be necessary to give full effect to the substitution (together, the "Documents") and (without limiting the generality of the foregoing) pursuant to which the Substituted Company shall undertake in favour of each Noteholder, Couponholder, Receiptholder and Talonholder to be bound by the Conditions and the provisions of the Agency Agreement and the Deed of Covenant as if the Substituted Company had been named in the Notes, the Agency Agreement and the Deed of Covenant as the principal debtor in respect of the Notes in place of the Issuer (or any previous substitute);
 - (B) any applicable solicited credit rating of the Substituted Company is the same or higher than any such rating of the Issuer immediately prior to the substitution;
 - (C) each stock exchange or market on which the Notes are listed shall have confirmed in writing that following the proposed substitution of the Substituted Company the Notes will continue to be listed on such stock exchange or market;
 - (D) (without prejudice to the generality of paragraphs (1)(A) and (B) of this Condition) where the Substituted Company is incorporated, domiciled or resident in a territory other than the Commonwealth of Australia, an undertaking or covenant shall be given by the Substituted

Company in terms corresponding to the provisions of Condition 9 with the addition to or substitution for the references to the Commonwealth of Australia or any political sub-division thereof or authority thereof or therein having power to tax of references to that other territory or any political sub-division thereof or any authority thereof or therein having power to tax in which the Substituted Company is incorporated, domiciled or resident and Condition 6(b) shall be modified so that references to such latter territory are added to or substituted for the Commonwealth of Australia;

- (E) the Documents shall contain a warranty and representation by the Substituted Company that (A) the Substituted Company has obtained all necessary governmental and regulatory approvals and consents necessary for or in connection with the assumption by the Substituted Company of liability as principal debtor in respect of, and of its obligations under, the Documents and the Notes; (B) such approvals and consents are at the time of substitution in full force and effect; and (C) the obligations assumed by the Substituted Company under the Documents are legal, valid and binding in accordance with their respective terms;
 - (F) the Issuer shall have delivered or procured the delivery to the Principal Paying Agent and the Registrar a copy of a legal opinion addressed to the Issuer and the Substituted Company from a leading firm of lawyers in the country of incorporation of the Substituted Company to the effect that the Documents constitute legal, valid and binding obligations of the Substituted Company, such opinion to be dated not more than seven days prior to the date of substitution of the Substituted Company for the Issuer and to be available for inspection by Noteholders, Couponholders, Receiptholders and Talonholders at the specified offices of the Principal Paying Agent and the relevant Registrar;
 - (G) the Issuer shall have delivered or procured the delivery to the Principal Paying Agent and the Registrar a copy of a legal opinion addressed to the Issuer and the Substituted Company from a leading firm of Australian lawyers to the effect that the Documents constitute legal, valid and binding obligations of the Issuer, such opinion to be dated not more than seven days prior to the date of substitution of the Substituted Company for the Issuer and to be available for inspection by Noteholders, Couponholders, Receiptholders and Talonholders at the specified offices of the Principal Paying Agent and the relevant Registrar;
 - (H) the Issuer shall have delivered or procured the delivery to the Principal Paying Agent and the Registrar a copy of a legal opinion addressed to the Issuer and the Substituted Company from a leading firm of English lawyers to the effect that the Documents constitute legal, valid and binding obligations of the parties thereto under English law, such opinion to be dated not more than seven days prior to the date of substitution of the Substituted Company for the Issuer and to be available for inspection by Noteholders, Couponholders, Receiptholders and Talonholders at the specified offices of the Principal Paying Agent and the relevant Registrar; and
 - (I) if the Substituted Company is incorporated in a jurisdiction other than England and Wales, the Substituted Company shall have appointed a process agent in England to receive service of process on its behalf in relation to any legal action or proceedings arising out of or in connection with the Notes or the Documents.
- (2) Upon the execution of the Documents and compliance with the requirements referred to in paragraph (1) of this Condition, the Substituted Company shall be deemed thenceforth to be named in the Notes as principal debtor in place of the Issuer (or of any previous substitute under these provisions), and the Notes shall thereupon be deemed to be amended in such manner as shall be necessary to give effect thereto. The execution of the Documents and compliance with such requirements shall operate to release the Issuer (or such previous substitute as aforesaid) from all of its obligations in respect of the Notes.
 - (3) The Documents shall be deposited with and held by the Principal Paying Agent and the Registrar for so long as any Note remains outstanding and for so long as any claim made against the Substituted Company by any Noteholder, Couponholder, Receiptholder or Talonholder in relation to the Notes or the Documents shall not have been finally adjudicated, settled or discharged. The Substituted Company

shall acknowledge in the Documents the right of every Noteholder, Couponholder and Talonholder to the production of the Documents for the enforcement of any of the Notes or the Documents.

- (4) Not later than 14 days after the execution of the Documents and compliance with the requirements referred to in paragraph (1) of this Condition, the Substituted Company shall give notice thereof to the Noteholders in accordance with Condition 16.

15 Replacement of Notes and Coupons

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

16 Notices

- (a) All notices regarding Registered Notes of this Series (if any) will be valid if mailed to the holders (or the first named of joint holders) at their respective addresses in the register of holders and will be deemed to have been given on the fourth weekday after the date of mailing.
- (b) All notices regarding the Bearer Notes of this Series (if any) will be valid if published in one leading London daily newspaper (which is expected to be the Financial Times) or, if this is not practicable, one other English language daily newspaper with general circulation in Europe and shall, if published more than once, be deemed to be given on the date of the first such publication. Holders of Coupons appertaining to Bearer Notes in definitive form of this Series will be deemed for all purposes to have notice of the contents of any notice given to the holders of the Bearer Notes of this Series in accordance with this paragraph (b).
- (c) Until such time as any definitive Notes are issued, there may, so long as all the global Notes for this Series are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted, in relation only to this Series, for such publication as aforesaid the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg, as appropriate, for communication by it or them to the holders of the Notes of this Series. Any such notice shall be deemed to have been given to the holders of the Notes of this Series on the second day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg, as the case may be.
- (d) Notwithstanding paragraph (b) of this Condition 16, in any case where the identity and addresses of all the holders of Bearer Notes in definitive form is known to the Issuer, notices to such holders may be given individually by recorded delivery mail to such addresses and will be deemed to have been given when received at such addresses.
- (e) Notices to be given to the Issuer by any holder of Notes under Condition 6(d) shall be in writing and given by lodging the same, together with the relative definitive Note or Notes, with the Principal Paying Agent (in the case of definitive Bearer Notes) or the Registrar (in the case of definitive Registered Notes). Whilst any Notes are represented by a global Note held on behalf of Euroclear and/or Clearstream, Luxembourg, such notices may be given by a holder of any Notes so represented to the Principal Paying Agent or the Registrar via Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Principal Paying Agent or the Registrar, as the case may be, and Euroclear and/or Clearstream, Luxembourg may approve for this purpose.

17 Further Issues

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

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

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

19 Governing Law

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

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

The Issuer has appointed the General Manager, Europe from time to time of the Issuer located at its London branch (currently at Senator House, 85 Queen Victoria Street, London EC4V 4HA) to receive service of process in any action which may be instituted in England based on any of such Notes, Coupons or Talons (including any action relating to any non-contractual obligations arising out of or in connection with any of such Notes, Receipts, Coupons or Talons).

20 CMU Notes

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

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

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

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

Payments

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

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

Use of Proceeds

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

Commonwealth Bank of Australia

Summary Information

Commonwealth Bank of Australia is a public company with an ordinary share capital of A\$27,039 million at 31 December 2014. The Bank is governed by, and operates in accordance with, the objects set out within, its Constitution, the Corporations Act 2001 of the Commonwealth of Australia (the "Corporations Act") and the Listing Rules of the Australian Securities Exchange (which constitute the corporate governance regime of Australia), and certain provisions of the Commonwealth Banks Act 1959 of the Commonwealth of Australia (the "1959 Act"). The objectives of the Issuer include providing integrated financial services including retail, business and institutional banking, superannuation, life insurance, general insurance, funds management, broking services and finance company activities. The Bank was incorporated on 17 April 1991 in the Australian Capital Territory and has Australian Business Number 48 123 123 124. Its registered office is Ground Floor, Tower 1, 201 Sussex Street, Sydney, NSW, Australia, 2000, telephone number +61 2 9118 1339. The Bank and its subsidiaries together provide a wide range of banking, financial and related services in Australia.

At 31 December 2014, the Bank and its controlled entities had total assets of A\$850,714 million, deposits and other public borrowings of A\$522,563 million and total regulatory capital of A\$44,901 million. Net profit after income tax (statutory basis), for the half year ended 31 December 2014, was A\$4,535 million.

As at the date of this Programme Circular, the Bank has been rated AA- by S&P, Aa2 by Moody's and AA- by Fitch.

History and Recent Developments

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

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

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

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

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

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

On 10 March 2000, the Bank and Colonial Limited ("Colonial") announced their intention to merge, with seven Bank shares being offered for 20 Colonial shares. The merger received final approval from the Supreme Court of Victoria on 31 May 2000 and was completed on 13 June 2000.

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

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

On 19 December 2008, the Bank acquired 100 per cent of Bank of Western Australia Ltd ("Bankwest") from HBOS plc. The acquisition provides the opportunity to expand the Bank's business in the Western Australian market.

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

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

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

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

Business Overview

The Bank and its subsidiaries, with a full-time equivalent staff of 44,520 at 31 December 2014, provides a comprehensive range of integrated financial services, including retail banking, premium banking, business banking, institutional banking, funds management, superannuation, insurance investment and share broking products and services, primarily in Australia and New Zealand. It also has operations throughout Asia, and in the United Kingdom, Malta and the United States. The fact that as at 30 April 2015, the Bank was Australia's largest bank in terms of housing loans and retail (household) deposits is sourced from APRA monthly Banking Statistics April 2015 (issued 30 May 2015) (Tables 2 and 4). The Bank confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by APRA, no facts have been omitted which would render the reproduced information inaccurate or misleading.

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

Retail Banking Services

Retail Banking Services provides retail banking services within Australia including housing loans, credit cards, personal loans, savings and cheque accounts, and demand and term deposits.

Institutional Banking and Markets

Institutional Banking and Markets services the Issuer's major corporate, institutional and government clients using a relationship management model based on industry expertise and local insights. The Issuer's Total Capital Solutions offering includes debt and equity capital raising, financial and commodity price risk management and transaction banking capabilities. Institutional Banking and Markets has international offices in London, New York, New Zealand, Singapore, Hong Kong, Japan, Malta and Shanghai.

Business and Private Banking

Business and Private Banking services the financial needs of a range of business customers, from small business to medium sized corporate and agribusiness sectors, through a range of product offerings including business loans, deposits, global markets products and asset finance facilities. In addition, private banking services are

provided to high net worth individuals. The CommSec business offers a range of investment and cash products, including online broking services to retail and wholesale customers.

Wealth Management

The Wealth Management business comprises wholesale and retail investment, superannuation and retirement funds. Wealth Management operates its business through its Colonial First State, Colonial First State Global Asset Management and CommInsure divisions. Investments are across all major asset classes including Australian and international shares, direct infrastructure, fixed interest and cash. Wealth Management also provides Australian term insurance, disability insurance, annuities, master trusts, investment products and general insurance. Wealth Management also has Funds Management businesses in Europe, the Middle East and Africa (EMEA) and Asia.

International Financial Services

International Financial Services incorporates the Asian retail and small and medium-sized enterprise banking operations in India, China, Indonesia and Vietnam, investments in Chinese and Vietnamese banks, the joint venture Chinese life insurance business, the life insurance operations in Indonesia and investment in a South African based financial services technology company. The International Financial Services business does not include the Business and Private Banking, Institutional Banking and Markets and Colonial First State Global Asset Management businesses in Asia.

New Zealand

The Bank's New Zealand segment conducts banking operations through ASB and the New Zealand branch of the Bank. The segment also comprises life insurance and health insurance sold through Sovereign, New Zealand's largest life insurer as at 31 December 2014.

Bankwest

Bankwest operates in the Australian market, predominantly in Western Australia and is focused on providing a comprehensive range of banking products to the business, rural, housing and personal markets, including a full range of deposit products.

In addition, the Bank operates a number of support divisions:

Financial Condition and Operating Results

The following tables set out certain consolidated summary financial data relating to the Bank (and its subsidiaries). This data has been extracted without material adjustment from the published consolidated financial statements of the Bank and its subsidiaries for the year ended 30 June 2014 and the half year ended 31 December 2014.

| | <i>As at</i> | |
|---|--------------------------|-------------|
| | <i>30 June</i> | |
| | <i>2014</i> | <i>2013</i> |
| | <i>(in millions A\$)</i> | |
| Balance Sheet | | |
| Lending assets ⁽¹⁾ | 602,808 | 562,711 |
| Total assets | 791,451 | 753,857 |
| Deposits and other public borrowings | 498,352 | 459,429 |
| Shareholders' equity attributable to Equity holders of the Bank | 48,811 | 45,000 |
| Income Statement | | |
| Net interest income | 15,101 | 13,934 |
| Other operating income ⁽²⁾ | 7,387 | 6,942 |
| Loan impairment expense | (918) | (1,146) |
| Operating expenses | (9,573) | (9,085) |

| | | |
|---|---------------------|---------------------|
| Net profit before income tax | 11,997 | 10,645 |
| Income tax | <u>(3,347)</u> | <u>(3,011)</u> |
| Net profit after income tax | 8,650 | 7,634 |
| Non-controlling interests | <u>(19)</u> | <u>(16)</u> |
| Net profit attributable to Equity holders of the Bank | <u><u>8,631</u></u> | <u><u>7,618</u></u> |

*As at half year ended
31 December
2014 2013
(in millions A\$)*

Balance Sheet

| | | |
|---|---------|---------|
| Lending assets ⁽¹⁾ | 622,354 | 585,977 |
| Total assets | 850,714 | 782,301 |
| Deposits and other public borrowings | 522,563 | 485,436 |
| Shareholders' equity attributable to Equity holders of the Bank | 50,475 | 46,501 |

Income Statement

| | | |
|---|---------------------|---------------------|
| Net interest income | 7,888 | 7,454 |
| Other operating income ⁽²⁾ | 3,823 | 3,706 |
| Loan impairment expense | (440) | (457) |
| Operating expenses | <u>(4,951)</u> | <u>(4,788)</u> |
| Net profit before income tax | 6,320 | 5,915 |
| Income tax | <u>(1,775)</u> | <u>(1,698)</u> |
| Net profit after income tax | 4,545 | 4,217 |
| Non-controlling interests | <u>(10)</u> | <u>(10)</u> |
| Net profit attributable to Equity holders of the Bank | <u><u>4,535</u></u> | <u><u>4,207</u></u> |

Notes:

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

Audit Committee

The Audit Committee of the Bank consists of Brian J Long (Chairman), Harrison H Young, Sir John Anderson, Sir David Higgins, Launa K Inman and Shirish Apte.

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

- (a) the Audit Committee comprises at least three members. All members must be non-executive, independent directors and financially literate. Members should, between them, have the accounting and financial expertise and sufficient understanding of the financial services industry to be able to discharge the Committee's mandate effectively;
- (b) the chairman of the Audit Committee may not be the Chairman of the Board. The Risk Committee Chairman will be a member of the Audit Committee and vice-versa to ensure the flow of relevant information between the two committees;

- (c) meetings will be at least quarterly, and as required to undertake its role effectively. The external auditor and the Commonwealth Bank group's internal auditor ("Bank Auditor") will be invited to all meetings;
- (d) members of management or others will be invited to attend meetings and provide pertinent information as necessary;
- (e) the Audit Committee has the power to call attendees as required, including open access to management, auditors (external and internal) and the right to seek explanations and additional information;
- (f) senior management and the internal and external auditors have free and unfettered access to the Audit Committee, with the Bank Auditor having a direct reporting line, whilst maintaining a management reporting line to the Chief Financial Officer; and
- (g) the Audit Committee has the option, with the concurrence of the Chairman of the Board, to retain independent legal, accounting or other advisors to the extent the Committee considers necessary at the Bank's expense.

The duties and responsibilities of the Audit Committee are as follows:

- (i) to provide an independent review of the Bank's financial reporting and the financial information prepared by management;
- (ii) to provide assurance on the governance and control framework and provide oversight of that framework;
- (iii) to review the processes and controls that are used to reach the opinions provided in the regulatory certifications of the Chief Executive Officer and Chief Financial Officer, and management's report on internal control over financial reporting risks, including the disclosures made;
- (iv) to oversee APRA statutory reporting requirements and provide independent review of the Bank's reporting under these requirements;
- (v) to oversee, where required, the nomination of the external auditor to the Board for approval of the appointment by the shareholders, and review and approve the external auditor's fee;
- (vi) to oversee and appraise at least annually the independence, adequacy and effectiveness of the external and internal auditors (including the rotation of the external audit partner), and the scope and progress of their audit plans;
- (vii) to review and advise, for the purposes of the directors' report to be included in the annual financial report, the provision of all non-audit services by or on behalf of the external auditor during the year to the Bank, whether those services comply with the statutory auditor independence requirements and the reasons why;
- (viii) to confirm the appointment or dismissal of the Bank Auditor;
- (ix) to oversee and monitor the resolution of significant internal control deficiencies reported by the Bank Auditor and the external auditor;
- (x) to oversee annually the reporting of fraud or unethical behaviour activities under the Group's whistle-blowing policy which allows employees and other relevant stakeholders to report any concerns about fraud, corruption, maladministration, serious or substantial waste, accounting or auditing irregularities or any breaches of law or internal policy, and review and assess the adequacy of management actions;
- (xi) to consider significant issues raised at other Audit Committees in the Group and respond as appropriate; and
- (xii) to review and discuss any reports concerning material violations of laws and regulatory requirements relating to any members of the Group.

Directors of Commonwealth Bank of Australia

The Board of the Bank consists of 11 directors including the Chairman, one executive director and nine non-executive directors with wide financial and commercial knowledge and experience (the "Board"). The Board of the Bank has in place procedures whereby any conflicts between Directors interests and their private interests are declared and managed. These procedures provide that a Director with a potential conflict will not receive papers which may involve a potential conflict of interests and will not be present during the discussion or decision on any matter involving that conflict. Accordingly, there are no potential conflicts of interest between the private interests or other duties of the Directors and their duties to the Bank. The business address of the directors of the Bank is: Ground Floor, Tower 1, 201 Sussex Street, Sydney, NSW, Australia, 2000.

The members of the Board are:

David J Turner, Chairman

Mr Turner has been a member of the Board since August 2006 and has been Chairman since February 2010. He is Chairman of the Board Performance and Renewal Committee and a member of the Risk Committee and the Remuneration Committee.

Mr Turner has extensive experience in finance, international business and governance.

He was Chairman of Cobham plc from May 2008 until May 2010. He has held a number of Directorships including Whitbread plc and the Iron Trades Insurance Group, and has been a member of the Quotations Committee of the London Stock Exchange.

He was CEO of Brambles Limited from October 2003 until his retirement in June 2007, and formerly CFO from 2001 to 2003. He was also Finance Director of GKN plc, Finance Director of Booker plc and spent six years with Mobil Oil.

Other Directorships: Ashurst, O'Connell Street Associates Pty Ltd and Great Barrier Reef Foundation.

Qualifications: Fellow of the Australian Institute of Company Directors, Fellow of the Institute of Chartered Accountants in England and Wales.

Mr Turner is a resident of New South Wales. Age 70.

Ian M Narev, Managing Director and Chief Executive Officer

Mr Narev assumed the role of Managing Director and Chief Executive Officer on 1 December 2011. He was a member of the Risk Committee during the 2014 financial year (ceased August 2014).

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

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

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

Other directorships: Commonwealth Bank Foundation (Chairman) , Sydney Theatre Company, Financial Markets Foundation for Children (Chairman) and Louise Perkins Foundation.

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

Mr Narev is a resident of New South Wales. Age 48.

Sir John A Anderson, KBE

Sir John has been a member of the Board since 12 March 2007. He is a member of the Audit Committee (since August 2014), Risk Committee and Board Performance and Renewal Committee. Sir John has held many senior

positions in the New Zealand finance industry including Chief Executive Officer and Director of ANZ National Bank Limited from 2003 to 2005 and the National Bank of New Zealand Limited from 1989 to 2003.

In 1994, Sir John was awarded Knight Commander of the Civil Division of the Order of the British Empire, and in 2005 received the inaugural Blake Medal for "Outstanding Leadership Contributions to New Zealand". In 2012 Sir John was awarded an Honorary Doctorate of Commerce by Victoria University, Wellington.

Other directorships: National Property Trust Limited (Chairman), Steel & Tube Holdings Ltd (Chairman), and Turners & Growers Limited (Deputy Chairman), APN News & Media Limited.

Qualifications: Fellow of the New Zealand Institute of Chartered Accountants, Fellow of the Institute of Financial Professionals New Zealand, Fellow of the Institute of Directors, and Life Member of the Australian Institute of Banking and Finance.

Sir John is a resident of Wellington, New Zealand. Age 69.

Jane S Hemstritch

Ms Hemstritch has been a member of the Board since October 2006. She is Chairman of the Remuneration Committee and a member of the Risk Committee.

Ms Hemstritch was Managing Director Asia Pacific for Accenture Limited from 2004 until her retirement in February 2007. In this role, Ms Hemstritch was a member of Accenture's global executive leadership team and oversaw the management of Accenture's business portfolio in Asia Pacific. Ms Hemstritch had a 24 year career with Accenture, preceded by seven years in the accounting profession.

She holds a Bachelor of Science Degree in Biochemistry and Physiology and has professional expertise in technology, communications, change management and accounting. She also has experience across the financial services, telecommunications, government, energy and manufacturing sectors and in business expansion in Asia.

Other directorships: Lend Lease Corporation Limited, Santos Ltd, Tabcorp Holdings Ltd, Victorian Opera Company Ltd (Chairman from February 2013), and The Walter and Eliza Hall Institute of Medical Research.

Qualifications: Fellow of the Institute of Chartered Accountants in England and Wales, Fellow of the Institute of Chartered Accountants in Australia, BSc (Hons) London University, and Fellow of the Australian Institute of Company Directors.

Ms Hemstritch is a resident of Victoria. Age 61.

Launa K Inman

Ms Inman has been a member of the Board since 16 March 2011. She is a member of the Audit Committee (since August 2014) and the Remuneration Committee. She was a member of the Risk Committee during the 2014 financial year (ceased August 2014).

Ms Inman was appointed Managing Director and Chief Executive Officer of Billabong International Limited from 14 May 2012 until 2 August 2013. Prior to this, she was Managing Director of Target Australia Pty Limited from 2005 to November 2011, and Managing Director of Officeworks from 2004 to 2005.

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

Other directorships: Non-executive director of Bellamy's Australia Limited, Managing Director of Billabong International Limited (ceased August 2013), member of the Board of Virgin Australia Melbourne Fashion Festival and The Alannah and Madeline Foundation.

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

Ms Inman is a resident of Victoria. Age 58.

Brian J Long

Mr Long has been a member of the Board since 1 September 2010 and is the Chairman of the Audit Committee and a member of the Risk Committee.

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

Other Directorships: Brambles Limited, Ten Network Holdings Limited (Deputy Chairman) and Cantarella Bros. Pty Ltd.

Qualifications: Fellow of the Institute of Chartered Accountants in Australia.

Mr Long is a resident of New South Wales. Age 69.

Andrew M Mohl

Mr Mohl has been a member of the Board since July 2008. He is a member of the Risk Committee and the Remuneration Committee. He has over 35 years of financial services experience. Mr Mohl was Managing Director and Chief Executive Officer of AMP Limited from October 2002, until December 2007.

Mr Mohl's previous roles at AMP included Managing Director of AMP Financial Services and Managing Director and Chief Investment Officer, AMP Asset Management.

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

Other directorships: Member of the ASIC External Advisory Panel and Chairman of Federal Government Export Finance and Insurance Corporation (EFIC) (ceased December 2014).

Qualifications: BEc (Hons), Monash.

Mr Mohl is a resident of New South Wales. Age 59.

Harrison H Young

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

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

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

Qualifications: AB, cum laude, Harvard, LL.D, honoris causa, Monash.

Mr Young is a resident of Victoria. Age 70.

Shirish Apte

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

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

Mr Apte has more than 32 years' experience with Citi, including as CEO of Central & Eastern Europe, Middle East & Africa (CEEMEA) and, before that, as Country Manager and Deputy President of Citibank Handlowy, Poland.

Other directorships: Crompton Greaves Ltd, Citibank Japan, member of the Supervisory Board of Citibank Handlowy, Poland and member of the Council of the Institute of Banking and Finance, Singapore.

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

Mr Apte is a resident of Singapore. Age 62.

Sir David H Higgins

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

Sir David is the Chairman of High Speed Two (HS2) Ltd, the company responsible for developing and promoting the United Kingdom's new high speed rail network. Prior to that, he was Chief Executive of Network Rail Infrastructure Ltd in London which is involved in the maintenance and development of railway infrastructure throughout the United Kingdom.

From 2006 until 2011, Sir David was Chief Executive of the Olympic Delivery Authority, where he oversaw the creation of the London 2012 Olympic Games venues, the Olympic Village and transport projects. For the three years prior to 2005, Sir David was Chief Executive of English Partnerships, the UK Government's national housing and regeneration agency. In 1985, he joined Lend Lease, and was Managing Director and Chief Executive Officer of Lend Lease from 1995 until 2002.

Other directorships: None.

Qualifications: Bachelor of Engineering (Civil Engineering), University of Sydney.

Sir David is a resident of London, United Kingdom. Age 60.

Wendy Stops

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

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

Other recent senior leadership positions held at Accenture have included Global Managing Director, Technology Quality & Risk Management (from 2009-2012), Global Managing Director, Outsourcing Quality & Risk Management (from 2008-2009) and Director of Operations, Asia Pacific (from 2006-2008).

Other directorships: None.

Qualifications: Bachelor of Applied Science (Information Technology).

Ms Stops is a resident of Melbourne. Age 54.

Subscription and Sale

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

The selling restrictions agreed between the Issuer and the Dealers are set out in a Schedule of Selling Restrictions dated 24 June 2015 and are summarised below. The restrictions may be amended from time to time by agreement between the Issuer and the Dealers. The selling restrictions are as follows:

United States of America

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

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

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

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

Each issuance of Index Linked Notes or Dual Currency Notes will be subject to such additional U.S. selling restrictions as the relevant Issuer and the relevant Dealers may agree as a term of the issuance and purchase of such Exempt Notes, which additional selling restrictions shall be set out in the applicable Pricing Supplement.

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date") it has not made and will not make an offer of Exempt Notes which are the subject of the offering contemplated by this Programme Circular as completed by the pricing supplement containing the final terms in relation thereto to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Exempt Notes to the public in that Relevant Member State:

- (A) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

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

For the purposes of this provision:

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

United Kingdom

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

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

The Grand Duchy of Luxembourg

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

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

Japan

The Exempt Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the "FIEA") and each Dealer has represented and agreed, and each

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

Australia

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that in connection with the distribution of each Tranche of Exempt Notes it:

- (a) will not make any offer or invitation in Australia or any offer or invitation which is received in Australia in relation to the issue, sale or purchase of any Exempt Notes unless the offeree is required to pay at least A\$500,000 for the Exempt Notes or its foreign currency equivalent (in either case disregarding moneys, if any, lent by the Issuer or other person offering the Exempt Notes or its associates (within the meaning of those expressions in Part 6D.2 of the Corporations Act)), or it is otherwise an offer or invitation for which by virtue of section 708 of the Corporations Act no disclosure is required to be made under Part 6D.2 of the Corporations Act and is not made to a retail client (as defined in section 761G or 761GA of the Corporations Act); and
- (b) has not circulated or issued and will not circulate or issue a disclosure document relating to the Exempt Notes in Australia or received in Australia which requires lodging under Division 5 of Part 6D.2 or under Part 7 of the Corporations Act.

Each Dealer has agreed to offer Exempt Notes to be issued by the Issuer for sale in a manner which will allow payments of interest or amounts in the nature of interest on those Exempt Notes to be exempt from Australian withholding tax under section 128F of the Australian Tax Act, as amended. In particular, each Dealer has agreed that it will not sell Exempt Notes to any person if, at the time of sale the Dealer knew or had reasonable grounds to suspect that as a result of such sale, any Exempt Notes or an interest in any Exempt Notes was being, or would later be, acquired (directly or indirectly) by an Offshore Associate of the Issuer (other than one acting in the capacity of a dealer, manager or underwriter in relation to the placement of the Exempt Notes or in the capacity of a clearing house, custodian, funds manager or responsible entity of a registered scheme within the meaning of the Corporations Act).

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

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

New Zealand

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or delivered and will not directly or indirectly offer, sell or deliver any Exempt Note in New Zealand and it will not distribute any offering memorandum or advertisement in relation to any offer of Exempt Notes, in New Zealand other than to "wholesale investors" as that term is defined in clauses 3(2)(a), (c) and (d) of Schedule 1 to the Financial Markets Conduct Act 2013 of New Zealand, being:

- a. a person who is:
 - (i) an "investment business";
 - (ii) "large"; or
 - (iii) a "government agency",

in each case as defined in Schedule 1 to the Financial Markets Conduct Act 2013 of New Zealand; or

- b. a person who meets the "investment criteria" specified in clause 38 of the Schedule 1 to the Financial Markets Conduct Act 2013 of New Zealand.

Each Dealer has represented and agreed that it has not offered or sold, and will not offer or sell, any Exempt Notes to persons whom it believes to be persons who are resident in New Zealand for New Zealand income tax purposes or who carry on business in New Zealand through a fixed establishment (as defined for New Zealand income tax purposes) in New Zealand, unless such persons certify that they hold a valid certificate of exemption for New Zealand resident withholding tax purposes and provide a New Zealand tax file number to such Dealer (in which event the Dealer shall provide details thereof to the Issuer or to a Paying Agent).

Republic of Italy

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

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

Any offer, sale or delivery of the Exempt Notes or distribution of copies of the Programme Circular (including the applicable Pricing Supplement) or any other document relating to the Exempt Notes in the Republic of Italy under (a) or (b) above must be:

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

Hong Kong

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

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

Singapore

This Programme Circular has not been registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore ("SFA"). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Exempt Notes or caused the Exempt Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Exempt Notes or cause the Exempt Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Programme Circular or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any Exempt Notes, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor pursuant to Section 274 of the SFA, (b) to a relevant person under Section 275(1) of the SFA or to any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

Where the Exempt Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor;
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an individual who is an accredited investor,

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

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

People's Republic of China

Each of the Dealers has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that neither it nor any of its affiliates has offered or sold or will offer or sell any of the Exempt Notes in the People's Republic of China (excluding Hong Kong, Macau and Taiwan) as part of the initial distribution of the Exempt Notes.

Taiwan

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

General

No action has been taken by the Issuer or any of the Dealers that would, or is intended to, permit an offer of any Exempt Notes in any country or jurisdiction where any such action for that purpose is required.

Accordingly, each Dealer has undertaken and each further Dealer appointed under the Programme will be required to undertake that it will not, directly or indirectly, offer or sell any Exempt Notes or distribute or

publish any offering circular, prospectus, form of application, advertisement or other document or information in any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations and all offers and sales of Exempt Notes by it will be made on the same terms.

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

General Information

1 Authorisation

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

2 Consents

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

3 Audited Financial Statements

The Issuer's consolidated financial statements for the years ended 30 June 2013 and 30 June 2014 were audited, without qualification, by PricewaterhouseCoopers, Chartered Accountants, of Darling Park Tower 2, 201 Sussex Street, Sydney NSW 1171, Australia. The auditors of the Issuer have no material interest in the Issuer.

4 Euroclear and Clearstream, Luxembourg

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

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

5 Documents Available for Inspection

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

- (i) the Constitution of the Issuer;
- (ii) the Commonwealth Banks Act 1959, as amended, the Commonwealth Banks Amendment Act 1984, the Commonwealth Banks Amendment Act 1985, the Commonwealth Banks Amendment Act 1987, the Commonwealth Banks Restructuring Act 1990, the State Bank (Succession of Commonwealth Bank) Act 1990, the Commonwealth Banks Amendment Act 1993, the Commonwealth Bank Sale Act 1995;
- (iii) the Programme Agreement, the Agency Agreement, the Deed of Covenant and the forms of the Exempt Notes, Coupons, Receipts and Talons;
- (iv) this Programme Circular and any supplement to this Programme Circular; and
- (v) the most recently published audited consolidated annual financial statements and, if published later, the most recently published interim consolidated financial statements of the Issuer.

6 Australian Taxation

The following is a summary of the Australian taxation treatment, at the date of this Programme Circular, of payments of interest on Exempt Notes and certain other matters. It is not exhaustive and does not deal with the position of certain classes of holders of an Exempt Note (such as dealers in securities). Prospective holders of Exempt Notes should be aware that the particular terms of issue of any series of Exempt Notes may affect the tax treatment of that and other series of Exempt Notes. The

following is a general guide and should be treated with appropriate caution. In particular, the Australian taxation treatment of Index Linked Redemption Notes or Dual Currency Redemption Notes may be different to that described below. Holders of Exempt Notes who are in any doubt as to their tax position should consult their professional advisers.

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

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

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

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

The public offer test

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

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

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

Associates of issuer

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

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

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

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

Section 126 of the Australian Tax Act imposes a type of withholding tax at the rate of 47 per cent. on the payment of interest on bearer notes (other than certain zero coupon promissory notes) if the issuer fails to disclose the names and addresses of the holders to the Australian Taxation Office. Section 126 does not apply to the payment of interest on notes held by non-residents who do not carry on business

at or through a permanent establishment in Australia where the issue of those notes satisfied the requirements of section 128F of the Australian Tax Act or interest withholding tax is payable. However, the operation of section 126 in relation to notes held in some circumstances is unclear.

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

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

7 EU savings directive

Under the Savings Directive, Member States are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State.

For a transitional period, Austria is required (unless during that period it elects otherwise) to operate a withholding system in relation to such payments. The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

On 24 March 2014, the Council of the European Union adopted a Council Directive (the "Amending Directive") amending and broadening the scope of the requirements described above. The Amending Directive requires Member States to apply these new requirements from 1 January 2017 and if they were to take effect the changes would expand the range of payments covered by the Savings Directive, in particular to include additional types of income payable on securities. They would also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported or subject to withholding. This approach would apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

However, the European Commission has proposed the repeal of the Savings Directive from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other Member States (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the Savings Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU). The proposal also provides that, if it proceeds, Member States will not be required to apply the new requirements of the Amending Directive.

8 The Proposed Financial Transactions Tax

On 14 February 2013, the European Commission published a proposal (the "Commission's Proposal") for a Directive for a common financial transactions tax ("FTT") in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "participating Member States").

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Exempt Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Exempt Notes should, however, be exempt.

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

Joint statements issued by participating Member States indicate an intention to implement the FTT by 1 January 2016.

However, the FTT proposal remains subject to negotiation between the participating Member States and the scope of any such tax is uncertain. Additional EU Member States may decide to participate.

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

9 Foreign Account Tax Compliance Withholding

FATCA imposes a new reporting regime and potentially a 30 per cent. withholding tax with respect to certain payments to (i) any non-U.S. financial institution (a "foreign financial institution", or "FFI" (as defined by FATCA)) that does not become a "Participating FFI" by entering into an agreement with the U.S. Internal Revenue Service ("IRS") to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA and (ii) any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States Account" of the Issuer (a "Recalcitrant Holder"). The Issuer is classified as an FFI.

The new withholding regime is now in effect for payments from sources within the United States and will apply to "foreign passthru payments" (a term not yet defined) no earlier than 1 January 2017. This withholding would potentially apply to payments in respect of (i) any Exempt Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued after the "grandfathering date", which is the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the Federal Register, or which are materially modified after the grandfathering date and (ii) any Exempt Notes characterised as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. If Exempt Notes are issued on or before the grandfathering date, and additional Exempt Notes of the same series are issued after that date, the additional Exempt Notes may not be treated as grandfathered, which may have negative consequences for the existing Exempt Notes, including a negative impact on market price.

The United States and a number of other jurisdictions have entered into intergovernmental agreements to facilitate the implementation of FATCA (each, an "IGA"). The United States and Australia signed an IGA on 28 April 2014 (the "US-Australia IGA"). The obligations imposed on Australian financial institutions under the US-Australia IGA were implemented into Australian law on 30 June 2014 under the Tax Laws Amendment (Implementation of the FATCA Agreement) Act 2014 (Cth) ("Act"). With effect from 1 July 2014, Australian financial institutions which are Reporting Australian Financial Institutions under the US-Australia IGA that maintain U.S. Reportable Accounts (as defined in the US-Australia IGA) must follow specific due diligence procedures to identify their account holders and provide information about certain accounts as specified in the US-Australia IGA and the Act to the Australian Commissioner of Taxation who will in turn provide that information to the IRS. Under the US-Australia IGA, an Australian financial institution which is in compliance with its obligations under the Act should not generally be subject to withholding under FATCA on any payments it receives. Further, a Reporting Australian Financial Institution would generally not be required to withhold under FATCA from payments it makes (any such withholding being "FATCA Withholding") (unless it has agreed to do so under the United States "qualified intermediary," "withholding foreign partnership," or "withholding foreign trust" regimes). The Issuer is presently registered as a Reporting Australian Financial Institution pursuant to the US-Australia IGA but there can be no assurance that in future the

Issuer would not be required under FATCA or pursuant to the US-Australia IGA to deduct FATCA Withholding from payments it makes.

The Issuer and financial institutions through which payments on the Exempt Notes are made may be required to withhold FATCA Withholding if (i) any FFI through or to which payment on such Exempt Notes is made is not a Participating FFI, an FFI in an IGA signatory country treated as a "Reporting FI", or otherwise exempt from or in deemed compliance with FATCA or (ii) an investor is a Recalcitrant Holder.

Whilst the Exempt Notes are in global form and held within the ICSDs, it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Exempt Notes by the Issuer, any paying agent and the common depository, given that each of the entities in the payment chain beginning with the Issuer and ending with the participants in the ICSDs is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Exempt Notes. The documentation expressly contemplates the possibility that the Exempt Notes may go into definitive form and therefore that they may be taken out of the ICSDs. If this were to happen, then a non-FATCA compliant holder could be subject to FATCA Withholding. However, definitive notes will only be printed in remote circumstances.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form. The impact of FATCA for Australian financial institutions will also depend on associated guidance issued by the Australian Taxation Office. Prospective investors should consult their tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Exempt Notes.

10 Post-issuance information

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

11 Dealers transacting with the Issuer

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

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

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