

Information Memorandum



A\$8,000,000,000 Debt Instrument Programme

Issuer

Bank of Queensland Limited
(ABN 32 009 656 740)

Arranger and Dealer

UBS AG, Australia Branch

Dealer

Westpac Banking Corporation

The date of this Information Memorandum is 18 December 2018

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Important Notice

Introduction

This Information Memorandum relates solely to the Debt Instrument Programme (“**Programme**”) established for Bank of Queensland Limited (“**Issuer**” or “**BOQ**”) under which unsubordinated medium term notes (“**Senior Notes**”), subordinated medium term notes (“**Subordinated Notes**” and, together with the Senior Notes, “**Notes**”), transferable deposits (“**TDs**”) and other debt instruments (together with the Notes and the TDs, “**Instruments**”) may, from time to time, be issued up to a maximum aggregate amount of A\$8,000,000,000 (which amount may be increased from time to time by agreement between the Issuer, the Arranger and the Dealers (as defined in the section entitled “Programme Summary” below)). The Issuer intends that Subordinated Notes issued under the Programme constitute Tier 2 Capital as described in the prudential standards issued by the Australian Prudential Regulation Authority (“**APRA**”). Instruments are not guaranteed or insured by the Australian Government or under any compensation scheme of the Australian Government, or by any other government, government agency or any other party.

This Information Memorandum replaces in its entirety the Information Memorandum dated 18 November 2016.

Currency of information

The information contained in this Information Memorandum is prepared as of its Preparation Date (as defined below).

In this Information Memorandum, “**Preparation Date**” means, in relation to:

- this Information Memorandum, the date indicated on its face or, if this Information Memorandum has been amended or supplemented, the date indicated on the face of that amendment or supplement;
- any annual reports and any financial statements incorporated in this Information Memorandum, the date up to, or as at, the date on which such annual reports and financial statements relate; and
- any other item of information which is to be read in conjunction with this Information Memorandum, the date indicated on its face as being its date of release or effectiveness.

Neither the delivery of this Information Memorandum, nor any offer, issue or sale made in connection with this Information Memorandum at any time implies that the information contained in it is correct, that any other information supplied in connection with the Programme is correct or that there has not been any change (adverse or otherwise) in the financial conditions or affairs of the Issuer at any time subsequent to the Preparation Date. In particular, the Issuer is not under any obligation to any person to update this Information Memorandum at any time after an issue of Instruments.

Investors should review, amongst other things, the documents which are deemed to be incorporated in this Information Memorandum by reference when deciding whether to purchase any Instruments.

Issuer’s responsibility

This Information Memorandum has been prepared by, and issued with the authority of, the Issuer.

The Issuer accepts responsibility for the information contained in this Information Memorandum other than information provided by the Arranger, the Dealers and the Agents in relation to their respective descriptions in the sections entitled “Programme Summary” and “Directory” below.

No independent verification

The only role of the Arranger, the Dealers and the Agents (each as defined in the section entitled “Summary of the Programme” below) in the preparation of this Information Memorandum has been to confirm to the Issuer that their respective descriptions under the sections entitled “Programme Summary” and “Directory” are accurate as at the Preparation Date.

Apart from the foregoing, none of the Arranger, the Dealers or the Agents has independently verified this Information Memorandum or any document incorporated by reference in it. Accordingly, no representation, warranty or undertaking, express or implied, is made, and no responsibility is accepted, by any of them, as to the accuracy or completeness of this Information Memorandum or any further information supplied by the Issuer in connection with the Programme.

The Arranger, the Dealers or the Agents expressly do not undertake to review the financial condition or affairs of the Issuer or any of its affiliates at any time or to advise any holder of an Instrument or any other person of any information coming to their attention with respect to the Issuer and make no representations as to the ability of the Issuer to comply with its obligations under the Instruments. None of the Arranger, the Dealers nor the Agents make any representation as to the performance of the Issuer, the maintenance of capital or any particular rate of return, nor do any of the Arranger, the Dealers and the Agents guarantee the payment of capital or any particular rate of capital or income return, in each case, on any Instruments.

No authorisation

The Issuer has not authorised any person to give any information or make any representations in connection with the offering of the Instruments other than those contained in this Information Memorandum. The Issuer makes no representation or warranty as to and assumes no responsibility for the authenticity, origin, validity, accuracy or completion of, or any errors or omissions in, any accompanying, previous or subsequent material or presentation, except as expressly set out or stated in such material or presentation. Any information or representation not contained in this Information Memorandum or as otherwise authorised in writing by the Issuer, must not be relied upon as having been authorised by or on behalf of the Issuer, the Arranger, the Dealers or the Agents.

Place of issuance

Subject to applicable laws and directives, the Issuer may issue Instruments under the Programme in any country including Australia and countries in Europe and Asia but not in the United States of America unless such Instruments are registered under the United States Securities Act of 1933 (as amended) (“**Securities Act**”) or an exemption from the registration requirements under the Securities Act is available.

Terms and conditions of issue

Instruments will be issued in series (each a “**Series**”). Each Series may comprise one or more tranches (each a “**Tranche**”) having one or more issue dates and on conditions that are otherwise identical (other than, to the extent relevant, in respect of the issue price and the first payment of interest).

Each issue of Instruments will be made pursuant to such documentation as the Issuer may determine.

A pricing supplement and/or another supplement to this Information Memorandum (each a “**Pricing Supplement**”) will be issued for each Tranche or Series of Term Instruments (as defined in the “**Programme Summary**”). A Pricing Supplement will contain details of the initial aggregate principal amount, issue price, issue date, maturity date, details of interest (if any) payable together with any other terms and conditions not set out in this Information Memorandum that may be applicable to that Tranche or Series of Term Instruments. The terms and conditions (“**Terms and Conditions**”) applicable to the Term Instruments are included in this Information Memorandum and may be supplemented, amended, modified or replaced by the Pricing Supplement applicable to those Term Instruments.

The Issuer may also publish a supplement to this Information Memorandum (or additional information memoranda) which describes the issue of Instruments (or particular types of Instruments) not otherwise

described in this Information Memorandum. A Pricing Supplement may also supplement, amend, modify or replace any statement or information set out in this Information Memorandum.

Intending purchasers to make independent investment decision and obtain professional advice

Neither this Information Memorandum nor any other information supplied in connection with the Programme or the issue of any Instruments describes the risks of an investment in any Instruments. Prospective investors should consult their own professional, financial, legal and tax advisers about the risks associated with an investment in any Instruments and the suitability of investing in the Instruments in light of their particular circumstances.

This Information Memorandum contains only summary information concerning the Issuer and the Instruments. Neither the information contained in this Information Memorandum nor any other information supplied in connection with the Programme or the issue of any Instruments (1) is intended to provide the basis of any credit or other evaluation in respect of the Issuer or any Instruments and should not be considered or relied on as a recommendation or a statement of opinion (or a report of either of those things) by any of the Issuer, the Arranger, the Dealers or Agent that any recipient of this Information Memorandum or any other information supplied in connection with the Programme or the issue of any Instruments should subscribe for, purchase or otherwise deal in any Instruments or any rights in respect of any Instruments, or (2) describes all the risks of an investment in any Instruments.

Each recipient of this Information Memorandum and each person contemplating subscribing for, purchasing or otherwise dealing in any Instruments or any rights in respect of any Instruments should:

- make and rely upon (and shall be taken to have made and relied upon) its own independent investigation of the financial condition and affairs of, and its own appraisal of the creditworthiness of, the Issuer and the risks of an investment in any Instruments;
- determine for themselves the relevance of the information contained in this Information Memorandum (including all information incorporated by reference and forming part of this Information Memorandum) and any other information supplied in connection with the Programme, and must base their investment decision solely upon such independent assessment and such investigations as they consider necessary; and
- consult their own financial, legal and professional advisers about the risks associated with an investment in any Instruments and the suitability of investing in any Instruments in light of their particular situation.

No accounting, regulatory, investment, legal, tax or other professional advice is given in respect of an investment in any Instruments or rights in respect of them and each investor is advised to consult its own professional adviser.

No offer

Neither this Information Memorandum nor any other information supplied in connection with the Programme or the issue of any Instruments constitutes, or is intended to constitute, an offer or invitation by or on behalf of the Issuer, the Arranger, the Dealers or Agents to any person to subscribe for, purchase or otherwise deal in any Instruments.

Selling restrictions and no disclosure

The distribution and use of this Information Memorandum and any Pricing Supplement and the subscription, offer, sale or transfer of Instruments may be restricted by law in certain jurisdictions. None of the Issuer, the Arranger, the Dealers or the Agents represents that this Information Memorandum may be lawfully distributed, or that any Instruments may be lawfully subscribed for, offered, sold or transferred in compliance with any applicable law in any such jurisdiction, or under an exemption available in that jurisdiction, or assumes any responsibility for facilitating any distribution or offering.

In particular:

- this Information Memorandum is not a prospectus or other disclosure document for the purposes of the Corporations Act 2001 of Australia ("**Corporations Act**"). Neither this Information Memorandum nor any other disclosure document in relation to the Instruments has been, or will be, lodged with the Australian Securities and Investments Commission ("**ASIC**"); and
- no action has been taken, or will be taken, by the Issuer, the Arranger, the Dealers or the Agents in any jurisdiction which would permit an offering of the Instruments or distribution of this Information Memorandum in any jurisdiction where action for that purpose is required (including circumstances that would require disclosure under Parts 6D.2 or 7.9 of the Corporations Act).

Intending purchasers and other investors as well as persons into whose possession this Information Memorandum or any Instruments come must inform themselves about, and observe, any such restrictions.

For a description of certain restrictions on offers, sales and deliveries of the Instruments, and on distribution of this Information Memorandum, any Pricing Supplement or other offering material relating to the Instruments, see the section entitled "Selling Restrictions" below.

A person may not (directly or indirectly) offer for subscription or purchase or issue an invitation to subscribe for or buy Instruments, nor distribute or publish this Information Memorandum or any other offering material or advertisement relating to the Instruments except if the offer or invitation, or distribution or publication, complies with all applicable laws and directives.

No registration in the United States

The Instruments have not been, and will not be, registered under the Securities Act. The Instruments may not be offered, sold, delivered or transferred, at any time, within the United States of America or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")) except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act.

Agency and distribution arrangements

Each Dealer and Agent is acting solely as an arm's length contractual counterparty and not as an adviser or fiduciary. Furthermore, neither the receipt of this Information Memorandum or any other material relating to the Programme or the issue of any Instruments by any person nor any other matter shall be deemed to create or give rise to an advisory or fiduciary duty or relationship between a Dealer or Agent and that person.

The Issuer has agreed to pay the Agents' fees for undertaking their respective roles and reimburse them for certain of their expenses incurred in connection with the Programme. The Issuer may also pay a Dealer a fee in respect of the Instruments subscribed by it, reimburse the Dealers for certain expenses incurred in connection with this Programme and indemnify the Dealers against certain liabilities in connection with the offer and sale of Instruments.

In accordance with the provisions of the Corporations Act, the Issuer, Arranger, the Agents and the Dealers disclose that they, their respective related entities, directors, officers and employees may have pecuniary or other interests in the Instruments, and may also have interests pursuant to other arrangements and may receive fees, brokerage and commissions, and may act as principal in any dealings in the Instruments.

Documents incorporated by reference

This Information Memorandum is to be read in conjunction with all documents which are deemed to be incorporated into it by reference as set out below. This Information Memorandum shall, unless otherwise expressly stated, be read and construed on the basis that such documents are so incorporated and form part of this Information Memorandum. References to “Information Memorandum” are to this Information Memorandum and any other document incorporated by reference and to any of the individually.

The following documents (including any that are published or issued from time to time after the date of this Information Memorandum) are incorporated in, and deemed to form part of, this Information Memorandum:

- all amendments and supplements to this Information Memorandum prepared by the Issuer from time to time;
- the most recently published audited non-consolidated and consolidated annual financial statements of the Issuer and, if published later, the most recently published interim non-consolidated and consolidated financial statements (if any) of the Issuer (whether audited or unaudited) from time to time;
- each Pricing Supplement and all documents stated therein to be incorporated in this Information Memorandum; and
- all other documents issued by the Issuer and expressly stated to be incorporated in this Information Memorandum by reference.

Any statement contained in this Information Memorandum shall be modified, replaced or superseded for the purpose of this Information Memorandum to the extent that a statement contained in any document subsequently incorporated by reference into this Information Memorandum modifies, replaces or supersedes such statement (including whether expressly or by implication or in whole or in part).

Except as provided above, no other information, including any information on the internet sites of the Issuer or in any document incorporated by reference in any of the documents described above, is incorporated by reference into this Information Memorandum.

Copies of documents incorporated by reference in this Information Memorandum may be obtained from the Issuer and the Arranger upon request at their respective offices specified in the section entitled “Directory” below, or from such other person specified in a Pricing Supplement.

References to internet site addresses

Any internet site addresses provided in this Information Memorandum are for reference only and the content of any such internet site is not incorporated by reference into, and does not form part of, this Information Memorandum, except as expressly stated in this Information Memorandum.

References to currencies

In this Information Memorandum references to “**A\$**” and “**Australian Dollars**” are to the lawful currency of the Commonwealth of Australia.

References to credit ratings

There are references in this Information Memorandum to credit ratings. A credit rating is not a recommendation to buy, sell or hold Instruments and may be subject to revision, variation, suspension or withdrawal at any time by the relevant assigning organisation. Each credit rating should be evaluated independently of any other credit rating. No rating agency was involved in the preparation of this Information Memorandum.

Credit ratings are for distribution only to a person (a) who is not a “retail client” within the meaning of section 761G of the Corporations Act and is also a person in respect of whom disclosure is not required under Parts 6D.2 or 7.9 of the Corporations Act, and (b) who is otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person may be located. Anyone who is not such a person is not entitled to receive this Information Memorandum and anyone who receives this Information Memorandum must not distribute it to any person who is not entitled to receive it.

Banking Act

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

Section 13A(3) of the Banking Act provides that the assets of an ADI in Australia would, in the event of the ADI becoming unable to meet its obligations or suspending payment, be available to meet certain liabilities in priority to all other liabilities of that ADI (including, in the case of the Issuer, the Instruments). The liabilities which have priority, by virtue of section 13A(3) of the Banking Act, to the claims of holders in respect of the Instruments will be substantial, as such liabilities include (but are not limited to) liabilities owed to APRA in respect of any payments by APRA to holders of protected accounts held with that ADI under the Banking Act, the costs of APRA in certain circumstances, liabilities in Australia owed to holders of protected accounts held with that ADI, debts due to the Reserve Bank of Australia (“**RBA**”) and liabilities under certified industry support contracts. A “**protected account**” is an account or covered financial product that is kept by an account-holder (whether alone or jointly with one or more other account-holders) with an ADI and either:

- (a) is an account, or covered financial product, that is kept under an agreement between the account-holder and the ADI requiring the ADI to pay the account-holder, on demand by the account-holder or at an agreed time by them, the net credit balance of the account or covered financial product at the time of the demand or the agreed time (as appropriate); or
- (b) an account prescribed by regulations for the purposes of section 5(4)(a) of the Banking Act.

For the purposes of section 13(A) of the Banking Act, the assets of the ADI do not include any interest in an asset (or part of an asset) in a cover pool (as defined in the Banking Act) that may have been established for the issuance of any covered bonds.

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

The Instruments would not constitute deposit liabilities in Australia or protected accounts under such statutory provisions.

Section 309B(1)(c) of the Securities and Futures Act (Chapter 289 of Singapore) notification

Unless otherwise stated in the Pricing Supplement in respect of any Instruments, all Instruments issued or to be issued under the Programme shall be “prescribed capital markets products” (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in the MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

MiFID II Product Governance / Target Market

If applicable in the context of an issue of Instruments, the Pricing Supplement will include a legend entitled “MiFID II Product Governance” which will outline the target market assessment in respect of the Instruments and which channels for distribution of the Instruments are appropriate. Any person subsequently offering, selling or recommending the Instruments (a “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, “**MiFID II**”) is responsible for undertaking its own target market assessment in respect of the Instruments (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the “**MiFID Product Governance Rules**”), any Dealer subscribing for any Instruments is a manufacturer in respect of such Instruments, but otherwise neither the Issuer, the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

Corporate Profile

Overview of BOQ

BOQ is a financial institution whose primary function is gathering deposits and lending. It is listed on the Australian Securities Exchange (“**ASX**”) and regulated by the Australian Prudential Regulation Authority as an authorised deposit-taking institution (“**ADI**”). It is one of the top 100 companies by market capitalisation on the ASX.

BOQ was established in 1847 as the first Permanent Building Society in Queensland. It has evolved into a national bank with a network of retail branches, brokers and brands spanning every state and territory in Australia. The group is now comprised of a number of brands including BOQ, BOQ Specialist, BOQ Finance, VMA and St Andrew’s Insurance.

BOQ aims to build a differentiated position in the Australian financial services sector by demonstrating to customers that “It’s Possible to Love a Bank”. BOQ’s corporate strategy is to focus on niche customer segments that value a more intimate banking relationship. BOQ is one of Australia’s leading regional banks, and one of the few not owned by one of the major banks. Most of BOQ’s retail branches are run by local owner managers, meaning the person running the branch owns the branch. As small business owners, owner managers know what it means to deliver personal service. Through specialisation and deep industry knowledge in niche commercial segments, including medical & dental, corporate healthcare & retirement living, hospitality & tourism and agribusiness, BOQ provides a level of support to business banking customers unique to that offered by other banks.

BOQ is committed to engaging positively with all stakeholders in a fair and transparent way to create value for customers, employees, investors and the communities in which it operates. More information on BOQ’s approach to sustainability is available in the 2018 Sustainability Report and in the sustainability section of the BOQ website (<https://www.boq.com.au/Shareholder-centre/sustainability>).

Information on BOQ’s corporate governance practices can be located in BOQ’s Corporate Governance Statement available on the corporate governance page of the BOQ website (<https://www.boq.com.au/About-us/corporate-governance>).

BOQ’s corporate strategy is delivered through four strategic pillars: Customer in Charge; Grow the Right Way; There’s Always a Better Way; and Loved Like No Other.

Customer in Charge is about improving customers’ experience and expanding BOQ’s avenues for growth by putting customers in charge of when, where and how they choose to engage with BOQ. This is regardless of whether they come into a branch, use online services, call on the phone or buy products through a third party intermediary.

BOQ’s home loan products, including VMA home loans, are distributed by accredited brokers, making the Bank more accessible to customers who prefer to use brokers. The Bank has continued to expand its distribution into the mortgage broker market. BOQ has also launched a new website to improve customers’ digital experience. This followed similar upgrades for the VMA and BOQ Specialist websites. BOQ also continued the roll out of its new ‘ICON’ branch format. A new Customer Connect team has also been established, bringing together customer service capability across the enterprise into one group.

Grow the Right Way is about building a strong and profitable business by making the right decisions about where and how to grow. This includes focusing on niche customer segments that value an intimate banking relationship. Together with its BOQ Specialist, BOQ Finance and VMA business, BOQ’s niche strategy is delivering.

BOQ continued its conservative approach to lending, maintaining a high quality lending portfolio. In the branch network, as existing franchise agreements expire, BOQ is moving owner managers onto a new balanced scorecard agreement that includes a wider range of metrics, such as customer and compliance measures. The Bank continues to transition Franchisees to the new agreement and has taken steps to align the balanced scorecard and commission arrangements with the Sedgwick recommendations for banking industry remuneration and incentives.

There's Always a Better Way is about BOQ's commitment to making systems and processes simpler, faster and smarter. The aim is to improve efficiency, reduce costs, deliver better customer service and establish a nimble organisation positioned to take advantage of a rapidly changing landscape. BOQ is digitising its lending platforms by making improvements to retail, commercial and lease management lending systems. Ongoing focus on efficiency across the Group has enabled it to contain expense growth to three per cent, whilst investing in new technology aligned to a simplified and business enabled target architecture which will enable it to respond more quickly to emerging opportunities than has been possible in the past.

Loved Like No Other is about how BOQ maintains positive stakeholder relationships by living its values, creating a place where people love to work and contributing to the communities in which it operates. These are just some of the things BOQ does to prove "It's Possible to Love a Bank".

In recent years BOQ has reinforced its commitment to ethical conduct through its staff's commitment to the Banking and Finance Oath. The Bank has also built on its internal ethics training and conduct reporting, and introduced a range of team based initiatives to embed company values and drive a customer centric culture. It continues to demonstrate its commitment to a diverse and inclusive workforce by making significant progress on its reconciliation journey. Investment in the 'Customer Heartbeat' program also signifies BOQ's commitment to supporting its people to enhance customer experience.

By focusing on the four strategic pillars, BOQ aims to deliver robust and sustainable financial performance, consistent growth in returns to shareholders and superior service to customers and the wider community.

Programme Summary

The following is a brief summary only and should be read in conjunction with the rest of this Information Memorandum and, in relation to any Term Instruments, in conjunction with the relevant Pricing Supplement and, to the extent applicable, the Terms and Conditions of the Instruments as set out in this Information Memorandum. A reference to a "Pricing Supplement" does not limit the provisions or features of this Programme which may be supplemented, amended, modified or replaced by a Supplement in relation to a particular Tranche or Series of Debt Instruments.

Capitalised expressions have the meanings given in the relevant Terms and Conditions.

- Issuer:** Bank of Queensland Limited (ABN 32 009 656 740).
- Programme:** Subject to applicable legal and regulatory restrictions, a combined non-underwritten revolving domestic debt instrument programme for the issuance of unsubordinated notes ("**Senior Notes**"), subordinated medium term notes ("**Subordinated Notes**" and, together with Senior Notes, "**Notes**"), transferable deposits ("**TDs**") and other debt instruments. The Notes or TDs, as the case may be, may be issued as either Term Instruments (with a maturity of not less than 365 days) ("**Term Instruments**") or Short Term Instruments (with a maturity of less than 365 days) ("**Short Term Instruments**").
- Programme Limit:** A\$8,000,000,000 (or its equivalent in any other currency).
- The Programme Limit may be increased by agreement between the Issuer and the current Dealers to the Programme from time to time.
- Arranger:** UBS AG, Australia Branch
- Dealers:** UBS AG, Australia Branch
Westpac Banking Corporation
- Additional Dealers may be appointed by the Issuer from time to time for a specific Tranche of Instruments or to the Programme generally in accordance with the Dealer Agreement dated 26 May 2000 as amended and restated on 8 November 2005 and 18 December 2018 ("**Dealer Agreement**").
- Details and particulars of the applicable Australian Business Number ("**ABN**") and Australian financial services licence number ("**AFSL**") for the Dealers are set out in the section entitled "Directory" below.
- Registrar:** Computershare Investor Services Pty Limited (ABN 48 078 279 277) and any other person appointed by the Issuer to perform registry functions and establish and maintain the register ("**Register**") on the Issuer's behalf from time to time in respect of a Tranche or Series of Instruments. Details of additional appointments in respect of a Tranche or Series will be notified in the relevant Pricing Supplement.
- Calculation Agent:** If a Calculation Agent is required for the purpose of calculating any amount or making any determination under an Instrument, such appointment will be notified in a supplement to this Information Memorandum (including but not limited to, in the relevant Pricing Supplement). The Issuer may act as its own Calculation Agent if so notified.

Issuing & Paying Agent:

The issuing and paying agent for a particular Tranche or Series will be the Registrar or such other person appointed by the Issuer to act as issuing agent or paying agent on the Issuer's behalf from time to time as notified in the relevant Pricing Supplement.

Agents:

Each Registrar, Calculation Agent and Issuing and Paying Agent, and any other person appointed by the Issuer to perform other agency functions with respect to any Tranche or Series of Instruments. Details of such appointment will be notified in the relevant Pricing Supplement.

The Issuer may terminate the appointment of any Agent and appoint additional or other Agents. However, the Issuer must at all times maintain a Registrar, and if a Calculation Agent and/or an Issuing and Paying Agent is notified as set out above, at all times maintain a Calculation Agent and/or an Issuing and Paying Agent as the case may be.

Status:

Instruments may be issued on an unsubordinated or subordinated basis, as specified in the applicable Pricing Supplement.

Senior Notes will rank at least equally with all other unsecured and unsubordinated obligations of the Issuer, except liabilities mandatorily preferred by law.

The rights and claims of holders of Subordinated Notes against the Issuer in respect of payments under the Subordinated Notes are subordinated to the claims of Senior Creditors.

The Issuer intends that Subordinated Notes constitute Tier 2 Capital as described in APRA's prudential standards and be able to absorb losses at the point of non-viability. Accordingly:

- (a) the Issuer's obligations in respect of the Subordinated Notes will be subordinated in the manner provided in Condition 4 ("Status") of the Subordinated Notes; and
- (b) if a Non-Viability Trigger Event occurs, Subordinated Notes may be either (i) Converted into Ordinary Shares of the Issuer, or (ii) Written-off or Written-down (and all rights and claims of the holders terminated) in the manner provided in Conditions 5 ("Non-viability, Conversion and Write-off") and 6 ("Procedures for Conversion") of the Subordinated Notes.

TDs may be issued by the Issuer on an unsubordinated basis and will rank at least equally with all other unsecured and unsubordinated obligations of the Issuer, except liabilities mandatorily preferred by law.

The ranking of any Instruments is not affected by the date of registration of the name of any holder of an Instrument in the Register.

The Issuer is an ADI.

Section 13A(3) of the Banking Act provides that the assets of an ADI in Australia would, in the event of the ADI becoming unable to meet its obligations or suspending payment, be available to meet certain liabilities in priority to all other liabilities of that ADI. The liabilities which have priority, by virtue of section 13A(3) of the Banking Act, to the claims of holders in respect of the Instruments will be substantial, as such liabilities include (but are not limited to) liabilities owed to APRA in respect of any payments by APRA to holders of protected accounts (as defined above) held with that ADI under the Banking Act, the costs of APRA in certain circumstances,

liabilities in Australia owed to holders of protected accounts held with that ADI, debts due to the RBA and liabilities under certified industry support contracts.

For the purposes of section 13(A) of the Banking Act, the assets of the ADI do not include any interest in an asset (or part of an asset) in a cover pool (as defined in the Banking Act) that may have been established for the issuance of any covered bonds.

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

Instruments would not constitute deposit liabilities or protected accounts under such statutory provisions.

Solvency Condition applies to Subordinated Notes:

The Issuer is not required to make any payment in respect of Subordinated Notes if it would not be Solvent both at the time that payment is due and immediately after making the payment. Unpaid amounts will accrue interest until paid and will be payable on the first date on which the Issuer meets the Solvency Condition.

However, if Subordinated Notes have been Converted or Written-off on account of a Non-Viability Trigger Event, the Issuer's accrued and future obligations to make payments will cease and holders of Subordinated Notes will have no rights to recover any unpaid amounts.

Conversion or Write-off of Subordinated Notes on Non-Viability Trigger Event:

If a Non-Viability Trigger Event occurs, and the Subordinated Notes are required to be Converted or Written-off, the Subordinated Notes (including the right to payments of accrued but unpaid interest and repayment of the Outstanding Principal Amount) will be immediately and irrevocably terminated.

Limited Events of Default under Subordinated Notes:

The Subordinated Notes are subject to limited Events of Default. The details of, and remedies for, Events of Default are contained in Condition 9 ("Events of Default") of the Subordinated Notes.

No set-off in relation to Subordinated Notes:

Neither the Issuer nor any holder of Subordinated Notes is entitled to set-off any amounts due in respect of the Subordinated Notes held by the holder against any amount of any nature owed by the Issuer to the holder or by the holder to the Issuer (as applicable).

Governing law:

The Instruments and all related documentation will be governed by the laws of Queensland.

Use of proceeds:

The net proceeds of any issue of Instruments will be used by the Issuer for general financing purposes.

Term:

The term of the Programme continues until terminated by the Issuer giving 30 days' notice to the current Dealers to the Programme, or earlier by agreement between the Issuer and the current Dealers to the Programme.

Currency:

Subject to all applicable laws and regulations, Instruments may be issued in Australian dollars or any other currency specified in a Pricing Supplement.

Stamp duty: Any stamp duty incurred at the time of issue of the Instruments will be for the account of the Issuer. Any stamp duty incurred on a transfer of Instruments will be for the account of the relevant investors.

As at the date of this Information Memorandum, no stamp duty in any Australian State or Territory should be payable on the issue, transfer or redemption of the Instruments.

Taxes, withholdings and deductions: All payments made in respect of Instruments are subject in all cases to applicable provisions of fiscal and other laws and directives ("**Relevant Laws**"). If the Issuer, or anyone making a payment on the Issuer's behalf, is required by any Relevant Law to deduct or withhold any amounts from the payment otherwise due to the holder of an Instrument, it will do so.

Unless otherwise specified in the Pricing Supplement, all payments by the Issuer in respect of the Instruments will be made free and clear of and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Commonwealth of Australia or any political subdivision thereof or any authority therein or thereof, unless such withholding or deduction is required by law. If a withholding or deduction is required by law, then, subject to certain customary exceptions, the Issuer will pay such additional amounts as may be necessary in order that the net amount received by the Noteholders after such withholding or deduction equals the respective amounts which would otherwise have been receivable in respect of the Instruments in the absence of such withholding or deduction.

The Issuer may be required under Australian taxation laws to deduct (and, if so required, will deduct or will cause to be deducted) amounts from payments in respect of an Instrument at the prescribed rate if an Australian resident investor or a non-resident investor that holds an Instrument in the course of carrying on a business at or through a permanent establishment in Australia has not supplied an appropriate tax file number, (if applicable) an ABN or exemption details as may be necessary to enable the payment to be made without the required withholding or deduction.

A brief overview of the Australian taxation treatment of payments of interest on the Instruments and certain other matters is set out in the section entitled "Australian Taxation" below. A brief overview of the impact of the United States Foreign Account Tax Compliance Act and the OECD Common Reporting Standard is set out in the section entitled "U.S. Foreign Account Tax Compliance Act and OECD Common Reporting Standard" below.

Potential investors should obtain their own taxation advice regarding the taxation consequences of investing in any Instruments.

Rating: Information with respect to credit ratings may be provided to persons who are "wholesale clients" within the meaning of section 761G of the Corporations Act.

A credit rating is not a recommendation to buy, sell or hold Instruments and is subject to revision, suspension or withdrawal at any time by the relevant rating agency.

Credit ratings are for distribution only to a person:

(a) who is not a "retail client" within the meaning of section 761G of the Corporations Act and is also a person in respect of whom

disclosure is not required under Parts 6D.2 or 7.9 of the Corporations Act; and

- (b) who is otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person may be located.**

Anyone who is not such a person is not entitled to receive this Information Memorandum and anyone who receives this Information Memorandum must not distribute it to any person who is not entitled to receive it.

Title: Entry of the name of a person in the Register in respect of an Instrument constitutes the obtaining or passing of title and is conclusive evidence that the person so entered is the registered owner of the Instrument subject to correction for fraud or error. Title to the Instruments passes when the details of the transfer are entered in the Register.

Instruments held in the Austraclear System will be registered in the name of Austraclear Ltd (ABN 94 002 060 773) ("**Austraclear**").

Title to Instruments held in a Clearing System (as defined below) will be determined in accordance with the rules and regulations of that Clearing System. No certificates or other evidence of title in respect of any Instruments will be issued to holders of Instruments unless the Issuer determines that certificates should be available or are required by any applicable law or directive.

Denominations: Subject to any applicable legal or regulatory requirements, Instruments will be issued in denominations of A\$10,000 or such other amount specified in the relevant Pricing Supplement.

Transfer procedure: Instruments may only be transferred in whole but not in part.

Unless otherwise specified in a Pricing Supplement, Instruments may only be transferred if:

- (a) in the case of Instruments to be transferred in or into Australia:
- (i) the offer or invitation giving rise to the transfer of the Instruments is for an aggregate consideration of at least A\$500,000 (or its equivalent in an alternative currency and, in either case, disregarding monies lent by the transferor or its associates to the transferee) or the transfer does not require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act;
 - (ii) the transfer is not to a "retail client" (ii) for the purposes of section 761G of the Corporations Act; and
 - (iii) such action does not require any document to be lodged with ASIC; and
- (b) at all times, the transfer complies with all applicable laws or directives of the jurisdiction where the transfer takes place.

Instruments entered in the Austraclear System will be transferred only in accordance with the Austraclear Regulations.

If Instruments are not entered in or are removed from the Austraclear System, application for the transfer of Instruments must be made by lodgment of a duly completed transfer and acceptance form with the Registrar. Transfer and acceptance forms are obtainable from the Registrar. A transfer takes effect upon the transferee's name being entered on the Register.

Transfers of Instruments outside Australia must be made by lodgment of a duly completed transfer and acceptance form with the Registrar and in compliance with the laws of any jurisdiction in which such transfer takes place.

Transfers of Instruments will not be registered on the Register during the period between 5.00 pm (Sydney time) on the relevant Record Date and the corresponding date for payment of principal or interest or later than 5.00 pm (Sydney time) on the Record Date prior to the Maturity Date of the Instruments.

Clearing system:

The Issuer will apply to Austraclear for approval for the Instruments to be traded on the settlement system operated by Austraclear ("**Austraclear System**"). Upon approval by Austraclear, the Instruments will be traded through the Austraclear System in accordance with the rules and regulations of the Austraclear System. Such approval by Austraclear is not a recommendation or endorsement by Austraclear of the Instruments.

On admission to the Austraclear System, interests in the Instruments may also be held through Euroclear Bank SA/NV as operator of the Euroclear System ("**Euroclear**") or Clearstream Banking S.A. ("**Clearstream, Luxembourg**") (each of the Austraclear System, Euroclear and Clearstream, Luxembourg, and any other clearing system specified in the relevant Pricing Supplement, a "**Clearing System**"). In these circumstances, entitlements in respect of holdings of interests in the Instruments in Euroclear would be held in the Austraclear System by HSBC Custody Nominees (Australia) Limited as a nominee of Euroclear, while entitlements in respect of holdings of interests in the Instruments in Clearstream, Luxembourg would be held in the Austraclear System by a nominee of J.P. Morgan Chase Bank, N.A. as custodian for Clearstream, Luxembourg.

The rights of a holder of interests in the Instruments held through Euroclear or Clearstream, Luxembourg are subject to the respective rules and regulations for accountholders of Euroclear and Clearstream, Luxembourg, the terms and conditions of agreements between Euroclear and Clearstream, Luxembourg and their respective nominees and / or custodians and the rules and regulations of the Austraclear System. To the extent of any inconsistency between the rules and regulations of any relevant Clearing System and the Terms and Conditions of the Subordinated Notes which may affect the eligibility of the Subordinated Notes as Tier 2 Capital of the Issuer, then the Terms and Conditions of the Subordinated Notes (including terms set out in any applicable Pricing Supplement) will prevail.

In addition, any transfer of interests in an Instrument, which is held through Euroclear or Clearstream, Luxembourg will, to the extent such transfer will be recorded on the Austraclear System, be subject to the Corporations Act and the requirements for minimum consideration as set out in the Terms and Conditions.

The Issuer will not be responsible for the operation of the clearing arrangements, which is a matter for the clearing institutions, their nominees, their participants and the investors.

Redemption:	<p>If so specified in the relevant Pricing Supplement, Instruments entered in the Austraclear System will be redeemed at maturity through Austraclear in a manner consistent with the Austraclear Regulations or, where the Instruments are not entered in or have been removed from the Austraclear System, by payment by electronic transfer or cheque made in accordance with the Terms and Conditions.</p> <p>Subordinated Notes are only able to be redeemed prior to their stated maturity subject to the Issuer having obtained the prior written approval of APRA (as provided in the Terms and Conditions of the Subordinated Notes). Approval is at the discretion of APRA and may or may not be given.</p>
Redemption for taxation or regulatory reasons:	<p>Instruments (other than Subordinated Notes) may be redeemed prior to their stated maturity for taxation reasons as set out in the relevant Terms and Conditions.</p> <p>If so specified in the relevant Pricing Supplement, Subordinated Notes may be redeemed prior to their stated maturity following the occurrence of certain tax events (as provided in the relevant Terms and Conditions).</p> <p>Subordinated Notes may also be redeemed prior to their stated maturity if the Issuer is not or will not be entitled to treat all of the Subordinated Notes of a Series as Tier 2 Capital (as provided in the relevant Terms and Conditions).</p>
Payments:	<p>Payments of principal and interest under Instruments entered in the Austraclear System will be made in accordance with the Austraclear Regulations. If the Instruments are not entered in or are removed from the Austraclear System, payments will be made to the persons whose names are entered in the Register to an account in Australia previously notified to the Issuer and the Registrar.</p> <p>If the registered owner of the Instrument has not notified such an account by the relevant time, payment will be made by cheque (drawn on a bank in Australia in favour of the registered owner (or to the first named if joint registered owners)) and mailed to the registered owner (or to the first named of joint registered owners) of such Instrument.</p>
Listing:	<p>An application may be made by the Issuer to be admitted to the official list of, and/or for one or more Tranches of Instruments to be quoted on the Australian Securities Exchange operated by ASX Limited (ABN 98 008 624 691) ("ASX") or on any other stock or securities exchange (in accordance with applicable laws and directives).</p> <p>Any Instruments which are quoted on the ASX will not be transferred through, or registered on, the Clearing House Electronic Sub-Register System ("CHESS") operated by ASX Settlement Pty Limited (ABN 49 008 504 532) and will not be "Approved Financial Products" for the purposes of CHESS. Interests in the Instruments will instead be held in, and transferrable through, the Austraclear System.</p> <p>The applicable Pricing Supplement in respect of the issue of any Tranche of Instruments will specify whether or not such Instruments will be quoted on any stock or securities exchange.</p>

Selling restrictions: The offer, sale and delivery of Instruments and the distribution of this Information Memorandum and other material in relation to any Instruments are subject to such restrictions as may apply in any country in connection with the offering and sale of a particular Tranche of Instruments. In particular, restrictions on the offer or sale of the Instruments in Australia and on the offer or sale of Instruments in the United States of America, the United Kingdom, the European Economic Area, Japan, Singapore and Hong Kong are set out in the section entitled “Selling Restrictions” below.

A. Short Term Instrument Summary

Form:	Short Term Instruments will take the form of either TDs or Senior Notes. They will be constituted either by the acceptance of the amount deposited on the terms and conditions of the Second Note and TD Deed Poll dated 18 April 2016 (" Deed Poll "). They will take the form of entries on the Register. No certificate or other evidence of title will be issued. There is no trustee for the holders of Short Term Instruments.
Tenor:	Short Term Instruments will be issued with a minimum tenor of seven days and a tenor of less than 365 days.
Purchase price:	The purchase price for Short Term Instruments will be the amount agreed between the Issuer and the Dealer purchasing the Short Term Instruments, as specified in the relevant Pricing Supplement.
Interest:	Short Term Instruments may be interest bearing or non-interest bearing. Interest (if any) may accrue at a fixed or floating rate.
Interest payment dates:	Interest (if any) payable on Short Term Instruments is payable on the date or dates specified in the relevant Pricing Supplement.

B. Term Instrument Summary

Form:	Term Instruments will take the form of either TDs or Notes. They will be constituted either by the acceptance of the amount deposited on the terms and conditions of the Deed Poll. They will take the form of entries on the Register. No certificate or other evidence of title will be issued. The Term Instruments of any Series may be described as “Notes”, “Senior Notes”, “Subordinated Notes”, “Bonds”, “Instruments”, “Transferable Deposits”, “TDs” or by any other marketing name specified in the relevant Pricing Supplement. There is no trustee for the holders of Term Instruments.
Issuance in Series:	Term Instruments will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Term Instruments of each Series will all be subject to identical terms, except that the issue date and the amount of the first payment of interest may be different in respect of different Tranches of a Series and a Tranche or Series may comprise Term Instruments in more than one denomination.
Tenor:	Term Instruments will be issued with a tenor as specified in the relevant Pricing Supplement, but not less than 365 days.
Purchase price:	The purchase price for Term Instruments will be the amount agreed between the Issuer and the Dealer purchasing the Term Instruments, as specified in the relevant Pricing Supplement.
Interest:	Term Instruments may be interest bearing or non-interest bearing. Interest (if any) may accrue at a fixed or floating rate.
Interest payment dates:	Interest (if any) payable on Term Instruments is payable on the date or dates specified in the relevant Pricing Supplement.

Terms and Conditions of Senior Notes

The following are the Terms and Conditions of the Senior Notes which, as supplemented, modified or replaced in relation to any Senior Notes by the relevant Pricing Supplement, will be applicable to each Series of Senior Notes.

Each Tranche will be the subject of a Pricing Supplement. References in the Terms and Conditions to a Pricing Supplement are references to the Pricing Supplement applicable to the relevant Tranche of Senior Notes.

Each Noteholder and any person claiming through or under a Noteholder is deemed to have notice of and is bound by these Terms and Conditions, the Deed Poll, the Information Memorandum, and the relevant Pricing Supplement. Copies of each of these documents (to the extent they relate to a Tranche of Senior Notes) are available for inspection by the holder of any Senior Note of such Tranche at the offices of the Issuer at its address specified in the Information Memorandum.

1 Interpretation

1.1 Definitions

The following words have these meanings in these Terms and Conditions unless the contrary intention appears:

Additional Amounts has the meaning given in Condition 8.6 (“Taxation”);

Alternate Currency means a currency (other than Australian Dollars) which is specified in the Pricing Supplement;

Amortised Face Amount means in relation to a Senior Note, an amount equal to the sum of:

- (a) the Purchase Price specified in the Pricing Supplement; and
- (b) the product of the Amortisation Yield specified in the Pricing Supplement (compounded annually) being applied to the Purchase Price (as specified in the Pricing Supplement) from (and including) the Issue Date specified in the Pricing Supplement to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Senior Note becomes due and repayable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of the Day Count Fraction specified in the Pricing Supplement;

Applicable Business Day Convention means the Business Day Convention specified in the Pricing Supplement as applicable to any date in respect of the Senior Note or, if none is specified, the Applicable Business Day Convention for such purpose is the Following Business Day Convention. Different Business Day Conventions may apply, or be specified in relation to, the Interest Payment Dates and any other date or dates in respect of any Senior Notes;

APRA means the Australian Prudential Regulation Authority;

Austraclear means Austraclear Ltd (ABN 94 002 060 773);

Austraclear Regulations means the regulations known as the “Austraclear Regulations” together with any instructions or directions (as amended or replaced from time to time), established by Austraclear to govern the use of the Austraclear System and binding on the participants in that system;

Austraclear System means the clearing and settlement system operated by Austraclear for holding securities and electronic recording and settling of transactions in those securities between the participants of that system;

Australian Dollar Equivalent means for an amount denominated in an Alternate Currency, the Australian Dollar Equivalent of that amount determined on the basis of the spot rate of exchange for the sale of Australian Dollars against the purchase of the relevant Alternate Currency in the Sydney foreign exchange market quoted by any leading bank selected by the Issuer on the relevant calculation date. The calculation date is, at the discretion of the Issuer, either the date of the relevant Pricing Supplement for such Senior Notes or the preceding day on which commercial banks and foreign exchange markets are open for business in Sydney;

Australian Securities Exchange means the securities exchange operated by ASX Limited (ABN 98 008 624 691);

Business Day means:

- (a) a day (other than a Saturday, Sunday or public holiday) on which commercial banks are open for general banking business in the place specified in the Pricing Supplement, or, if no such place is specified, Sydney and Brisbane; and
- (b) if a Senior Note is to be issued or paid on such Business Day, a day on which commercial banks settle payments in the relevant currency in Sydney and Brisbane and a day on which the Austraclear System is operating;

Business Day Convention means a convention for adjusting any date if it would otherwise fall on a day that is not a Business Day and the following Business Day Conventions, where specified in the Pricing Supplement in relation to any date applicable to any Senior Note, have the following meanings:

- (a) **Floating Rate Convention** means that the date is postponed to the next following day which is a Business Day unless that day falls in the next calendar month, in which event:
 - (i) such date is brought forward to the first preceding day that is a Business Day; and
 - (ii) each subsequent Interest Payment Date is the last Business Day in the month which falls the number of months or other period specified as the Interest Period in the applicable Pricing Supplement after the preceding applicable Interest Payment Date occurred;
- (b) **Following Business Day Convention** means that the date is postponed to the first following day that is a Business Day;
- (c) **Modified Following Business Day Convention** or **Modified Business Day Convention** means that the date is postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date is the first preceding day that is a Business Day; and
- (d) **Preceding Business Day Convention** means that the date is brought forward to the first preceding day that is a Business Day;

Calculation Agent means, in respect of a Tranche, the person (if any) specified as such in the relevant Pricing Supplement. The Calculation Agent must be the same for all Senior Notes in a Series;

Code means the United States of America Internal Revenue Code of 1986 (as amended);

Condition means the correspondingly numbered condition in these Terms and Conditions;

Corporations Act means the Corporations Act 2001 of Australia;

Costs includes costs, charges and expenses, including those incurred in connection with advisers;

Day Count Fraction means, in respect of the calculation of an amount for any period of time (“**Calculation Period**”), the day count fraction specified in the Pricing Supplement and:

- (a) if “**Actual/Actual (ICMA)**” is so specified, means:
- (i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period, and (2) the number of Regular Periods normally ending in any year; and
 - (ii) where the Calculation Period is longer than one Regular Period, the sum of:
 - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period, and (2) the number of Regular Periods normally ending in any year;
- (b) if “**Actual/Actual**” or “**Actual/Actual (ISDA)**” is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of:
- (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366; and
 - (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (c) if “**Actual/365 (Fixed)**” is so specified, means the actual number of days in the Calculation Period divided by 365;
- (d) if “**Actual/360**” is so specified, means the actual number of days in the Calculation Period divided by 360;
- (e) if “**30/360**”, “**360/360**” or “**Bond Basis**” is so specified, means the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

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

where:

- “**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;
- “**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- “**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;
- “**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

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

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

- (f) if “**30E/360**” or “**Eurobond Basis**” is so specified means, the number of days in the Interest Period divided by 360 calculated on a formula basis as follows:

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of

February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30;

- (h) if “**RBA Bond Basis**” “**Australian Bond Basis**” is so specified, means one divided by the number of Interest Payment Dates in a year (or where the Calculation Period does not constitute an Interest Period, the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of:
- (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366; and
 - (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365)); and
- (i) any other day count fraction specified in the Pricing Supplement;

Deed Poll means:

- (a) the Second Note and TD Deed Poll dated 18 April 2016; and
- (b) such other deed poll that supplements, amends, amends and restates, modifies or replaces the deed referred to above, or which is otherwise acknowledged in writing to be a deed poll for the purposes of the Programme,

in each case executed by the Issuer;

Denomination means the notional face value of a Senior Note as specified in the relevant Pricing Supplement;

Early Termination Amount means in relation to a Senior Note, the Outstanding Principal Amount or, if the Senior Note is non-interest bearing, the Amortised Face Amount or such other redemption amount as may be specified in, or determined in accordance with the provisions of, the Pricing Supplement;

Event of Default in relation to a Senior Note has the meaning given to it in Condition 7.1 (“Events of Default - Senior Notes”);

Extraordinary Resolution has the same meaning as in the Meetings Provisions;

FATCA means:

- (a) sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986 or any associated regulations;
- (b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the United States of America and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or
- (c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (a) or (b) above with the United States of America Internal Revenue Service, the United States of America government or any governmental or taxation authority in any other jurisdiction;

Final Broken Amount has the meaning given to it in the Pricing Supplement;

Government Agency means any government or any governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity;

Information Memorandum means, in respect of a Senior Note:

- (a) the Information Memorandum dated 18 December 2018 or the then latest information memorandum which replaces that document; or
- (b) the information memorandum or other offering document referred to in the Pricing Supplement,

in each case prepared by, or on behalf of, and approved in writing by, the Issuer in connection with the issue of that Senior Note and all other documents incorporated by reference in it, including any applicable Pricing Supplement and any other applicable amendments or supplements to it;

Initial Broken Amount has the meaning given to it in the Pricing Supplement;

Interest Accrual Period means, in respect of an Interest Period, each successive period beginning on and including an Interest Period End Date and ending on but excluding the next succeeding Interest Period End Date during that Interest Period provided that the first Interest Accrual Period commences on and includes the Interest Commencement Date and the final Interest Accrual Period ends on but excludes the Maturity Date;

Interest Commencement Date means the Issue Date or such other date as may be specified as such in the Pricing Supplement;

Interest Determination Date means the date so specified in, or determined in accordance with, the Pricing Supplement;

Interest Payment Date means the date or dates specified as such in, or determined in accordance with the provisions of, the Pricing Supplement and adjusted, if necessary, in accordance with the Applicable Business Day Convention;

Interest Period means each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date provided that the first Interest Period commences on and includes the Interest Commencement Date and the final Interest Period ends on but excludes the Maturity Date;

Interest Period End Date means the dates specified as such in, or determined in accordance with the provisions of, the Pricing Supplement as adjusted, if necessary, in accordance with the Applicable Business Day Convention or, if no date or dates are specified in the Pricing Supplement, means the dates which correspond with the Interest Payment Dates in respect of the Senior Notes;

Interest Rate means the rate or rates (expressed as a percentage per annum) or amount or amounts (expressed as a price per unit of relevant currency) of interest payable in respect of the Senior Notes specified in, or calculated or determined in accordance with the provisions of, the Pricing Supplement and in the case of floating rate Senior Notes, the rate determined in accordance with Condition 5.3 ("Interest - floating rate");

Issue Date means the day on which any Senior Note is or is to be issued as specified in or determined in accordance with the provisions of the Pricing Supplement;

Issuer means Bank of Queensland Limited (ABN 32 009 656 740);

Margin means the margin specified in, or determined in accordance with the provisions of, the Pricing Supplement;

Maturity Date means the date for redemption of a Senior Note or, in the case of an amortising Senior Note, the date on which the last instalment of principal is payable, in each case, as specified in the Pricing Supplement;

Maturity Redemption Amount means in relation to a Senior Note, the Outstanding Principal Amount or such other redemption amount as may be specified in, or calculated or determined in accordance with the provisions of, the Pricing Supplement;

Maximum Interest Rate means the Maximum Interest Rate specified in, or calculated or determined in accordance with the provisions of, the Pricing Supplement;

Meetings Provisions means the provisions for the convening of meetings of, and passing of resolutions by, Noteholders set out in the schedule to the Deed Poll;

Minimum Interest Rate means the Minimum Interest Rate specified in, or calculated or determined in accordance with the provisions of, the Pricing Supplement;

Noteholder means a means a person whose name is for the time being entered in the Register as the holder of a Senior Note or, where a Senior Note is owned jointly by two or more persons, the persons whose names appear in the Register as the joint owners of that Senior Note;

Ordinary Resolution has the same meaning as in the Meetings Provisions;

Outstanding means, on any date, Senior Notes which have not been redeemed or satisfied in full by the Issuer;

Outstanding Principal Amount means in respect of a Senior Note which is Outstanding at any time, the Denomination of the Senior Note less the aggregate of any part of the principal amount of that Senior Note that has been paid or otherwise satisfied by the Issuer and for such purposes:

- (a) the premium of a Senior Note issued or to be redeemed at a premium is to be taken to be added to the principal amount;
- (b) the principal amount of a Senior Note issued at a discount is to be taken as at any time to equal its Denomination or, if provided for in its terms and conditions, its amortised principal amount at that time;
- (c) the principal amount of a partly paid Senior Note is to be taken to equal its outstanding principal amount; and
- (d) if an amount is required to be determined in Australian Dollars, the Australian Dollar equivalent of the Alternate Currency is to be determined on the basis of the spot rate of exchange for the sale of Australian Dollars against the purchase of such relevant Alternate Currency in the Sydney foreign exchange market quoted by any leading bank selected by the Issuer on the relevant calculation date. The calculation date is, at the discretion of the Issuer, either the date of the Pricing Supplement for such Senior Notes or the preceding day on which commercial banks and foreign exchange markets are open for business in Sydney or such other date as may be specified by the Issuer in the Pricing Supplement;

Payment Date means, in respect of a Senior Note, an Interest Payment Date, the Maturity Date or other relevant payment date (including an early payment date);

Pricing Supplement means:

- (a) in the case of Term Instruments, a pricing supplement prepared and issued in relation to Term Instruments of a relevant Tranche or Series confirmed in writing by the Issuer; or
- (b) in the case of Short Term Instruments, a confirmation of acceptance of an offer for Short Term Instruments confirmed in writing by the Issuer;

Programme means the Issuer's uncommitted revolving programme for the issuance of Senior Notes and other debt instruments under the Transaction Documents;

Purchase Price means, in respect of a Senior Note, the purchase price so specified in the relevant Pricing Supplement;

Record Date means, in the case of payments of interest or principal, the eighth calendar day before the relevant date for payment or such date that may be specified in the relevant Pricing Supplement;

Reference Banks means the institutions specified as such in the Pricing Supplement or, if none, four major banks selected by the Calculation Agent in the inter-bank market that is most closely connected with the Reference Rate;

Reference Rate means, in relation to a Senior Note, the rate so specified in the relevant Pricing Supplement;

Register means a register, including any branch register, of Noteholders established and maintained by the Issuer in which is entered the names and addresses of Noteholders whose Senior Notes are carried on that register, the amount of Senior Notes held by each Noteholder and the Tranche, Series and date of issue and transfer of those Senior Notes, and any other particulars which the Issuer sees fit;

Registrar means Computershare Investor Services Pty Limited (ABN 48 078 279 277) or such other person appointed by the Issuer pursuant to the Registry Services Agreement to establish and maintain the Register on the Issuer's behalf from time to time;

Registry Services Agreement means the agreement entitled "Registrar and Paying Agency Agreement" dated 18 December 2018 between the Issuer and Computershare Investor Services Pty Limited;

Regular Period means:

- (a) in the case of Senior Notes where interest is scheduled to be paid only by means of regular payments, each Interest Period;
- (b) in the case of Senior Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls; and
- (c) in the case of Senior Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;

Relevant Date means the date on which a payment in respect of the Senior Notes just becomes due, except that if the full amount payable has not been received by the Registrar on or before the due date, it means the date on which, the full amount having been so received, notice to that effect is given to the Noteholders in accordance with Condition 11 ("Notices");

Resolution means an Extraordinary Resolution or Ordinary Resolution, as the context requires;

Security Interest includes any mortgage, pledge, lien or charge or any security or preferential interest or arrangement of any kind (including, without limitation, retention of title and any deposit of money by way of security), but excluding:

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- (a) any charge or lien arising in favour of any Government Agency by operation of statute (provided there is no default in payment of moneys owing under such charge or lien);
 - (b) a right of title retention in connection with the acquisition of goods in the ordinary course of business on the terms of sale of the supplier (provided there is no default in connection with the relevant acquisition); and
 - (c) any security or preferential interest or arrangement arising under or created pursuant to any right of set-off;

Senior Note means a note being a debt obligation of the Issuer constituted by and owing under the Deed Poll to a Noteholder, the details of which are recorded in, and evidenced by, inscription in the Register. References to a particular type of “Senior Note” shall be read and construed accordingly and all references to “Senior Notes” must, unless the context otherwise requires, be read and construed as references to the Senior Notes of a particular Series;

Series means a Tranche or Tranches of Senior Notes which are identical, except that:

- (a) the Issue Date and the amount of the first payment of interest may be different in respect of different Tranches of a Series; and
- (b) a Series may comprise Senior Notes in more than one Denomination;

Short Term Instrument means a Senior Note which has a Tenor of less than 365 days;

Subsidiary of an entity means another entity which is a subsidiary of the first within the meaning of part 1.2 division 6 of the Corporations Act;

Tax Act means the Income Tax Assessment Act 1936 of Australia and where applicable, the Income Tax Assessment Act 1997 of Australia;

Taxes has the meaning given to that term in Condition 8.6 (“Taxation”);

Tenor of a Senior Note means the number of days from and including its Issue Date to, and excluding, its Maturity Date;

Term Instrument means a Senior Note which will have a Tenor of not less than 365 days;

Terms and Conditions means, in respect of a Senior Note, these terms and conditions as amended, supplement, modified or replaced by the Pricing Supplement applicable to such Senior Note;

Tranche means Senior Notes which are issued on the same Issue Date and the terms of which are identical in all respects (except that a Tranche may comprise Senior Notes in more than one denomination); and

Transaction Documents means each of the Deed Poll, each Senior Note, each Pricing Supplement and the Registry Services Agreement.

1.2 References to certain general terms

Unless the contrary intention appears, a reference in these Terms and Conditions to:

- (a) these Terms and Conditions is a reference to these terms and conditions as modified, supplemented or replaced by the Pricing Supplement;
- (b) “**Australian Dollars**”, “**A\$**” or “**dollars**” is a reference to the lawful currency of the Commonwealth of Australia;
- (c) a “**law**” includes common law, principles of equity, decree and any statute or other law made by any parliament (where a “**statute**” or “**other law**” made by parliament includes

regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them);

- (d) a “**directive**” includes a treaty, official directive, request, regulation, guideline or policy (whether or not having the force of law) with which responsible participants in the relevant market generally comply;
- (e) a document (including these Terms and Conditions) includes any variation or replacement of it;
- (f) the singular includes the plural and vice versa;
- (g) the word “**person**” includes a firm, body corporate, an unincorporated association or an authority;
- (h) a particular person includes a reference to the person’s executors, administrators, successors, substitutes (including, without limitation, persons taking by novation) and assigns;
- (i) anything (including, without limitation, any amount) is a reference to the whole and each part of it and a reference to a group of persons is a reference to all of them collectively and to each of them individually;
- (j) a time of day is a reference to Sydney time;
- (k) an agreement, representation or warranty in favour of two or more persons is for the benefit of them jointly and each of them individually; and
- (l) the words “**including**”, “**for example**” or “**such as**” when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind.
- (m) a reference to the Issuer, the Registrar, the Calculation Agent or another Agent is a reference to the person so specified in the Pricing Supplement;
- (n) if the Senior Notes are Zero Coupon Senior Notes which do not bear interest, references to interest are not applicable; and
- (o) a reference to a particular date is a reference to that date adjusted in accordance with the applicable Business Day Convention.

1.3 References to principal and interest

Unless the contrary intention appears, in these Terms and Conditions:

- (a) any reference to “**principal**” is taken to include the Maturity Redemption Amount, any premium payable in respect of a Senior Note, and any other amount in the nature of principal payable in respect of the Senior Notes under these Terms and Conditions;
- (b) the principal amount of a Senior Note issued at a discount is to be taken as at any time to equal the lesser of:
 - (i) its denomination; and
 - (ii) if specified in the Pricing Supplement, its Amortised Face Amount at that time;
- (c) the principal amount of a Senior Note which is to vary by reference to a schedule or formula (where such determination has been previously made in accordance with these Terms and Conditions) is to be taken as at any time to equal its varied amount;

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- (d) the principal amount of a partly paid Senior Note is to be taken to equal its paid up principal amount; and
 - (e) any reference to “**interest**” is taken to include any Additional Amounts and any other amount in the nature of interest payable in respect of the Senior Notes under these Terms and Conditions.

1.4 Headings

Headings (including those in brackets at the beginning of paragraphs) are for convenience only and do not affect the interpretation of these Terms and Conditions.

1.5 Terms defined in Pricing Supplement

Terms which are defined in the Pricing Supplement as having a defined meaning have the same meaning when used in these Terms and Conditions but if the Pricing Supplement gives no meaning or specifies that the definition is “Not Applicable”, then that definition is not applicable to the Senior Notes.

2 Form, denomination and title

2.1 Constitution under Deed Poll

The Senior Notes are registered debt obligations of the Issuer constituted by, and owing under, the Deed Poll and take the form of entries in the Register. Each entry in the Register constitutes a separate and individual acknowledgment to the Noteholder of the indebtedness of the Issuer to the Noteholder.

2.2 Independent obligations

The obligations of the Issuer in respect of each Senior Note constitute separate and independent obligations which the Noteholder to whom those obligations are owed is entitled to enforce without having to join any other Noteholder or any predecessor in title of a Noteholder.

2.3 Currency

Senior Notes may be denominated in Australian Dollars or an Alternate Currency specified in the Pricing Supplement.

2.4 Denomination

Unless otherwise specified in the Pricing Supplement, Senior Notes are issued in the denominations of A\$10,000.

2.5 Register conclusive

Entries in the Register in relation to a Senior Note constitute conclusive evidence that the person so entered is the registered owner of the Senior Note subject to rectification for fraud or error. No Senior Note will be registered in the name of more than 4 persons. A Senior Note registered in the name of more than one person is held by those persons as joint tenants. Senior Notes will be registered by name only without reference to any trusteeship. The person registered in the Register as a Noteholder of a Senior Note will be treated by the Issuer and the Registrar as absolute owner of that Senior Note and neither the Issuer nor the Registrar is, except as ordered by a court or as required by statute, obliged to take notice of any other claim to a Senior Note.

2.6 Holder absolutely entitled

Upon a person acquiring title to any Senior Note by virtue of becoming registered as the owner of that Senior Note, all rights and entitlements arising by virtue of the Deed Poll in respect of that Senior Note vest absolutely in the registered owner of the Senior Note, such that no person who has previously been registered as the owner of the Senior Note has or is entitled to assert against the Issuer or the Registrar or the registered owner of the Senior Note for the time being and from time to time any rights, benefits or entitlements in respect of the Senior Note.

2.7 Location of Register

The Register will be established and maintained in New South Wales unless otherwise agreed with the Registrar.

2.8 Certificates

The Senior Notes are issued in registered form. No certificate or other evidence of title will be issued by or on behalf of the Issuer to evidence title to a Senior Note unless the Issuer determines that certificates should be made available or it is required to do so pursuant to any applicable law or regulation.

2.9 Acknowledgment

Where the Austraclear System is recorded in the Register as the Noteholder, each person in whose account that Senior Note is recorded is deemed to acknowledge in favour of the Registrar and Austraclear that:

- (a) the Registrar's decision to act as the Registrar of the Senior Note does not constitute a recommendation or endorsement by the Registrar or Austraclear in relation to the Senior Note but only indicates that such Senior Note is considered by the Registrar to be compatible with the performance by it of its obligations as Registrar under its agreement with the Issuer to act as Registrar of the Senior Note; and
- (b) the Noteholder does not rely on any fact, matter or circumstance contrary to Condition 2.9(a).

3 Transfers

3.1 Limit on transfer

Senior Notes may only be transferred in whole.

3.2 Compliance with law

Unless otherwise specified in the Pricing Supplement, Senior Notes may only be transferred if:

- (a) in the case of Senior Notes to be transferred in or into Australia:
 - (i) the offer or invitation giving rise to the transfer of the Senior Notes is for an aggregate consideration of at least A\$500,000 (or its equivalent in an alternative currency and either case, disregarding monies lent by the transferor or its associates to the transferee) or transfer does not require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act; and
 - (ii) the transfer is not to a "retail client" for the purposes of section 761G of the Corporations Act; and
- (b) at all times, the transfer complies with all applicable laws or directives of the jurisdiction where the transfer takes place.

3.3 Transfer procedures

Unless Senior Notes are lodged in the Austraclear System, application for the transfer of Senior Notes must be made by the lodgment of a transfer form with the Registrar. Transfer forms are available from the Registrar. Each transfer form must be duly completed, signed by both the transferor and transferee, and accompanied by such evidence (if any) as the Registrar may require to prove the title of the transferor or the transferor's right to transfer the Senior Note.

Senior Notes entered in the Austraclear System will be transferable only in accordance with the Austraclear Regulations.

3.4 Registration of transfer

The transferor of a Senior Note is deemed to remain the holder of that Senior Note until the name of the transferee is entered in the Register in respect of that Senior Note. Transfers will not be registered during the period between 5.00 pm (Sydney time) on the relevant Record Date and the corresponding date for payment of principal or interest or later than 5.00 pm (Sydney time) on the Record Date prior to the Maturity Date of the Senior Note.

3.5 No charge on transfer

Transfers will be registered without charge provided taxes, duties or other governmental charges (if any) imposed in relation to the transfer have been paid.

3.6 Estates

A person becoming entitled to a Senior Note as a consequence of the death or bankruptcy of a Noteholder or of a vesting order or a person administering the estate of a Noteholder may, upon producing such evidence as to that entitlement or status as the Registrar considers sufficient, transfer the Senior Note or, if so entitled, become registered as the holder of the Senior Note.

3.7 Unincorporated associations

A transfer to an unincorporated association is not permitted.

3.8 Transfer of unidentified Senior Notes

Where the transferor executes a transfer of less than all Senior Notes of the relevant Tranche or Series registered in its name, and the specific Senior Notes to be transferred are not identified, the Registrar may (subject to the limit on minimum holdings) register the transfer in respect of such of the Senior Notes of the relevant Tranche or Series registered in the name of the transferor as the Registrar thinks fit, provided the aggregate principal amount of the Senior Notes registered as having been transferred equals the aggregate principal amount of the Senior Notes expressed to be transferred in the transfer.

3.9 CHES

Senior Notes which are listed on the Australian Securities Exchange will not be transferred through or registered on, the Clearing House Electronic Subregister System operated by ASX Settlement Pty Limited (ABN 49 008 504 532) and are not "Approved Financial Products" (as defined for the purposes of that system).

4 Status

4.1 Nature of obligations

The Senior Notes will be issued as unsubordinated debt obligations of the Issuer, as specified in the relevant Pricing Supplement.

The Issuer is an "authorised deposit-taking institution" ("ADI") as that term is defined under the Banking Act 1959 of Australia ("Banking Act").

Section 13A(3) of the Banking Act provides that the assets of an ADI in Australia would, in the event of the ADI becoming unable to meet its obligations or suspending payment, be available to meet certain liabilities in priority to all other liabilities of that ADI. The liabilities which have priority, by virtue of section 13A(3) of the Banking Act, to the claims of holders in respect of the Senior Notes will be substantial, as such liabilities include (but are not limited to) liabilities owed to Australian Prudential Regulation Authority ("APRA") in respect of any payments by APRA to holders of protected accounts held with that ADI under the Banking Act, the costs of APRA in certain circumstances, liabilities in Australia owed to holders of protected accounts held with that ADI, debts due to the Reserve Bank of Australia ("RBA") and liabilities under certified industry support contracts. A "protected account" is an account or covered financial product that is kept by an account-holder (whether along or jointly with one or more other account-holders) with an ADI and either:

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- (a) *is an account, or covered financial product that is kept under an agreement between the account-holder and the ADI requiring the ADI to pay the account-holder, on demand by the account-holder or at an agreed time by them, the net credit balance of the account or covered financial product at the time of the demand or the agreed time (as appropriate); or*
- (b) *an account prescribed by regulations for the purposes of section 5(4)(a) of the Banking Act.*

For the purposes of section 13(A) of the Banking Act, the assets of the ADI do not include any interest in an asset (or part of an asset) in a cover pool (as defined in the Banking Act) that may have been established for the issuance of any covered bonds.

*The Banking Act also provides that certain other debts of the ADI due to APRA shall in a winding-up of an ADI have, subject to section 13A(3) of the Banking Act, priority over all other unsecured debts of that ADI. Further, under section 86 of the Reserve Bank Act 1959 of Australia ("**Reserve Bank Act**"), debts due by an ADI to the RBA shall, in a winding-up of that ADI, subject to section 13A(3) of the Banking Act, have priority over all other debts of that ADI.*

The Senior Notes do not constitute deposit liabilities in Australia or protected accounts under such statutory provisions.

4.2 Status - Senior Notes

The Senior Notes are direct, unsubordinated and unsecured obligations of the Issuer and rank equally among themselves and at least equally with all other unsecured and unsubordinated obligations of the Issuer except liabilities mandatorily preferred by law.

The Senior Notes rank senior to the Issuer's subordinated obligations.

5 Interest

5.1 General

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

The Pricing Supplement in relation to each Tranche of interest-bearing Senior Notes will specify which of Conditions 5.2 ("Interest - fixed rate"), 5.3 ("Interest - floating rate") and 5.4 ("Interest - other rates") will be applicable to the Senior Notes. Condition 5.5 ("Interest - supplemental provisions") will be applicable to each Tranche of interest-bearing Senior Notes save to the extent of any inconsistency with the relevant Pricing Supplement.

5.2 Interest - fixed rate

Each Senior Note in relation to which this Condition 5.2 ("Interest - fixed rate") is specified in the relevant Pricing Supplement as being applicable ("**Fixed Rate Senior Notes**") will bear interest on its Outstanding Principal Amount at the fixed coupon rate or the fixed rate or rates per annum specified in the relevant Pricing Supplement from the Issue Date of the Senior Notes. Interest will be payable in arrear on the Interest Payment Dates specified in the relevant Pricing Supplement.

Interest which is required to be calculated for a period of other than a full year will be calculated on such basis as is specified as the Day Count Fraction in the relevant Pricing Supplement.

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

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

5.3 Interest - floating rate

(a) *Accrual of interest*

Senior Notes in relation to which this Condition 5.3 (“Interest - floating rate”) is specified in the relevant Pricing Supplement as being applicable (“**Floating Rate Senior Notes**”) will bear interest in respect of each Interest Period at the rate or rates per annum determined in accordance with this Condition 5.3 (“Interest - floating rate”).

Each Floating Rate Senior Note will bear interest on its Outstanding Principal Amount at the Interest Rate (as defined below) from the Interest Commencement Date. Interest will be payable in arrear on each Interest Payment Date. If any Interest Payment Date in respect of a Floating Rate Senior Note would otherwise fall on a day which is not a Business Day, such Interest Payment Date shall be determined in accordance with the Business Day Convention specified in the Pricing Supplement.

(b) *Interest Rate*

The Interest Rate payable in respect of Floating Rate Senior Notes shall be determined by the Calculation Agent as specified in the relevant Pricing Supplement.

(c) *Calculation of interest amount payable*

The Calculation Agent will, as soon as practicable on or after determining the Interest Rate in relation to each Interest Period, calculate the amount of interest payable for the relevant Interest Period in respect of the Outstanding Principal Amount of each Senior Note. The amount of interest payable will be calculated by multiplying the product of the Interest Rate for such Interest Period and the Outstanding Principal Amount by the applicable Day Count Fraction and rounding the resultant figure to the nearest cent (with halves being rounded upwards).

5.4 Interest - other rates

Senior Notes in relation to which this Condition 5.4 (“Interest - other rates”) is specified in the relevant Pricing Supplement as being applicable will bear interest at the rate or rates calculated on the basis specified in, and be payable in the amounts and in the manner determined in accordance with, the relevant Pricing Supplement.

5.5 Interest - supplemental provisions

(a) *Interest Payment Dates*

Interest on each Senior Note will be payable in arrear at such intervals and on such Interest Payment Dates as are specified in the relevant Pricing Supplement and on the Maturity Date.

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

The Calculation Agent will cause each Interest Rate, the amount of interest payable and each other amount, item or date, as the case may be, determined or calculated by it to be notified to the Issuer, the Registrar and to be notified to Noteholders in accordance with Condition 11 (“Notices”) as soon as practicable after such determination or calculation but in any event not later than the fourth Business Day thereafter. The Calculation Agent will be entitled to amend any such amount, item or date (or to make appropriate alternative arrangements by way of adjustment) without prior notice in the event of the extension or abbreviation of any relevant Interest Period

or calculation period and such amendment will be notified in accordance with the previous sentence.

(c) *Determination final*

The determination by the Calculation Agent of all amounts, rates and dates falling to be determined by it pursuant to these Conditions (including, without limitation, the Interest Rate for any Interest Period and the amount of interest payable for any Interest Period in respect of any Senior Note) is, in the absence of manifest error, final and binding on the Issuer, each Noteholder, the Registrar, and the Calculation Agent.

(d) *Accrual of interest*

Interest accrues on the Outstanding Principal Amount of each Senior Note or as otherwise indicated in the relevant Pricing Supplement. Interest ceases to accrue as from the due date for redemption of a Senior Note unless the relevant payment is not made in which case interest will continue to accrue thereon (as well after as before any demand or judgement) at the rate then applicable to the Outstanding Principal Amount of the Senior Note or such other default rate (if any) as may be specified in the relevant Pricing Supplement until the date on which the relevant payment is made or, if earlier, the seventh day after the date on which the Registrar receives the funds required to make such payment (provided that notice of such circumstance is given to the Noteholders in accordance with Condition 11 ("Notices")) except to the extent that there is failure in the subsequent payment thereof to the Noteholders.

5.6 Zero Coupon Senior Notes

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

5.7 Calculations and adjustments

The amount of interest payable in respect of any Senior Note for any period of less than one year is calculated by multiplying the product of the Interest Rate and the Outstanding Principal Amount by the Day Count Fraction, save that if the Pricing Supplement specifies an amount in respect of such period, the amount of interest payable in respect of such Senior Note for such period is equal to such specified amount. Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period is the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

If any Maximum Interest Rate or Minimum Interest Rate is specified in the Pricing Supplement, then the Interest Rate will not in any event exceed the maximum or be less than the minimum so specified.

For the purposes of any calculations referred to in these Terms and Conditions and unless otherwise specified in these Terms and Conditions or the Pricing Supplement:

- (e) all percentages resulting from such calculations will be rounded, if necessary, to the nearest fifth decimal place (with 0.000005% being rounded to 0.00001%); and
- (f) all Australian dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up).

5.8 Calculation Agent

As soon as practicable after the relevant time on such date as these Terms and Conditions or the Pricing Supplement may require:

- (a) any Amortised Face Amount, Early Termination Amount, Maturity Redemption Amount or any other amount to be calculated; or
- (b) any quote to be obtained or any determination or calculation to be made by the Calculation Agent,

the Calculation Agent will be required to:

- (i) determine the Interest Rate in respect of each Series of the Senior Notes for the relevant Interest Accrual Period, Interest Period or Interest Payment Date;
- (ii) calculate the Amortised Face Amount, Early Termination Amount, Maturity Redemption Amount or other amount; or
- (iii) obtain such quote or make such determination or calculation,

and cause the Interest Rate for each Interest Accrual Period, Interest Period or Interest Payment Date and, if required to be calculated, any Amortised Face Amount, Early Termination Amount, Maturity Redemption Amount or other amount, to be notified to the Registrar and the Issuer as soon as possible after their determination but in no event later than 5.00pm on the Business Day on which such calculation is made.

The Calculation Agent must obtain relevant quotes from appropriate banks or reference agents or obtain information from such other sources as are specified in these Terms and Conditions or the Pricing Supplement or, failing which, as the Calculation Agent deems appropriate.

The calculations and determinations made by the Calculation Agent shall, in the absence of manifest error, be final and binding on the parties.

6 Redemption and purchase

6.1 Redemption on maturity

Unless previously redeemed, or purchased and cancelled or unless such Senior Note is stated in the Pricing Supplement as having no fixed maturity date, each Senior Note shall be redeemed on maturity at its Maturity Redemption Amount.

6.2 Purchase of Senior Notes

The Issuer or any of its Subsidiaries may at any time purchase Senior Notes in the open market or otherwise and at any price. All unmatured Senior Notes purchased in accordance with this condition may be held, resold or cancelled at the discretion of the Issuer, subject to compliance with all legal and regulatory requirements.

6.3 Redemption for taxation reasons

If, in respect of the Senior Notes of any Series, the Issuer, on the occasion of the next payment due in respect of the Senior Notes, would be required to make payment of any Additional Amounts (as defined in Condition 8.6 ("Taxation")), then the Issuer may give not more than 30 days nor less than 15 days' notice to the Registrar and the Noteholders in accordance with Condition 11 ("Notices"), and upon expiry of such notice shall redeem all (but not some only) of the Senior Notes at their early redemption amount applicable for tax redemptions ("**Early Redemption Amount (Tax)**") (which is their Outstanding Principal Amount or such other Early Redemption Amount (Tax) as is specified in the Pricing Supplement) together with (unless otherwise specified in the Pricing Supplement) accrued interest (if any) thereon.

Prior to the giving of any such notice of redemption, the Issuer shall deliver to the Registrar:

- (a) a certificate signed by an authorised person of the Issuer showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and
- (b) an opinion of legal advisers of recognised standing to the Issuer in its jurisdiction of incorporation to the effect that the Issuer would be required to pay Additional Amounts referred to in Condition 8.6 (“Taxation”) on the occasion of the next payment due in respect of the Senior Notes of that Series.

6.4 Early redemption at the option of the Issuer

If this Condition 6.4 (“Early redemption at the option of the Issuer”) is specified in the relevant Pricing Supplement as being applicable then the Issuer, having given at least the minimum period (if any) (but not more than the maximum period (if any)) of notice specified in the relevant Pricing Supplement to Noteholders in accordance with Condition 11 (“Notices”) (which notice must comply with the following paragraph and shall be irrevocable) and subject to satisfaction of any relevant conditions specified in the relevant Pricing Supplement, may redeem all (but not, unless and to the extent that the relevant Pricing Supplement specifies otherwise, some only) of the Senior Notes on any Business Day (being, in the case of interest-bearing Senior Notes (unless otherwise specified in the relevant Pricing Supplement), an Interest Payment Date) at their early redemption amount applicable for calls by the Issuer (“**Early Redemption Amount (Call)**”) (which is their Outstanding Principal Amount or such other Early Redemption Amount (Call) as is specified in, or determined in accordance with, the relevant Pricing Supplement) together with (unless otherwise specified in the Pricing Supplement) accrued interest (if any) thereon.

The notice referred to in the preceding paragraph shall specify:

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

In the case of a partial redemption of Senior Notes, the Senior Notes to be redeemed will be selected by the Registrar, and notice of the Senior Notes selected for redemption will be given in accordance with Condition 11 (“Notices”) not less than 15 days prior to the date fixed for redemption.

Any notice given under this Condition 6.4 (“Early redemption at the option of the Issuer”) is irrevocable and obliges the Issuer to redeem the Senior Notes at the time and in the manner specified in the notice.

6.5 Redemption at the option of Noteholders

If this Condition 6.5 (“Redemption at the option of Noteholders”) is specified in the relevant Pricing Supplement as being applicable then, at the option of the Noteholder and provided that any conditions to the exercise of such option as are specified in the relevant Pricing Supplement have been satisfied, the Issuer will redeem the Senior Note on any day (being, in the case of an interest-bearing Senior Note (unless otherwise specified in the relevant Pricing Supplement) an

Interest Payment Date) at its early redemption amount applicable for puts (“**Early Redemption Amount (Put)**”) (which is its Outstanding Principal Amount or such other Early Redemption Amount (Put) as is specified in, or determined in accordance with, the relevant Pricing Supplement) together with (unless otherwise specified in the Pricing Supplement) accrued interest (if any) thereon.

To exercise such option, the Noteholder must complete, sign and deliver to the specified office of the Registrar not less than 45 days before the redemption date (or such other period as may be specified in the relevant Pricing Supplement), a redemption notice (in the form obtainable from the Registrar) together with the relevant extract for the Senior Notes.

6.6 Zero Coupon Senior Notes

In the case of a Zero Coupon Senior Note (unless otherwise specified in the Pricing Supplement), the Early Termination Amount is the Amortised Face Amount or such other amount specified in the Pricing Supplement.

7 Events of Default

7.1 Events of Default - Senior Notes

An Event of Default occurs in relation to the Senior Notes of any Series if:

- (a) the Issuer fails to pay any principal or any interest in respect of the Senior Notes within five Business Days of the relevant due date;
- (b) the Issuer is in default in the performance, or is otherwise in breach, of any covenant or undertaking or other agreement of the Issuer in respect of the Senior Notes (other than any obligation for the payment of any amount due in respect of any of the Senior Notes) and such default or breach continues for a period of 14 days after notice thereof has been given to the Issuer;
- (c) it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under the Senior Notes;
- (d) the Issuer:
 - (i) becomes insolvent, is unable to pay its debts as they fall due or fails to comply with a statutory demand (which is still in effect) under section 459F of the Corporations Act;
 - (ii) stops or suspends or threatens to stop or suspend payment of all or a material part of its debts or appoints an administrator under section 436A of the Corporations Act; or
 - (iii) begins negotiations or takes any proceeding or other step with a view to re-adjustment, rescheduling or deferral of all its indebtedness (or any part of its indebtedness which it will or might otherwise be unable to pay when due) or proposes or makes a general assignment or an arrangement or composition with or for the benefit of its creditors, or a moratorium is agreed or declared in respect of or affecting indebtedness of the Issuer,

except in any case referred to in (iii) above for the purposes of a solvent reconstruction or amalgamation the terms of which have previously been approved by an Extraordinary Resolution of the Noteholders;
- (e) an order is made or an effective resolution is passed for the winding-up of the Issuer, except in any such case for the purposes of a solvent reconstruction or amalgamation the terms of which have previously been approved by an Extraordinary Resolution of the Noteholders;

-
- (f) an administrator is appointed to the Issuer by a provisional liquidator of the Issuer under section 436B of the Corporations Act;
 - (g) a distress, attachment, execution or other legal process is levied, enforced or sued out against or on the Issuer or against all or a material part of the assets of the Issuer and is not stayed, satisfied or discharged within 21 days;
 - (h) any present or future Security Interest on or over the assets of the Issuer becomes enforceable and any step (including the taking of possession or the appointment of a receiver, manager or similar officer which is not vacated or discharged within 14 days) is taken to enforce that Security Interest be reason of a default or event of default (howsoever described) having occurred; or
 - (i) any event occurs which, under the law of any relevant jurisdiction, has an analogous or equivalent effect to any of the events mentioned in this Condition,

then any Noteholder may, by written notice to the Issuer, effective upon the date of receipt thereof by the Issuer, declare the Senior Note held by the holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Early Termination Amount, together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

No Event of Default in respect of the Senior Notes shall occur solely on account of any failure by the Issuer to perform or observe any of its obligations in relation to, the agreement or declaration of any moratorium with respect to, the suspension of any payments on or the taking of any proceeding in respect of, any share, note or other security or instrument constituting Tier 1 Capital or Tier 2 Capital (as defined by APRA from time to time).

7.2 Consequences of an Event of Default - Senior Notes

Subject to Condition 7.3 ("Rectification"), if any Event of Default occurs in relation to the Senior Notes of any Series or any of them, then a Noteholder in that Series may by written notice to the Issuer (with a copy to the Registrar) declare the Early Termination Amount (together with all accrued interest (if any)) applicable to each Senior Note held by the Noteholder to be due and payable immediately or on such other date specified in the notice.

7.3 Rectification

A Noteholder's right to declare Senior Notes due terminates if the situation giving cause to it has been cured before such right is exercised.

7.4 Notification

If an Event of Default occurs, the Issuer must promptly after becoming aware of it notify the Registrar of the occurrence of the Event of Default (specifying details of it) and procure that the Registrar promptly notifies the Noteholders of the occurrence of the Event of Default by registered post to the address of the Noteholder recorded in the Register.

7.5 Events of Default not applicable to Short Term Instruments.

This Condition 7 ("Events of Default") is not applicable to Short Term Instruments.

8 Payments

8.1 Record Date

Payments to Noteholders will be made according to the particulars recorded in the Register at 5.00 pm (Sydney time) on the relevant Record Date.

8.2 Joint holders

When a Senior Note is held jointly, payment will be made to the holders in their joint names unless requested otherwise.

8.3 Method of payments

Payments in respect of each Senior Note will be made:

- (a) if the Senior Notes are in the Austraclear System, by crediting on the relevant Payment Date the amount then due to the account of the Noteholder in accordance with the Austraclear Regulations; or
- (b) if the Senior Notes are not in the Austraclear System, by crediting on the Payment Date the amount then due to an account previously notified by the registered owner of the Senior Note to the Issuer and the Registrar. If the registered owner of the Senior Note has not notified the Issuer and the Registrar of such an account by close of business on the relevant Record Date or upon application by the registered owner of the Senior Note to the Issuer and the Registrar no later than close of business on the relevant Record Date, payments in respect of the relevant Senior Note will be made by cheque, mailed on the Business Day immediately preceding the relevant Interest Payment Date in the case of payments of interest or on the due date for redemption or repayment, in the case of payments of principal, at the Noteholder's risk to the registered owner (or to the first named of joint registered owners) of such Senior Note at the address appearing in the Register as at the Record Date. Cheques to be despatched to the nominated address of a Noteholder will in such cases be deemed to have been received by the Noteholder on the relevant Payment Date and no further amount will be payable by the Issuer in respect of the relevant Senior Note as a result of payment not being received by the Noteholder on the due date.

8.4 Business Days

All payments must be made in accordance with the Applicable Business Day Convention.

8.5 Payment subject to fiscal laws

Payments (whether in respect of principal, redemption amount, interest or otherwise) in respect of the Senior Notes are subject in all cases to:

- (a) applicable provisions of fiscal and other laws and directives; and
- (b) any withholding or deduction made under or in connection with, or in order to ensure compliance with FATCA.

8.6 Taxation

Unless this Condition 8.6 ("Taxation") is specified in the Pricing Supplement as not being applicable, all payments (whether in respect of principal redemption amount, interest or otherwise) in respect of the Senior Notes will be made without set-off or counterclaim and free and clear of, and without withholding or deduction for or on account of any taxes, levies, duties, charges, deductions or withholding of any nature (together, "**Taxes**") now or hereafter imposed, levied, collected, withheld or assessed, unless such withholding or deduction is made under or in connection with, or in order to ensure compliance with FATCA or is required by law. In the event that any such Taxes are imposed, levied, collected, withheld or assessed by the Commonwealth of Australia or any political subdivision therein or thereof, the Issuer will pay such additional amounts ("**Additional Amounts**") as may be necessary in order that the net amount received by the Noteholders after such withholding or deduction equals the respective amounts which would otherwise have been receivable in respect of the Senior Notes in the absence of such withholding or deduction, except that no Additional Amounts are payable in relation to any payments in respect of any Senior Note:

- (a) in respect of any Tax imposed on, or calculated having regard to, the net income of a Noteholder;
- (b) to, or to a third party on behalf of, a Noteholder who is liable to such Taxes in respect of such Senior Note by reason of the Noteholders having some connection with the Commonwealth of Australia (or any political subdivision therein or thereof) other than

the mere holding of such Senior Note or receipt of payment (whether in respect of principal, redemption amount, interest or otherwise) in respect of it;

- (c) to, or to a third party on behalf of, a Noteholder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or similar claim for exemption to any relevant tax authority or other person in the place where payment under the Senior Note is made;
- (d) to, or to a third party on behalf of, a Noteholder who is liable to the Taxes in respect of the Senior Note by reason of the Noteholder being an associate of the Issuer within the meaning of section 128F(9) of the Tax Act;
- (e) to, or to a third party on behalf of, a Noteholder where such withholding or deduction is required to be made pursuant to a notice or direction issued by the Commissioner of Taxation under section 255 of the Tax Act or section 260-5 of Schedule 1 to the Taxation Administration Act 1953 of the Commonwealth of Australia or any similar law;
- (f) to, or to a third party on behalf of an Australian resident Noteholder or a non-resident Noteholder carrying on business in Australia at or through a permanent establishment of the non-resident in Australia, if that person has not supplied a tax file number, (if applicable) an Australian business number or exemption details as may be necessary to enable the payment to be made without such withholding or deduction; or
- (g) in such other circumstances as may be specified in the Pricing Supplement.

Notwithstanding any other provision of these Terms and Conditions, if the Issuer, or any other person through whom payments on the Senior Notes are made, is required to withhold or deduct amounts under or in connection with, or in order to ensure compliance with FATCA, the Issuer shall be entitled to make such withholding or deduction and shall have no obligation to gross up any payment under these Terms and Conditions or to pay any Additional Amount or other amount for such withholding or deduction.

8.7 Currency indemnity

The Issuer waives any right it has in any jurisdiction to pay an amount other than in the currency in which it is due. However, if a Noteholder receives an amount in a currency other than that in which it is due:

- (a) it may convert the amount received into the due currency (even though it may be necessary to convert through a third currency to do so) on the day and at such rates (including spot rate, same day value rate or value tomorrow rate) as it reasonably considers appropriate. It may deduct its usual Costs in connection with the conversion; and
- (b) the Issuer satisfies its obligation to pay in the due currency only to the extent of the amount of the due currency obtained from the conversion after deducting the Costs of the conversion.

9 Further issues

The Issuer may from time to time, without the consent of any Noteholder, issue further Senior Notes having the same terms and conditions as the Senior Notes of any Series in all respects (or in all respects except for the first payment of interest, if any, on them and/or their denomination) so as to form a single Series with the Senior Notes of that Series. References in these Terms and Conditions to the Senior Notes include (unless the context requires otherwise) any other Senior Notes issued under this Condition 9 ("Further issues") and forming a single Series with the Senior Notes.

10 Time limit for claims

A claim against the Issuer for a payment under a Senior Note is void unless such claim is made within 5 years from the Relevant Date of payment.

11 Notices**11.1 To the Issuer and the Registrar**

A notice or other communication in connection with a Senior Note to the Issuer, or the Registrar must be in writing and may be given by prepaid post or delivery to the address of the addressee or by facsimile to the facsimile number of the addressee specified:

- (f) in the Information Memorandum; or
- (g) as otherwise agreed between those parties from time to time and notified to the Noteholders.

11.2 To Noteholders

A notice or other communication in connection with a Senior Note to the Noteholder must be in writing and may be given by:

- (h) an advertisement published in The Australian Financial Review or any other newspaper or newspapers circulating in Australia generally; or
- (i) if an additional or alternate newspaper is specified in the Pricing Supplement, that newspaper; or
- (j) prepaid post (airmail if posted to or from a place outside Australia) or delivery to the address of each Noteholder or any relevant Noteholder as shown in the Register at the close of business 3 Business Days prior to the dispatch of the relevant notice or communication.

11.3 Effective on receipt

Unless a later time is specified in it a notice, approval, consent or other communication takes effect from the time it is received, except that if it is received after 5.00pm in the place of receipt or on a non-business day in that place, it is to be taken to be received at 9.00am on the next succeeding Business Day in that place.

11.4 Proof of receipt

Subject to Condition 11.3 ("Effective on receipt"), proof of posting of a letter or of publication of a notice is proof of receipt:

- (k) in the case of a letter, on the third (seventh, if outside Australia) day after posting; and
- (l) in the case of publication, on the date of such publication.

12 Meetings of Noteholders

Meetings of Noteholders may be convened in accordance with the Meeting Provisions. Any such meeting may consider any matters affecting the interests of Noteholders, including, without limitation, the variation of the terms of the Senior Notes by the Issuer and the granting of approvals, consents and waivers, and the declaration of an Event of Default.

13 Amendments**13.1 To cure ambiguities**

The Terms and Conditions and the Pricing Supplement may be amended by the Issuer, and the Registry Services Agreement may be amended by the parties to such document, without the consent of any Noteholder for the purposes of curing any ambiguity, or correcting or

supplementing any defective or inconsistent provisions therein and such amendment does not adversely affect the interests of the Noteholders.

13.2 Approval by Noteholders

The Terms and Conditions, Pricing Supplement and Registry Services Agreement may otherwise be varied by the Issuer with the approval of the Noteholders by Extraordinary Resolution. No other variation to the Terms and Conditions has effect in relation to the Noteholders who hold Senior Notes at the date of any amending deed, unless they otherwise agree in writing. A variation will take effect in relation to all subsequent Noteholders. A variation which affects only a particular Series or Tranche of Senior Notes may be approved solely by the Noteholders of such Series or Tranche.

14 Registrar

14.1 Role of the Registrar

In acting under the Registry Services Agreement in connection with the Senior Notes, the Registrar acts solely as agent of the Issuer and does not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders save insofar as that any funds received by the Registrar in accordance with the Registry Services Agreement shall, pending their application in accordance with the Registry Services Agreement, be held by it in a segregated account for the persons entitled thereto.

14.2 Change of Registrar

The Issuer reserves the right at any time to terminate the appointment of the Registrar in accordance with the Registry Services Agreement and to appoint a successor or additional registrars, provided, however, that the Issuer must at all times maintain the appointment of a registrar. Notice of any such termination of appointment will be given to the Noteholders in accordance with Condition 11 ("Notices").

14.3 Appointment of replacement Registrar

If the then current Registrar ceases to be Registrar (whether as a result of termination under Condition 14.2 ("Change of Registrar"), resignation as a result of the Senior Notes ceasing to be lodged in the Austraclear System or otherwise), the Issuer must ensure that a replacement Registrar is appointed with effect from the relevant date.

15 Calculation Agent

The Calculation Agent and its initial specified officers are as set out in the relevant Pricing Supplement for the Senior Notes issued by the Issuer. The Issuer reserves the right at any time to terminate the appointment of the Calculation Agent or to appoint additional or other Calculation Agents, provided that it will ensure that at all times for so long as any Senior Notes are outstanding the Calculation Agent acts in respect of Senior Notes for which these Conditions require a Calculation Agent to make calculations.

16 Governing law and jurisdiction

16.1 Governing law

The Senior Notes are governed by the law in force in the State of Queensland.

16.2 Jurisdiction

The Issuer irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of the State of Queensland and courts of appeal from them.

Terms and Conditions of TDs

The following are the Terms and Conditions of the TDs which, as supplemented, modified or replaced in relation to any TDs by the relevant Pricing Supplement, will be applicable to each Series of TDs.

Each Tranche will be the subject of a Pricing Supplement. References in the Terms and Conditions to a Pricing Supplement are references to the Pricing Supplement applicable to the relevant Tranche of TDs.

Each TD Holder and any person claiming through or under a TD Holder is deemed to have notice of and is bound by these Terms and Conditions, the Deed Poll, the Information Memorandum and the relevant Pricing Supplement. Copies of each of these documents (to the extent they relate to a Tranche of TDs) are available for inspection by the holder of any TD of such Tranche at the offices of the Issuer at its address specified in the Information Memorandum.

1 Interpretation

1.1 Definitions

The following words have these meanings in these Terms and Conditions unless the contrary intention appears:

Additional Amounts has the meaning given in Condition 8.6 (“Taxation”);

Alternate Currency means a currency (other than Australian Dollars) which is specified in the Pricing Supplement;

Amortised Face Amount means in relation to a TD, an amount equal to the sum of:

- (a) the Purchase Price specified in the Pricing Supplement; and
- (b) the product of the Amortisation Yield specified in the Pricing Supplement (compounded annually) being applied to the Purchase Price (as specified in the Pricing Supplement) from (and including) the Issue Date specified in the Pricing Supplement to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the TD becomes due and repayable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of the Day Count Fraction specified in the Pricing Supplement;

Applicable Business Day Convention means the Business Day Convention specified in the Pricing Supplement as applicable to any date in respect of the TD or, if none is specified, the Applicable Business Day Convention for such purpose is the Following Business Day Convention. Different Business Day Conventions may apply, or be specified in relation to, the Interest Payment Dates and any other date or dates in respect of any TDs;

Austraclear means Austraclear Ltd (ABN 94 002 060 773);

Austraclear Regulations means the regulations known as the “Austraclear Regulations” together with any instructions or directions (as amended or replaced from time to time), established by Austraclear to govern the use of the Austraclear System and binding on the participants in that system;

Austraclear System means the clearing and settlement system operated by Austraclear in Australia for holding securities and electronic recording and settling of transactions in those securities between the participants of that system;

Australian Dollar Equivalent means for an amount denominated in an Alternate Currency, the Australian Dollar Equivalent of that amount determined on the basis of the spot rate of exchange for the sale of Australian Dollars against the purchase of the relevant Alternate Currency in the

Sydney foreign exchange market quoted by any leading bank selected by the Issuer on the relevant calculation date. The calculation date is, at the discretion of the Issuer, either the date of the relevant Pricing Supplement for such TDs or the preceding day on which commercial banks and foreign exchange markets are open for business in Sydney;

Australian Securities Exchange means the securities exchange operated by ASX Limited (ABN 98 008 624 691);

Business Day means:

- (a) a day (other than a Saturday, Sunday or public holiday) on which commercial banks are open for general banking business in the place specified in the Pricing Supplement, or, if no such place is specified, Sydney and Brisbane; and
- (b) if a TD is to be issued or paid on such Business Day, a day on which commercial banks settle payments in the relevant currency in Sydney and Brisbane and a day on which the Austraclear System is operating;

Business Day Convention means a convention for adjusting any date if it would otherwise fall on a day that is not a Business Day and the following Business Day Conventions, where specified in the Pricing Supplement in relation to any date applicable to any TD, have the following meanings:

- (a) **Floating Rate Convention** means that the date is postponed to the next following day which is a Business Day unless that day falls in the next calendar month, in which event:
 - (i) such date is brought forward to the first preceding day that is a Business Day; and
 - (ii) each subsequent Interest Payment Date is the last Business Day in the month which falls the number of months or other period specified as the Interest Period in the applicable Pricing Supplement after the preceding applicable Interest Payment Date occurred;
- (b) **Following Business Day Convention** means that the date is postponed to the first following day that is a Business Day;
- (c) **Modified Following Business Day Convention** or Modified Business Day Convention means that the date is postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date is the first preceding day that is a Business Day; and
- (d) **Preceding Business Day Convention** means that the date is brought forward to the first preceding day that is a Business Day;

Calculation Agent means, in respect of a Tranche, the person (if any) specified as such in the relevant Pricing Supplement. The Calculation Agent must be the same for all TDs in a Series;

Code means the United States of America Internal Revenue Code of 1986 (as amended);

Condition means the correspondingly numbered condition in these Terms and Conditions;

Corporations Act means the Corporations Act 2001 of Australia;

Costs includes costs, charges and expenses, including those incurred in connection with advisers;

Day Count Fraction means, in respect of the calculation of an amount for any period of time (“**Calculation Period**”), the day count fraction specified in the Pricing Supplement and:

- (a) if “**Actual/Actual (ICMA)**” is so specified, means:
- (i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period, and (2) the number of Regular Periods normally ending in any year; and
 - (ii) where the Calculation Period is longer than one Regular Period, the sum of:
 - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period, and (2) the number of Regular Periods normally ending in any year;
- (b) if “**Actual/Actual**” or “**Actual/Actual (ISDA)**” is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of:
- (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366; and
 - (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (c) if **Actual/365 (Fixed)** is so specified, means the actual number of days in the Calculation Period divided by 365;
- (d) if **Actual/360** is so specified, means the actual number of days in the Calculation Period divided by 360;
- (e) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified in the relevant Pricing Supplement, the number of days in the Interest Period divided by 360 calculated on a formula basis as follows:

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

where:

- “**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;
- “**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- “**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;
- “**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

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

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

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

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

- (h) if **“RBA Bond Basis”** or **“Australian Bond Basis”** is so specified, means one divided by the number of Interest Payment Dates in a year (or where the Calculation Period does not constitute an Interest Period, the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of:
- (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366; and
 - (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365)); and
- (i) any other day count fraction specified in the Pricing Supplement;

Deed Poll means:

- (a) the Second Note and TD Deed Poll dated 18 April 2016; and
- (b) such other deed poll that supplements, amends, amends and restates, modifies or replaces the deed referred to above, or which is otherwise acknowledged in writing to be a deed poll for the purposes of the Programme,

in each case executed by the Issuer;

Denomination means the notional face value of a TD as specified in the relevant Pricing Supplement;

Early Termination Amount means in relation to a TD, the Outstanding Principal Amount or, if the TD is non-interest bearing, the Amortised Face Amount or such other redemption amount as may be specified in, or determined in accordance with the provisions of, the Pricing Supplement;

Event of Default has the meaning given to it in Condition 7 (“Events of Default”);

Extraordinary Resolution has the same meaning as in the Meetings Provisions;

FATCA means:

- (a) sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986 or any associated regulations;
- (b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the United States of America and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or
- (c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (a) or (b) above with the United States of America Internal Revenue Service, the United States of America government or any governmental or taxation authority in any other jurisdiction;

Final Broken Amount has the meaning given to it in the Pricing Supplement;

Government Agency means any government or any governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity;

Information Memorandum means, in respect of a TD:

- (a) the Information Memorandum dated 18 December 2018 or the then latest information memorandum which replaces that document; or
- (b) the information memorandum or other offering document referred to in the Pricing Supplement,

in each case prepared by, or on behalf of, and approved in writing by, the Issuer in connection with the issue of that TD and all other documents incorporated by reference in it, including any applicable Pricing Supplement and any other applicable amendments or supplements to it;

Initial Broken Amount has the meaning given to it in the Pricing Supplement;

Interest Accrual Period means, in respect of an Interest Period, each successive period beginning on and including an Interest Period End Date and ending on but excluding the next succeeding Interest Period End Date during that Interest Period provided that the first Interest Accrual Period commences on and includes the Interest Commencement Date and the final Interest Accrual Period ends on but excludes the Maturity Date;

Interest Commencement Date means the Issue Date or such other date as may be specified as such in the Pricing Supplement;

Interest Determination Date means the date so specified in, or determined in accordance with, the Pricing Supplement;

Interest Payment Date means the date or dates specified as such in, or determined in accordance with the provisions of, the Pricing Supplement and adjusted, if necessary, in accordance with the Applicable Business Day Convention;

Interest Period means each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date provided that the first Interest Period commences on and includes the Interest Commencement Date and the final Interest Period ends on but excludes the Maturity Date;

Interest Period End Date means the dates specified as such in, or determined in accordance with the provisions of, the Pricing Supplement as adjusted, if necessary, in accordance with the Applicable Business Day Convention or, if no date or dates are specified in the Pricing Supplement, means the dates which correspond with the Interest Payment Dates in respect of the TDs;

Interest Rate means the rate or rates (expressed as a percentage per annum) or amount or amounts (expressed as a price per unit of relevant currency) of interest payable in respect of the TDs specified in, or calculated or determined in accordance with the provisions of, the Pricing Supplement and in the case of floating rate TDs, the rate determined in accordance with Condition 5.3 ("Interest - floating rate");

Issue Date means the day on which any TD is or is to be accepted as specified in or determined in accordance with the provisions of the Pricing Supplement;

Issuer means Bank of Queensland Limited (ABN 32 009 656 740);

Margin means the margin specified in, or determined in accordance with the provisions of, the Pricing Supplement;

Maturity Date means the date for redemption of a TD or, in the case of an amortising TD, the date on which the last instalment of principal is payable, in each case, as specified in the Pricing Supplement;

Maturity Redemption Amount means in relation to a TD, the Outstanding Principal Amount or such other redemption amount as may be specified in, or calculated or determined in accordance with the provisions of, the Pricing Supplement;

Maximum Interest Rate means the Maximum Interest Rate specified in, or calculated or determined in accordance with the provisions of, the Pricing Supplement;

Meetings Provisions means the provisions for the convening of meetings of, and passing of resolutions by, TD Holders set out in the schedule to the Deed Poll;

Minimum Interest Rate means the Minimum Interest Rate specified in, or calculated or determined in accordance with the provisions of, the Pricing Supplement;

Ordinary Resolution has the same meaning as in the Meetings Provisions;

Outstanding means, on any date, TDs which have not been redeemed or satisfied in full by the Issuer;

Outstanding Principal Amount means in respect of a TD which is Outstanding at any time, the Denomination of the TD less the aggregate of any part of the principal amount of that TD that has been paid or otherwise satisfied by the Issuer and for such purposes:

- (a) the premium of a TD issued or to be redeemed at a premium is to be taken to be added to the principal amount;
- (b) the principal amount of a TD issued at a discount is to be taken as at any time to equal its Denomination or, if provided for in its terms and conditions, its amortised principal amount at that time;
- (c) the principal amount of a partly paid TD is to be taken to equal its Denomination; and
- (d) if an amount is required to be determined in Australian Dollars, the Australian Dollar equivalent of the Alternate Currency is to be determined on the basis of the spot rate of exchange for the sale of Australian Dollars against the purchase of such relevant Alternate Currency in the Sydney foreign exchange market quoted by any leading bank selected by the Issuer on the relevant calculation date. The calculation date is, at the discretion of the Issuer, either the date of the Pricing Supplement for such TDs or the preceding day on which commercial banks and foreign exchange markets are open for business in Sydney or such other date as may be specified by the Issuer in the Pricing Supplement;

Payment Date means, in respect of a TD, an Interest Payment Date, the Maturity Date or other relevant payment date (including an early payment date);

Pricing Supplement means:

- (a) in the case of Term Instruments, a pricing supplement prepared and issued in relation to Term Instruments of a relevant Tranche or Series confirmed in writing by the Issuer; or
- (b) in the case of Short Term Instruments, a confirmation of acceptance of an offer for Short Term Instruments confirmed in writing by the Issuer;

Programme means the Issuer's uncommitted revolving programme for the issuance of TDs and other debt instruments under the Transaction Documents;

Purchase Price means, in respect of a TD, the purchase price so specified in the relevant Pricing Supplement;

Record Date means, in the case of payments of interest or principal, the eighth calendar day before the relevant date for payment or such date that may be specified in the relevant Pricing Supplement;

Reference Banks means the institutions specified as such in the Pricing Supplement or, if none, four major banks selected by the Calculation Agent in the inter-bank market that is most closely connected with the Reference Rate;

Reference Rate means, in relation to a TD, the rate so specified in the relevant Pricing Supplement;

Register means a register, including any branch register, of TD Holders established and maintained by the Issuer in which is entered the names and addresses of TD Holders whose TDs are carried on that register, the amount of TDs held by each TD Holder and the Tranche, Series and date of issue and transfer of those TDs, and any other particulars which the Issuer sees fit;

Registrar means Computershare Investor Services Pty Limited (ABN 48 078 279 277) or such other person appointed by the Issuer pursuant to the Registry Services Agreement to establish and maintain the Register on the Issuer's behalf from time to time;

Registry Services Agreement means the agreement entitled "Registrar and Paying Agency Agreement" dated 18 December 2018 between the Issuer and Computershare Investor Services Pty Limited;

Regular Period means:

- (a) in the case of TDs where interest is scheduled to be paid only by means of regular payments, each Interest Period;
- (b) in the case of TDs where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls; and
- (c) in the case of TDs where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;

Relevant Date means the date on which a payment in respect of the TDs just becomes due, except that if the full amount payable has not been received by the Registrar on or before the due date, it means the date on which, the full amount having been so received, notice to that effect is given to the TD Holders in accordance with Condition 11 ("Notices");

Resolution means an Extraordinary Resolution or Ordinary Resolution, as the context requires;

Security Interest includes any mortgage, pledge, lien or charge or any security or preferential interest or arrangement of any kind (including, without limitation, retention of title and any deposit of money by way of security), but excluding:

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- (a) any charge or lien arising in favour of any Government Agency by operation of statute (provided there is no default in payment of moneys owing under such charge or lien);
 - (b) a right of title retention in connection with the acquisition of goods in the ordinary course of business on the terms of sale of the supplier (provided there is no default in connection with the relevant acquisition); and
 - (c) any security or preferential interest or arrangement arising under or created pursuant to any right of set-off;

Series means a Tranche or Tranches of TDs which are identical, except that:

- (a) the Issue Date and the amount of the first payment of interest may be different in respect of different Tranches of a Series; and
- (b) a Series may comprise TDs in more than one Denomination;

Short Term Instrument means a TD which has a Tenor of less than 365 days;

Subsidiary of an entity means another entity which is a subsidiary of the first within the meaning of part 1.2 division 6 of the Corporations Act;

Tax Act means the Income Tax Assessment Act 1936 of Australia and where applicable, the Income Tax Assessment Act 1997 of Australia;

Taxes has the meaning given to that term in Condition 8.6 ("Taxation");

Tenor of a TD means the number of days from and including its Issue Date to, and excluding, its Maturity Date;

Term Instrument means a TD which will have a Tenor of not less than 365 days;

Terms and Conditions means, in respect of a TD, these terms and conditions as amended, supplement, modified or replaced by the Pricing Supplement applicable to such TD;

Tranche means TDs which are issued on the same Issue Date and the terms of which are identical in all respects (except that a Tranche may comprise TDs in more than one denomination);

TD means each transferable deposit obligation of the Issuer owing under the Deed Poll to a holder of the deposit obligation, the details of which are recorded in, and evidenced by, inscription in the Register and TDs means the aggregate of all such rights;

TD Holder means a person whose name is for the time being entered in the Register as the holder of a TD or, where a TD is owned jointly by two or more persons, the persons whose names appear in the Register as the joint owners of that TD; and

Transaction Documents means each of the Deed Poll, each TD, each Pricing Supplement and the Registry Services Agreement.

1.2 References to certain general terms

Unless the contrary intention appears, a reference in these Terms and Conditions to:

- (a) these Terms and Conditions is a reference to these terms and conditions as modified, supplemented or replaced by the Pricing Supplement;
- (b) "**Australian Dollars**", "**A\$**" or "**dollars**" is a reference to the lawful currency of the Commonwealth of Australia;

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- (c) a “**law**” includes common law, principles of equity, decree and any statute or other law made by any parliament (where a “statute” or “other law” made by parliament includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them);
 - (d) a “**directive**” includes a treaty, official directive, request, regulation, guideline or policy (whether or not having the force of law) with which responsible participants in the relevant market generally comply;
 - (e) a document (including these Terms and Conditions) includes any variation or replacement of it;
 - (f) the singular includes the plural and vice versa;
 - (g) the word “**person**” includes a firm, body corporate, an unincorporated association or an authority;
 - (h) a particular person includes a reference to the person’s executors, administrators, successors, substitutes (including, without limitation, persons taking by novation) and assigns;
 - (i) a reference to anything (including, without limitation, any amount) is a reference to the whole and each part of it and a reference to a group of persons is a reference to all of them collectively and to each of them individually;
 - (j) a reference to an issue or purchase of TDs will be construed as an acceptance of TDs by the Issuer as a deposit obligation of the Issuer to the relevant TD Holder;
 - (k) a time of day is a reference to Sydney time;
 - (l) an agreement, representation or warranty in favour of two or more persons is for the benefit of them jointly and each of them individually;
 - (m) the words “**including**”, “**for example**” or “**such as**” when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind;
 - (n) a reference to the Issuer, the Registrar, the Calculation Agent or another Agent is a reference to the person so specified in the Pricing Supplement;
 - (o) a reference to a TD Holder is a reference to the holder of TDs of a particular Series;
 - (p) if the TDs are Zero Coupon TDs which do not bear interest, references to interest are not applicable; and
 - (q) a reference to a particular date is a reference to that date adjusted in accordance with the applicable Business Day Convention.

1.3 References to principal and interest

Unless the contrary intention appears, in these Terms and Conditions:

- (a) any reference to “**principal**” is taken to include the Maturity Redemption Amount, any premium payable in respect of a TD, and any other amount in the nature of principal payable in respect of the TDs under these Terms and Conditions;
- (b) the principal amount of a TD issued at a discount is to be taken as at any time to equal the lesser of:
 - (i) its denomination; and

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- (ii) if specified in the Pricing Supplement, its Amortised Face Amount at that time;
 - (c) the principal amount of a TD which is to vary by reference to a schedule or formula (where such determination has been previously made in accordance with these Terms and Conditions) is to be taken as at any time to equal its varied amount;
 - (d) the principal amount of a partly paid TD is to be taken to equal its paid up principal amount; and
 - (e) any reference to “**interest**” is taken to include any Additional Amounts and any other amount in the nature of interest payable in respect of the TDs under these Terms and Conditions.

1.4 Headings

Headings (including those in brackets at the beginning of paragraphs) are for convenience only and do not affect the interpretation of these Terms and Conditions.

1.5 Terms defined in Pricing Supplement

Terms which are defined in the Pricing Supplement as having a defined meaning have the same meaning when used in these Terms and Conditions but if the Pricing Supplement gives no meaning or specifies that the definition is “Not Applicable”, then that definition is not applicable to the TDs.

2 Form, denomination and title

2.1 Constitution

The TDs are registered deposit obligations of the Issuer arising on the acceptance by the Issuer of the principal amount deposited and take the form of entries in the Register. Each entry in the Register constitutes a separate and individual acknowledgment to the relevant TD Holder of the indebtedness of the Issuer to the relevant TD Holder.

2.2 Independent obligations

The obligations of the Issuer in respect of each TD constitute separate and independent obligations which the TD Holder to whom those obligations are owed is entitled to enforce without having to join any other TD Holder or any predecessor in title of a TD Holder.

2.3 Currency

TDs may be denominated in Australian Dollars or an Alternate Currency specified in the Pricing Supplement.

2.4 Denomination

Unless otherwise specified in the Pricing Supplement TDs are issued in the denomination of A\$10,000.

2.5 Register conclusive

Entries in the Register in relation to a TD constitute conclusive evidence that the person so entered is the registered owner of the TD subject to rectification for fraud or error. No TD will be registered in the name of more than 4 persons. A TD registered in the name of more than one person is held by those persons as joint tenants. TDs will be registered by name only without reference to any trusteeship. The person registered in the Register as a TD Holder of a TD will be treated by the Issuer and the Registrar as absolute owner of that TD and neither the Issuer nor the Registrar is, except as ordered by a court or as required by statute, obliged to take notice of any other claim to a TD.

2.6 Holder absolutely entitled

Upon a person acquiring title to any TD by virtue of becoming registered as the owner of that TD, all rights and entitlements arising by virtue of the Deed Poll in respect of that TD vest

absolutely in the registered owner of the TD, such that no person who has previously been registered as the owner of the TD has or is entitled to assert against the Issuer or the Registrar or the registered owner of the TD for the time being and from time to time any rights, benefits or entitlements in respect of the TD.

2.7 Location of Register

The Register will be established and maintained in New South Wales unless otherwise agreed with the Registrar.

2.8 Certificates

The TDs are issued in registered form. No certificate or other evidence of title will be issued by or on behalf of the Issuer to evidence title to a TD unless the Issuer determines that certificates should be made available or it is required to do so pursuant to any applicable law or regulation.

2.9 Acknowledgment

Where the Austraclear System is recorded in the Register as the TD Holder, each person in whose account that TD is recorded is deemed to acknowledge in favour of the Registrar and Austraclear that:

- (a) the Registrar's decision to act as the Registrar of the TD does not constitute a recommendation or endorsement by the Registrar or Austraclear in relation to the TD but only indicates that such TD is considered by the Registrar to be compatible with the performance by it of its obligations as Registrar under its agreement with the Issuer to act as Registrar of the TD; and
- (b) the TD Holder does not rely on any fact, matter or circumstance contrary to Condition 2.9(a).

3 Transfers

3.1 Limit on transfer

- (a) TDs may only be transferred in whole.
- (b) Unless otherwise specified in the Pricing Supplement, TDs may only be transferred within Australia if:
 - (i) the consideration payable at the time of transfer is a minimum amount of A\$500,000 (or Australian Dollar Equivalent) (disregarding any moneys lent by the transferor or its associates to the transferee) or the offer or invitation giving rise to the transfer otherwise does not require disclosure to be made to investors under Parts 6D.2 or 7.9 of the Corporations Act;
 - (ii) the transfer is not to a "retail client" for the purposes of section 761G of the Corporations Act; and
 - (iii) the transfer is in compliance with the laws of the jurisdiction in which the transfer takes place.

3.2 Transfer procedures

Unless TDs are lodged in the Austraclear System, application for the transfer of TDs must be made by the lodgment of a transfer form with the Registrar. Transfer forms are available from the Registrar. Each transfer form must be duly completed, signed by both the transferor and the transferee, and be accompanied by such evidence (if any) as the Registrar may require to prove the title of the transferor or the transferor's right to transfer the TD.

TDs entered in the Austraclear System will be transferable only in accordance with the Austraclear Regulations.

3.3 Registration of transfer

The transferor of a TD is deemed to remain the holder of that TD until the name of the transferee is entered in the Register in respect of that TD. Transfers will not be registered during the period between 5.00 pm (Sydney time) on the relevant Record Date and the corresponding date for payment of principal or interest or later than 5.00 pm (Sydney time) on the Record Date prior to the Maturity Date of the TD.

3.4 No charge on transfer

Transfers will be registered without charge provided taxes, duties or other governmental charges (if any) imposed in relation to the transfer have been paid.

3.5 Estates

A person becoming entitled to a TD as a consequence of the death or bankruptcy of a TD Holder or of a vesting order or a person administering the estate of a TD Holder may, upon producing such evidence as to that entitlement or status as the Registrar considers sufficient, transfer the TD or, if so entitled, become registered as the holder of the TD.

3.6 Unincorporated associations

A transfer to an unincorporated association is not permitted.

3.7 Transfer of unidentified TDs

Where the transferor executes a transfer of less than all TDs of the relevant Tranche or Series registered in its name, and the specific TDs to be transferred are not identified, the Registrar may (subject to the limit on minimum holdings) register the transfer in respect of such of the TDs of the relevant Tranche or Series registered in the name of the transferor as the Registrar thinks fit, provided the aggregate principal amount of the TDs registered as having been transferred equals the aggregate principal amount of the TDs expressed to be transferred in the transfer.

3.8 CHES

TDs which are listed on the Australian Securities Exchange will not be transferred through or registered on, the Clearing House Electronic Subregister System operated by ASX Settlement Pty Limited (ABN 49 008 504 532) and are not "Approved Financial Products" (as defined for the purposes of that system).

4 Status

4.1 Status

The TDs:

- (a) constitute direct, unsubordinated and unsecured deposit liabilities of the Issuer (within the meaning of section 13A(3) of the Banking Act 1959 of Australia ("**Banking Act**") ranking *pari passu* amongst themselves and with all other deposit liabilities of the Issuer; and
- (b) rank at least *pari passu* with all other unsecured and unsubordinated obligations of the Issuer except liabilities mandatorily preferred by law.

The Issuer is an "authorised deposit-taking institution" ("ADI") as that term is defined under the Banking Act.

Section 13A(3) of the Banking Act provides that the assets of an ADI in Australia would, in the event of the ADI becoming unable to meet its obligations or suspending payment, be available to meet certain liabilities in priority to all other liabilities of that ADI. The liabilities which have priority, by virtue of section 13A(3) of the Banking Act, to the claims of holders in respect of the TDs will be substantial, as such liabilities include (but are not limited to) liabilities owed to Australian Prudential Regulation Authority

(“APRA”) in respect of any payments by APRA to holders of protected accounts held with that ADI under the Banking Act, the costs of APRA in certain circumstances, liabilities in Australia owed to holders of protected accounts, debts due to the Reserve Bank of Australia (“RBA”) and liabilities under certified industry support contracts. A “**protected account**” is an account or covered financial product that is kept by an account-holder (whether alone or jointly with one or more other account-holders) with an ADI and either:

- (i) is an account, or covered financial product, that is kept under an agreement between the account-holder and the ADI requiring the ADI to pay the account-holder, on demand by the account-holder or at an agreed time by them, the net credit balance of the account or covered financial product at the time of the demand or the agreed time (as appropriate); or
- (ii) an account prescribed by regulations for the purposes of section 5(4)(a) of the Banking Act.

For the purposes of section 13(A) of the Banking Act, the assets of the ADI do not include any interest in an asset (or part of an asset) in a cover pool (as defined in the Banking Act) that may have been established for the issuance of any covered bonds.

The Banking Act also provides that certain other debts of the ADI due to APRA shall in a winding-up of an ADI have, subject to section 13A(3) of the Banking Act, priority over all other unsecured debts of that ADI. Further, under section 86 of the Reserve Bank Act 1959 of Australia (“**Reserve Bank Act**”), debts due by an ADI to the RBA shall, in a winding-up of that ADI, subject to sections 13A(3) of the Banking Act, have priority over all other debts of that ADI.

The TDs do not constitute protected accounts of the Issuer in Australia under such statutory provisions.

5 Interest

5.1 General

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

The Pricing Supplement in relation to each Tranche of interest-bearing TDs will specify which of Conditions 5.2 (“Interest - fixed rate”), 5.3 (“Interest - floating rate”) and 5.4 (“Interest - other rates”) will be applicable to the TDs. Condition 5.5 (“Interest - supplemental provisions”) will be applicable to each Tranche of interest-bearing TDs save to the extent of any inconsistency with the relevant Pricing Supplement.

5.2 Interest - fixed rate

Each TD in relation to which this Condition 5.2 (“Interest - fixed rate”) is specified in the relevant Pricing Supplement as being applicable (“**Fixed Rate TDs**”) will bear interest on its Outstanding Principal Amount at the fixed coupon rate or the fixed rate or rates per annum specified in the relevant Pricing Supplement from the Issue Date of the TDs. Interest will be payable in arrear on the Interest Payment Dates specified in the relevant Pricing Supplement.

Interest which is required to be calculated for a period of other than a full year will be calculated on such basis as is specified as the Day Count Fraction in the relevant Pricing Supplement.

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

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

5.3 Interest - floating rate

(a) *Accrual of interest*

TDs in relation to which this Condition 5.3 (“Interest - floating rate”) is specified in the relevant Pricing Supplement as being applicable (“**Floating Rate TDs**”) will bear interest in respect of each Interest Period at the rate or rates per annum determined in accordance with this Condition 5.3 (“Interest - floating rate”).

Each Floating Rate TD will bear interest on its Outstanding Principal Amount at the Interest Rate (as defined below) from the Interest Commencement Date. Interest will be payable in arrear on each Interest Payment Date. If any Interest Payment Date in respect of a Floating Rate TD would otherwise fall on a day which is not a Business Day, such Interest Payment Date shall be determined in accordance with the Business Day Convention specified in the Pricing Supplement.

(b) *Interest Rate*

The Interest Rate payable in respect of Floating Rate TDs shall be determined by the Calculation Agent as specified in the relevant Pricing Supplement.

(c) *Calculation of interest amount payable*

The Calculation Agent will, as soon as practicable on or after determining the Interest Rate in relation to each Interest Period, calculate the amount of interest payable for the relevant Interest Period in respect of the Outstanding Principal Amount of each TD. The amount of interest payable will be calculated by multiplying the product of the Interest Rate for such Interest Period and the Outstanding Principal Amount by the applicable Day Count Fraction and rounding the resultant figure to the nearest cent (with halves being rounded upwards).

5.4 Interest - other rates

TDs in relation to which this Condition 5.4 (“Interest - other rates”) is specified in the relevant Pricing Supplement as being applicable will bear interest at the rate or rates calculated on the basis specified in, and be payable in the amounts and in the manner determined in accordance with, the relevant Pricing Supplement.

5.5 Interest - supplemental provisions

(a) *Interest Payment Dates*

Interest on each TD will be payable in arrear at such intervals and on such Interest Payment Dates as are specified in the relevant Pricing Supplement and on the Maturity Date.

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

The Calculation Agent will cause each Interest Rate, the amount of interest payable and each other amount, item or date, as the case may be, determined or calculated by it to be notified to the Issuer, the Registrar and to be notified to TD Holders in accordance with Condition 11 (“Notices”) as soon as practicable after such determination or calculation but in any event not later than the fourth Business Day thereafter. The Calculation Agent will be entitled to amend any such amount, item or date (or to make appropriate alternative arrangements by way of adjustment) without

prior notice in the event of the extension or abbreviation of any relevant Interest Period or calculation period and such amendment will be notified in accordance with the previous sentence.

(c) *Determination final*

The determination by the Calculation Agent of all amounts, rates and dates falling to be determined by it pursuant to these Conditions (including, without limitation, the Interest Rate for any Interest Period and the amount of interest payable for any Interest Period in respect of any TD) is, in the absence of manifest error, final and binding on the Issuer, each TD Holder, the Registrar, and the Calculation Agent.

(d) *Accrual of interest*

Interest accrues on the Outstanding Principal Amount of each TD or as otherwise indicated in the relevant Pricing Supplement. Interest ceases to accrue as from the due date for redemption of a TD unless the relevant payment is not made in which case interest will continue to accrue thereon (as well after as before any demand or judgement) at the rate then applicable to the Outstanding Principal Amount of the TD or such other default rate (if any) as may be specified in the relevant Pricing Supplement until the date on which the relevant payment is made or, if earlier, the seventh day after the date on which the Registrar receives the funds required to make such payment (provided that notice of such circumstance is given to the TD Holders in accordance with Condition 11 ("Notices")) except to the extent that there is failure in the subsequent payment thereof to the relevant TD Holders.

5.6 Zero Coupon TDs

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

5.7 Calculations and adjustments

The amount of interest payable in respect of any TD for any period of less than one year is calculated by multiplying the product of the Interest Rate and the Outstanding Principal Amount by the Day Count Fraction, save that if the Pricing Supplement specifies an amount in respect of such period, the amount of interest payable in respect of such TD for such period is equal to such specified amount. Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period is the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

If any Maximum Interest Rate or Minimum Interest Rate is specified in the Pricing Supplement, then the Interest Rate will not in any event exceed the maximum or be less than the minimum so specified.

For the purposes of any calculations referred to in these Terms and Conditions and unless otherwise specified in these Terms and Conditions or the Pricing Supplement:

- (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest fifth decimal place (with 0.000005% being rounded to 0.00001%); and
- (b) all Australian dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up).

5.8 Calculation Agent

As soon as practicable after the relevant time on such date as these Terms and Conditions or the Pricing Supplement may require:

- (a) any Amortised Face Amount, Early Termination Amount, Maturity Redemption Amount or any other amount to be calculated; or
- (b) any quote to be obtained or any determination or calculation to be made by the Calculation Agent,

the Calculation Agent will be required to:

- (i) determine the Interest Rate in respect of each Series of the TDs for the relevant Interest Accrual Period, Interest Period or Interest Payment Date;
- (ii) calculate the Amortised Face Amount, Early Termination Amount, Maturity Redemption Amount or other amount; or
- (iii) obtain such quote or make such determination or calculation,

and cause the Interest Rate for each Interest Accrual Period, Interest Period or Interest Payment Date and, if required to be calculated, any Amortised Face Amount, Early Termination Amount, Maturity Redemption Amount or other amount, to be notified to the Registrar and the Issuer as soon as possible after their determination but in no event later than 5.00pm on the Business Day on which such calculation is made.

The Calculation Agent must obtain relevant quotes from appropriate banks or reference agents or obtain information from such other sources as are specified in these Terms and Conditions or the Pricing Supplement or, failing which, as the Calculation Agent deems appropriate.

The calculations and determinations made by the Calculation Agent shall, in the absence of manifest error, be final and binding on the parties.

6 Redemption and purchase

6.1 Redemption on maturity

Unless previously redeemed, or purchased and cancelled or unless such TD is stated in the Pricing Supplement as having no fixed maturity date, each TD shall be redeemed on maturity at its Maturity Redemption Amount.

6.2 Purchase of TDs

The Issuer or any of its Subsidiaries may at any time purchase TDs in the open market or otherwise and at any price. All unmatured TDs purchased in accordance with this condition may be held, resold or cancelled at the discretion of the Issuer, subject to compliance with all legal and regulatory requirements.

6.3 Redemption for taxation reasons

If, in respect of the TDs of any Series, the Issuer, on the occasion of the next payment due in respect of the TDs, would be required to make payment of any Additional Amounts (as defined in Condition 8.6 ("Taxation")), then the Issuer may give not more than 30 days nor less than 15 days' notice to the Registrar and the TD Holders in accordance with Condition 11 ("Notices"), and upon expiry of such notice shall redeem all (but not some only) of the TDs at their early redemption amount applicable for tax redemptions ("**Early Redemption Amount (Tax)**") (which is their Outstanding Principal Amount or such other Early Redemption Amount (Tax) as is specified in the Pricing Supplement) together with (unless otherwise specified in the Pricing Supplement) accrued interest (if any) thereon.

Prior to publication of any such notice of redemption, the Issuer shall deliver to the Registrar:

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- (a) a certificate signed by an authorised person of the Issuer showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and
 - (b) an opinion of legal advisers of recognised standing to the Issuer in its jurisdiction of incorporation to the effect that the Issuer would be required to pay Additional Amounts referred to in Condition 8.6 (“Taxation”) on the occasion of the next payment due in respect of the TDs of that Series.

6.4 Early redemption at the option of the Issuer

If this Condition 6.4 (“Early redemption at the option of the Issuer”) is specified in the relevant Pricing Supplement as being applicable then the Issuer, having given at least the minimum period (if any) (but not more than the maximum period (if any)) of notice specified in the relevant Pricing Supplement to TD Holders in accordance with Condition 11 (“Notices”) (which notice must comply with the following paragraph and shall be irrevocable) and subject to satisfaction of any relevant conditions specified in the relevant Pricing Supplement, may redeem all (but not, unless and to the extent that the relevant Pricing Supplement specifies otherwise, some only) of the TDs on any Business Day (being, in the case of interest-bearing TDs (unless otherwise specified in the relevant Pricing Supplement), an Interest Payment Date) at their early redemption amount applicable for calls by the Issuer (“**Early Redemption Amount (Call)**”) (which is their Outstanding Principal Amount or such other Early Redemption Amount (Call) as is specified in, or determined in accordance with, the relevant Pricing Supplement) together with (unless otherwise specified in the Pricing Supplement) accrued interest (if any) thereon.

The notice referred to in the preceding paragraph shall specify:

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

In the case of a partial redemption of TDs, the TDs to be redeemed will be selected by the Registrar, and notice of the TDs selected for redemption will be given in accordance with Condition 11 (“Notices”) not less than 15 days prior to the date fixed for redemption.

Any notice given under this Condition 6.4 (“Early redemption at the option of the Issuer”) is irrevocable and obliges the Issuer to redeem the TDs at the time and in the manner specified in the notice.

6.5 Redemption at the option of TD Holders

If this Condition 6.5 (“Redemption at the option of TD Holders”) is specified in the relevant Pricing Supplement as being applicable then, at the option of the TD Holder and provided that any conditions to the exercise of such option as are specified in the relevant Pricing Supplement have been satisfied, the Issuer will redeem the TD on any day (being, in the case of an interest-bearing TD (unless otherwise specified in the relevant Pricing Supplement) an Interest Payment Date) at its early redemption amount applicable for puts (“**Early Redemption Amount (Put)**”) (which is its Outstanding Principal Amount or such other Early Redemption Amount (Put) as is specified in, or determined in accordance with, the relevant Pricing Supplement) together with (unless otherwise specified in the Pricing Supplement) accrued interest (if any) thereon.

To exercise such option, the TD Holder must complete, sign and deliver to the specified office of the Registrar not less than 45 days before the redemption date (or such other period as may be specified in the relevant Pricing Supplement), a redemption notice (in the form obtainable from the Registrar) together with the relevant extract for the TDs.

6.6 Zero Coupon TDs

In the case of a Zero Coupon TD (unless otherwise specified in the Pricing Supplement), the Early Termination Amount is the Amortised Face Amount or such other amount specified in the Pricing Supplement.

7 Events of Default

7.1 Events of Default

An Event of Default occurs in relation to the TDs of any Series if:

- (a) if the Issuer fails to pay any principal or any interest in respect of the TDs within five Business Days of the relevant due date;
- (b) if the Issuer is in default in the performance, or is otherwise in breach, of any covenant or undertaking or other agreement of the Issuer in respect of the TDs (other than any obligation for the payment of any amount due in respect of any of the TDs) and such default or breach continues for a period of 14 days after notice thereof has been given to the Issuer;
- (c) if it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under the TDs;
- (d) if the Issuer:
 - (i) becomes insolvent, is unable to pay its debts as they fall due or fails to comply with a statutory demand (which is still in effect) under section 459F of the Corporations Act; or
 - (ii) stops or suspends or threatens to stop or suspend payment of all or a material part of its debts or appoints an administrator under section 436A of the Corporations Act; or
 - (iii) begins negotiations or takes any proceeding or other step with a view to re-adjustment, rescheduling or deferral of all its indebtedness (or any part of its indebtedness which it will or might otherwise be unable to pay when due) or proposes or makes a general assignment or an arrangement or composition with or for the benefit of its creditors, or a moratorium is agreed or declared in respect of or affecting indebtedness of the Issuer,

except in any case referred to in (iii) above for the purposes of a solvent reconstruction or amalgamation the terms of which have previously been approved by an Extraordinary Resolution of the TD Holders;
- (e) if an order is made or an effective resolution is passed for the winding-up of the Issuer, except in any such case for the purposes of a solvent reconstruction or amalgamation the terms of which have previously been approved by an Extraordinary Resolution of the TD Holders;
- (f) an administrator is appointed to the Issuer by a provisional liquidator of the Issuer under section 436B of the Corporations Act;
- (g) if a distress, attachment, execution or other legal process is levied, enforced or sued out against or on the Issuer or against all or a material part of the assets of the Issuer and is not stayed, satisfied or discharged within 21 days;

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- (h) if any present or future Security Interest on or over the assets of the Issuer becomes enforceable and any step (including the taking of possession or the appointment of a receiver, manager or similar officer which is not vacated or discharged within 14 days) is taken to enforce that Security Interest be reason of a default or event of default (howsoever described) having occurred; or
 - (i) if any event occurs which, under the law of any relevant jurisdiction, has an analogous or equivalent effect to any of the events mentioned in this Condition,

then any TD Holder may, by written notice to the Issuer, effective upon the date of receipt thereof by the Issuer, declare the TD held by the holder to be forthwith due and repayable whereupon the same shall become forthwith due and payable at the Early Termination Amount, together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

No Event of Default in respect of the TDs shall occur solely on account of any failure by the Issuer to perform or observe any of its obligations in relation to, the agreement or declaration of any moratorium with respect to, the suspension of any payments on or the taking of any proceeding in respect of, any share, note or other security or instrument constituting Tier 1 Capital or Tier 2 Capital (as defined by APRA from time to time).

7.2 Consequences of an Event of Default

Subject to Condition 7.3 ("Rectification"), if any Event of Default occurs in relation to the TDs of any Series or any of them, then a TD Holder in that Series may by written notice to the Issuer (with a copy to the Registrar) declare the Early Termination Amount (together with all accrued interest (if any)) applicable to each TD held by the TD Holder to be due and payable immediately or on such other date specified in the notice.

7.3 Rectification

A TD Holder's right to declare TDs due terminates if the situation giving cause to it has been cured before such right is exercised.

7.4 Notification

If an Event of Default occurs, the Issuer must promptly after becoming aware of it notify the Registrar of the occurrence of the Event of Default (specifying details of it) and procure that the Registrar promptly notifies TD Holders of the occurrence of the Event of Default by registered post to the address of the TD Holder recorded in the Register.

7.5 Events of Default not applicable to Short Term Instruments

This Condition 7 ("Events of Default") is not applicable to a TD which is a Short Term Instrument.

8 Payments

8.1 Record Date

Payments to TD Holders will be made according to the particulars recorded in the Register at 5.00 pm (Sydney time) on the relevant Record Date.

8.2 Joint holders

When a TD is held jointly, payment will be made to the holders in their joint names unless requested otherwise.

8.3 Method of payments

Payments in respect of each TD will be made:

- (a) if the TDs are in the Austraclear System, by crediting on the relevant Payment Date the amount then due to the account of the TD Holder in accordance with the Austraclear Regulations; or

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- (b) if the TDs are not in the Austraclear System, by crediting on the Payment Date the amount then due to an account previously notified by the registered owner of the TD to the Issuer and the Registrar. If the registered owner of the TD has not notified the Issuer and the Registrar of such an account by close of business on the relevant Record Date or upon application by the registered owner of the TD to the Issuer and the Registrar no later than close of business on the relevant Record Date, payments in respect of the relevant TD will be made by cheque, mailed on the Business Day immediately preceding the relevant Interest Payment Date in the case of payments of interest or on the due date for redemption or repayment, in the case of payments of principal, at the TD Holder's risk to the registered owner (or to the first named of joint registered owners) of such TD at the address appearing in the Register as at the Record Date. Cheques to be despatched to the nominated address of a TD Holder will in such cases be deemed to have been received by the TD Holder on the relevant Payment Date and no further amount will be payable by the Issuer in respect of the relevant TD as a result of payment not being received by the TD Holder on the due date.

8.4 Business Days

All payments must be made in accordance with the Applicable Business Day Convention.

8.5 Payment subject to fiscal laws

Payments (whether in respect of principal, redemption amount, interest or otherwise) in respect of the TDs are subject in all cases to:

- (a) applicable provisions of fiscal and other laws, regulations and directives; and
- (b) any withholding or deduction made under or in connection with, or in order to ensure compliance with FATCA.

8.6 Taxation

Unless this Condition 8.6 ("Taxation") is specified in the Pricing Supplement as not being applicable, all payments (whether in respect of principal redemption amount, interest or otherwise) in respect of the TDs will be made without set-off or counterclaim and free and clear of, and without withholding or deduction for or on account of any taxes, levies, duties, charges, deductions or withholding of any nature (together, "**Taxes**") now or hereafter imposed, levied, collected, withheld or assessed, unless such withholding or deduction is made under or in connection with, or in order to ensure compliance with FATCA or is required by law. In the event that any such Taxes are imposed, levied, collected, withheld or assessed by the Commonwealth of Australia or any political subdivision therein or thereof, the Issuer will pay such additional amounts ("**Additional Amounts**") as may be necessary in order that the net amount received by the TD Holders after such withholding or deduction equals the respective amounts which would otherwise have been receivable in respect of the TDs in the absence of such withholding or deduction, except that no Additional Amounts are payable in relation to any payments in respect of any TD:

- (a) in respect of any tax imposed on, or calculated having regard to, the net income of a TD Holder;
- (b) to, or to a third party on behalf of, a TD Holder who is liable to such Taxes in respect of such TD by reason of the TD Holders having some connection with the Commonwealth of Australia (or any political subdivision therein or thereof) other than the mere holding of such TD or receipt of payment (whether in respect of principal, redemption amount, interest or otherwise) in respect of it;
- (c) to, or to a third party on behalf of, a TD Holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or similar claim for exemption to any relevant tax authority or other person in the place where payment under the TD is made;

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- (d) presented for payment more than 30 days after the Relevant Date except to the extent that a TD Holder would have been entitled to Additional Amounts on presenting the same for payment on the last day of the period of 30 days assuming, whether or not such is in fact the case, that day to have been a Business Day;
 - (e) to, or to a third party on behalf of, a TD Holder who is liable to the Taxes in respect of the TD by reason of the TD Holder being an associate of the Issuer within the meaning of section 128F(9) of the Tax Act;
 - (f) to, or to a third party on behalf of, a TD Holder where such withholding or deduction is required to be made pursuant to a notice or direction issued by the Commissioner of Taxation under section 255 of the Tax Act or section 260-5 of Schedule 1 to the Taxation Administration Act 1953 of the Commonwealth of Australia or any similar law;
 - (g) to, or to a third party on behalf of an Australian resident TD Holder, if that person has not supplied a tax file number, (if applicable) an Australian number or exemption details as may be necessary to enable the payment to be made without such withholding or deduction; or
 - (h) in such other circumstances as may be specified in the Pricing Supplement.

Notwithstanding anything to the contrary in these Terms and Conditions, if the Issuer, or any other person through whom payments on the TDs are made, is required to withhold or deduct amounts under or in connection with, or in order to ensure compliance with FATCA, the Issuer shall be entitled to make such withholding or deduction and shall have no obligation to gross up any payment under these Terms and Conditions or to pay any Additional Amount or other amount for such withholding or deduction.

8.7 Currency indemnity

The Issuer waives any right it has in any jurisdiction to pay an amount other than in the currency in which it is due. However, if a TD Holder receives an amount in a currency other than that in which it is due:

- (a) it may convert the amount received into the due currency (even though it may be necessary to convert through a third currency to do so) on the day and at such rates (including spot rate, same day value rate or value tomorrow rate) as it reasonably considers appropriate. It may deduct its usual Costs in connection with the conversion; and
- (b) the Issuer satisfies its obligation to pay in the due currency only to the extent of the amount of the due currency obtained from the conversion after deducting the Costs of the conversion.

9 Further issues

The Issuer may from time to time, without the consent of any TD Holder, issue further TDs having the same terms and conditions as the TDs of any Series in all respects (or in all respects except for the first payment of interest, if any, on them and/or their denomination) so as to form a single Series with the TDs of that Series. References in these Terms and Conditions to the TDs include (unless the context requires otherwise) any other TDs issued under this Condition and forming a single Series with the TDs.

10 Time limit for claims

A claim against the Issuer for a payment under a TD is void unless such claim is made within 5 years from the Relevant Date of payment.

11 Notices

11.1 To the Issuer and the Registrar

A notice or other communication in connection with a TD to the Issuer, or the Registrar must be in writing and may be given by prepaid post or delivery to the address of the addressee or by facsimile to the facsimile number of the addressee specified:

- (a) in the Information Memorandum; or
- (b) as otherwise agreed between those parties from time to time and notified to the TD Holders.

11.2 To TD Holders

A notice or other communication in connection with a TD to the TD Holder must be in writing and may be given by:

- (a) an advertisement published in The Australian Financial Review or any other newspaper or newspapers circulating in Australia generally; or
- (b) if an additional or alternate newspaper is specified in the Pricing Supplement, that newspaper; or
- (c) prepaid post (airmail if posted to or from a place outside Australia) or delivery to the address of each TD Holder or any relevant TD Holder as shown in the Register at the close of business 3 Business Days prior to the dispatch of the relevant notice or communication.

11.3 Effective on receipt

Unless a later time is specified in it a notice, approval, consent or other communication takes effect from the time it is received, except that if it is received after 5.00pm in the place of receipt or on a non-business day in that place, it is to be taken to be received at 9.00am on the next succeeding Business Day in that place.

11.4 Proof of receipt

Subject to Condition 11.3 ("Effective on receipt"), proof of posting of a letter or of publication of a notice is proof of receipt:

- (a) in the case of a letter, on the third (seventh, if outside Australia) day after posting; and
- (b) in the case of publication, on the date of such publication.

12 Meetings of TD Holders

Meetings of TD Holders may be convened in accordance with the Meeting Provisions. Any such meeting may consider any matters affecting the interests of TD Holders, including, without limitation, the variation of the terms of the TDs by the Issuer and the granting of approvals, consents and waivers, and the declaration of an Event of Default.

13 Amendments

13.1 To cure ambiguities

The Terms and Conditions and the Pricing Supplement may be amended by the Issuer, and the Registry Services Agreement may be amended by the parties to such document, without the consent of any TD Holder for the purposes of curing any ambiguity, or correcting or supplementing any defective or inconsistent provisions therein and such amendment does not adversely affect the interests of the TD Holders.

13.2 Approval by TD Holders

The Terms and Conditions, Pricing Supplement and Registry Services Agreement may otherwise be varied by the Issuer with the approval of the TD Holders by Extraordinary Resolution. No other variation to the Terms and Conditions has effect in relation to the TD Holders who hold TDs at the date of any amending deed, unless they otherwise agree in writing. A variation will take effect in relation to all subsequent TD Holders. A variation which affects only a particular Series or Tranche of TDs may be approved solely by the TD Holders of such Series or Tranche.

14 Registrar

14.1 Role of the Registrar

In acting under the Registry Services Agreement in connection with the TDs, the Registrar acts solely as agent of the Issuer and does not assume any obligations towards or relationship of agency or trust for or with any of the TD Holders save insofar as that any funds received by the Registrar in accordance with the Registry Services Agreement shall, pending their application in accordance with the Registry Services Agreement, be held by it in a segregated account for the persons entitled thereto.

14.2 Change of Registrar

The Issuer reserves the right at any time to terminate the appointment of the Registrar in accordance with the Registry Services Agreement and to appoint a successor or additional registrars, provided, however, that the Issuer must at all times maintain the appointment of a registrar. Notice of any such termination of appointment will be given to the TD Holders in accordance with Condition 11 ("Notices").

14.3 Appointment of replacement Registrar

If the then current Registrar ceases to be Registrar (whether as a result of termination under Condition 14.2 ("Change of Registrar"), resignation as a result of the TDs ceasing to be lodged in the Austraclear System or otherwise), the Issuer must ensure that a replacement Registrar is appointed with effect from the relevant date.

15 Calculation Agent

The Calculation Agent and its initial specified officers are as set out in the relevant Pricing Supplement for the TDs issued by the Issuer. The Issuer reserves the right at any time to terminate the appointment of the Calculation Agent or to appoint additional or other Calculation Agents, provided that it will ensure that at all times for so long as any TDs are outstanding the Calculation Agent acts in respect of TDs for which these Conditions require a Calculation Agent to make calculations.

16 Governing law and jurisdiction

16.1 Governing law

The TDs are governed by the law in force in the State of Queensland.

16.2 Jurisdiction

The Issuer irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of the State of Queensland and courts of appeal from them.

Terms and Conditions of Subordinated Notes

The following are the Terms and Conditions of the Subordinated Notes which, as supplemented, modified or replaced in relation to any Subordinated Notes by the relevant Pricing Supplement, will be applicable to each Series of Subordinated Notes.

Each Tranche will be the subject of a Pricing Supplement. References in the Terms and Conditions to a Pricing Supplement are references to the Pricing Supplement applicable to the relevant Tranche of Subordinated Notes.

Each Noteholder and any person claiming through or under a Noteholder is deemed to have notice of and is bound by these Terms and Conditions, the Deed Poll, the Information Memorandum, and the relevant Pricing Supplement. Copies of each of these documents (to the extent they relate to a Tranche of Subordinated Notes) are available for inspection by the holder of any Subordinated Note of such Tranche at the offices of the Issuer at its address specified in the Information Memorandum.

1 Interpretation

1.1 Definitions

The following words have these meanings in these Terms and Conditions unless the contrary intention appears:

Additional Amounts has the meaning given in Condition 10.6 (“Taxation”);

Additional Tier 1 Capital has the meaning given to it in the Prudential Standards;

Alternate Currency means a currency (other than Australian Dollars) which is specified in the Pricing Supplement (in the case of Subordinated Notes) or in the terms of issue (in the case of Relevant Tier 2 Securities);

Applicable Business Day Convention means the Business Day Convention specified in the Pricing Supplement as applicable to any date in respect of the Subordinated Note or, if none is specified, the Applicable Business Day Convention for such purpose is the Following Business Day Convention. Different Business Day Conventions may apply, or be specified in relation to, the Interest Payment Dates and any other date or dates in respect of any Subordinated Notes;

Approved Successor means a holding company that replaces, or is proposed to replace, the Issuer as the ultimate holding company of the Bank of Queensland Group and that satisfies the following requirements:

- (a) the proposed successor holding company complies with all applicable legal requirements and obtains any necessary regulatory approvals (including, to the extent required, APRA’s prior written approval);
- (b) the proposed successor holding company agrees to take any necessary action to give effect to an amendment to the Conditions as contemplated in Condition 6.14 (“Amendment of Terms and Conditions relating to Conversion for Successor Holding Company”);
- (c) the ordinary shares of the proposed successor holding company are to be listed on the Australian Securities Exchange or any internationally recognised stock exchange;
- (d) the proposed successor holding company has a place of business in Queensland or has appointed a process agent in Queensland to receive service of process on its behalf in relation to any legal proceedings arising out of or in connection with the Subordinated Notes;
- (e) the proposed successor holding company has in the reasonable opinion of the Issuer, the financial capacity to perform the Issuer’s obligations under these Terms and Conditions and the Deed Poll in respect of the relevant Subordinated Notes; and

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- (f) the proposed replacement of the Issuer and the requirements described in paragraphs (a) to (c) would not, in the reasonable opinion of the Issuer, otherwise adversely affect the interests of Noteholders;

APRA means the Australian Prudential Regulation Authority;

ASIC means the Australian Securities and Investments Commission;

Assets means, in respect of the Issuer, its total non-consolidated gross assets as shown by the latest published audited accounts of the Issuer, but adjusted for events subsequent to the date of such accounts in such manner and to such extent as two authorised signatories of the Issuer or, if the Issuer is in Winding-Up, the Liquidator may determine to be appropriate;

ASX Listing Rules means the listing rules of the Australian Securities Exchange from time to time with any modifications or waivers in their application to the Issuer, which the Australian Securities Exchange may grant;

Austraclear means Austraclear Ltd (ABN 94 002 060 773);

Austraclear Regulations means the regulations known as the “Austraclear Regulations” together with any instructions or directions (as amended or replaced from time to time), established by Austraclear to govern the use of the Austraclear System and binding on the participants in that system;

Austraclear System means the clearing and settlement system operated by Austraclear for holding securities and electronic recording and settling of transactions in those securities between the participants of that system;

Australian Securities Exchange means the securities exchange operated by ASX Limited (ABN 98 008 624 691);

Bank of Queensland Group means the Bank of Queensland Limited (ABN 32 009 656 740) and its controlled entities;

Business Day means:

- (a) a day (other than a Saturday, Sunday or public holiday) on which commercial banks are open for general banking business in the place specified in the Pricing Supplement, or, if no such place is specified, Sydney and Brisbane; and
- (b) if a Subordinated Note is to be issued or paid on such Business Day, a day on which commercial banks settle payments in the relevant currency in Sydney and Brisbane and a day on which the Austraclear System is operating;

Business Day Convention means a convention for adjusting any date if it would otherwise fall on a day that is not a Business Day and the following Business Day Conventions, where specified in the Pricing Supplement in relation to any date applicable to any Subordinated Note, have the following meanings:

- (a) **Floating Rate Convention** means that the date is postponed to the next following day which is a Business Day unless that day falls in the next calendar month, in which event:
- (i) such date is brought forward to the first preceding day that is a Business Day; and
- (ii) each subsequent Interest Payment Date is the last Business Day in the month which falls the number of months or other period specified as the Interest Period in the applicable Pricing Supplement after the preceding applicable Interest Payment Date occurred;

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- (b) **Following Business Day Convention** means that the date is postponed to the first following day that is a Business Day;
 - (c) **Modified Following Business Day Convention** or Modified Business Day Convention means that the date is postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date is the first preceding day that is a Business Day; and
 - (d) **Preceding Business Day Convention** means that the date is brought forward to the first preceding day that is a Business Day;

Calculation Agent means, in respect of a Tranche, the person (if any) specified as such in the relevant Pricing Supplement. The Calculation Agent must be the same for all Subordinated Notes in a Series;

CHESS means the Clearing House Electronic Sub-register System operated by ASX Settlement Pty Limited (ABN 49 008 504 532);

Clearing System means:

- (a) the Austraclear System; or
- (b) any other clearing system specified in the Pricing Supplement;

Code means the United States of America Internal Revenue Code of 1986 (as amended).

Common Equity Tier 1 Capital has the meaning given to it in the Prudential Standards;

Condition means the correspondingly numbered condition in these Terms and Conditions;

Conversion means, upon the occurrence of a Non-Viability Trigger Event, the conversion of all or some Subordinated Notes (or a percentage of the Outstanding Principal Amount of each Subordinated Note) into Ordinary Shares of the Issuer in accordance with these Terms and Conditions. **Convert** and **Converted** shall have corresponding meanings;

Conversion Date means the applicable Non-Viability Trigger Event Date;

Conversion Number has the meaning given in Condition 6.1 ("Conversion");

Cum Value has the meaning given in Condition 6.2(a);

Corporations Act means the Corporations Act 2001 of Australia;

Costs includes costs, charges and expenses, including those incurred in connection with advisers;

Day Count Fraction means, in respect of the calculation of an amount for any period of time ("**Calculation Period**"), the day count fraction specified in the Pricing Supplement and:

- (a) if "**Actual/Actual (ICMA)**" is so specified, means:
 - (i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period, and (2) the number of Regular Periods normally ending in any year; and
 - (ii) where the Calculation Period is longer than one Regular Period, the sum of:
 - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the

actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

- (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period, and (2) the number of Regular Periods normally ending in any year;
- (b) if “**Actual/Actual**” or “**Actual/Actual (ISDA)**” is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of:
- (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366; and
 - (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (c) if “**Actual/365 (Fixed)**” is so specified, means the actual number of days in the Calculation Period divided by 365;
- (d) if “**Actual/360**” is so specified, means the actual number of days in the Calculation Period divided by 360;
- (e) if “**30/360**”, “**360/360**” or “**Bond Basis**” is so specified, means the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

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

where:

- “**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;
- “**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- “**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;
- “**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- “**D₁**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and
- “**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

- (f) if “**30E/360**” or “**Eurobond Basis**” is so specified means, the number of days in the Interest Period divided by 360 calculated on a formula basis as follows:

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

where:

- “**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;
- “**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- “**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;
- “**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- “**D₁**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and
- “**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D₂ will be 30;

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

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

where:

- “**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;
- “**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- “**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;
- “**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- “**D₁**” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and
- “**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30;

- (h) if “**RBA Bond Basis**” “**Australian Bond Basis**” is so specified, means one divided by the number of Interest Payment Dates in a year (or where the Calculation Period does not constitute an Interest Period, the actual number of days in the Calculation Period

divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of:

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

- (i) any other day count fraction specified in the Pricing Supplement;

Deed Poll means:

- (a) the Second Note and TD Deed Poll dated 18 April 2016; and
- (b) such other deed poll that supplements, amends, amends and restates, modifies or replaces the deed referred to above, or which is otherwise acknowledged in writing to be a deed poll for the purposes of the Programme,

in each case executed by the Issuer;

Denomination means the notional face value of a Subordinated Note as specified in the relevant Pricing Supplement;

Early Termination Amount means in relation to a Subordinated Note, the Outstanding Principal Amount;

Equal Ranking Instruments means instruments which satisfy the requirements set out in one of the following paragraphs (a) or (b):

- (a) any instruments, present and future, issued by the Issuer after 1 January 2013 which:
 - (i) by their terms are, or are expressed to be, subordinated in a Winding-Up to the claims of Senior Creditors;
 - (ii) qualify as Tier 2 Capital of the Issuer as described in the Prudential Standards; and
 - (iii) in a Winding-Up rank, or are expressed to rank, prior to, and senior in right of payment to, instruments which constitute Additional Tier 1 Capital or Common Equity Tier 1 Capital of the Issuer; and
- (b) any other instruments, present and future, issued by the Issuer where, the right to repayment ranks, or is expressed to rank, in a Winding-Up equally with the claims of Noteholders (irrespective of whether or not such instruments qualify as Tier 2 Capital of the Issuer as described in the Prudential Standards);

Event of Default in relation to a Subordinated Note has the meaning given to it in Condition 9.1 ("Events of Default");

Extraordinary Resolution has the same meaning as in the Meetings Provisions;

FATCA means:

- (a) sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986 or any associated regulations;
- (b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the United States of America and any other

jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or

- (c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (a) or (b) above with the United States of America Internal Revenue Service, the United States of America government or any governmental or taxation authority in any other jurisdiction;

Final Broken Amount has the meaning given to it in the Pricing Supplement;

Foreign Holder means a Noteholder (a) whose address in the Register is a place outside Australia or (b) who the Issuer otherwise believes may not be a resident of Australia and, in either case, the Issuer is not satisfied that the laws of the Noteholder's country of residence would permit the offer to, or the holding or acquisition of Ordinary Shares by, the Noteholder (but the Issuer will not be bound to enquire into those laws), either unconditionally or after compliance with conditions which the Issuer, in its absolute discretion, regards as acceptable and not unduly onerous;

Government Agency means any government or any governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity;

Ineligible Holder means:

- (a) a Noteholder who is prohibited or restricted by any applicable law or regulation in force in Australia (including, but not limited to, Chapter 6 of the Corporations Act, the Foreign Acquisitions and Takeovers Act 1975 of Australia, the Financial Sector (Shareholdings) Act 1998 of Australia and Part IV of the Competition and Consumer Act 2010 of Australia) from being offered, holding or acquiring Ordinary Shares (provided that if the relevant prohibition or restriction only applies to the Noteholder in respect of some of its Subordinated Notes, it shall only be treated as an Ineligible Holder in respect of those Subordinated Notes and not in respect of the balance of its Subordinated Notes). The Issuer will be entitled to treat a Noteholder as not being an Ineligible Holder unless the Noteholder has otherwise notified it after the Issue Date and prior to the Non-Viability Trigger Event Date; or
- (b) a Foreign Holder;

Information Memorandum means, in respect of a Subordinated Note:

- (a) the Information Memorandum dated 18 December 2018 or the then latest information memorandum which replaces that document; or
- (b) the information memorandum or other offering document referred to in the Pricing Supplement,

in each case prepared by, or on behalf of, and approved in writing by, the Issuer in connection with the issue of that Subordinated Note and all other documents incorporated by reference in it, including any applicable Pricing Supplement and any other applicable amendments or supplements to it;

Initial Broken Amount has the meaning given to it in the Pricing Supplement;

Interest Accrual Period means, in respect of an Interest Period, each successive period beginning on and including an Interest Period End Date and ending on but excluding the next succeeding Interest Period End Date during that Interest Period provided that the first Interest Accrual Period commences on and includes the Interest Commencement Date and the final Interest Accrual Period ends on but excludes the Maturity Date;

Interest Commencement Date means the Issue Date or such other date as may be specified as such in the Pricing Supplement;

Interest Determination Date means the date so specified in, or determined in accordance with, the Pricing Supplement;

Interest Payment Date means the date or dates specified as such in, or determined in accordance with the provisions of, the Pricing Supplement and adjusted, if necessary, in accordance with the Applicable Business Day Convention;

Interest Period means each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date provided that the first Interest Period commences on and includes the Interest Commencement Date and the final Interest Period ends on but excludes the Maturity Date;

Interest Period End Date means the dates specified as such in, or determined in accordance with the provisions of, the Pricing Supplement as adjusted, if necessary, in accordance with the Applicable Business Day Convention or, if no date or dates are specified in the Pricing Supplement, means the dates which correspond with the Interest Payment Dates in respect of the Subordinated Notes;

Interest Rate means the rate or rates (expressed as a percentage per annum) or amount or amounts (expressed as a price per unit of relevant currency) of interest payable in respect of the Subordinated Notes specified in, or calculated or determined in accordance with the provisions of, the Pricing Supplement and in the case of floating rate Subordinated Notes, the rate determined in accordance with Condition 7.3 ("Interest - floating rate");

Issue Date means the day on which any Subordinated Note is or is to be issued as specified in or determined in accordance with the provisions of the Pricing Supplement;

Issue Date VWAP means the VWAP during the period of 20 ASX Business Days on which trading in Ordinary Shares took place immediately preceding but not including the Issue Date, as adjusted in accordance with Condition 6 ("Procedures for Conversion");

Issuer means Bank of Queensland Limited (ABN 32 009 656 740);

Junior Ranking Capital Instruments means instruments, present and future, issued by the Issuer which:

- (a) by their terms are, or are expressed to be, subordinated in a Winding-Up to the claims of Noteholders and other Equal Ranking Instruments; and
- (b) qualify as Additional Tier 1 Capital or Common Equity Tier 1 Capital of the Issuer (or, in the case of any instruments issued prior to 1 January 2013, were treated as constituting Tier 1 Capital in accordance with the Prudential Standards which applied prior to 1 January 2013 irrespective of whether or not such instruments are treated as constituting Tier 1 Capital in accordance with any transitional arrangements approved by APRA);

Liabilities means, in respect of the Issuer, its total non-consolidated gross liabilities as shown by its latest published audited accounts, but adjusted for events subsequent to the date of such accounts in such manner and to such extent as two authorised signatories of the Issuer or, if the Issuer is in Winding-Up, the Liquidator may determine to be appropriate;

Liquidator means the liquidator or other official responsible for the conduct and administration of a Winding-Up;

Margin means the margin specified in, or determined in accordance with the provisions of, the Pricing Supplement;

Maturity Date means the date for redemption of a Subordinated Note as specified in the Pricing Supplement;

Maturity Redemption Amount means in relation to a Subordinated Note, the Outstanding Principal Amount or such other redemption amount as may be specified in, or calculated or determined in accordance with the provisions of, the Pricing Supplement;

Maximum Conversion Number has the meaning given in Condition 6.1 (“Conversion”);

Meetings Provisions means the provisions for the convening of meetings of, and passing of resolutions by, Noteholders set out in the schedule to the Deed Poll;

Non-Viability Trigger Event occurs when APRA notifies the Issuer in writing that it believes:

- (a) Conversion or Write-off of all or some Subordinated Notes or conversion, write-off or write-down of all or some of the capital instruments of the Issuer is necessary because, without it, the Issuer would become non-viable; or
- (b) without a public sector injection of capital, or equivalent support, the Issuer would become non-viable;

Non-Viability Trigger Event Date has the meaning given in Condition 5.1(c)(iii);

Noteholder means a means a person whose name is for the time being entered in the Register as the holder of a Subordinated Note or, where a Subordinated Note is owned jointly by two or more persons, the persons whose names appear in the Register as the joint owners of that Subordinated Note;

Ordinary Resolution has the same meaning as in the Meetings Provisions;

Ordinary Share means a fully paid ordinary share in the capital of the Issuer;

Outstanding means, on any date, Subordinated Notes which have not been redeemed, Converted, Written-off or satisfied in full by the Issuer;

Outstanding Principal Amount means in respect of a Subordinated Note which is Outstanding at any time, the Denomination of the Subordinated Note less the aggregate of any part of the principal amount of that Subordinated Note that has been paid or otherwise satisfied by the Issuer and for such purposes:

- (a) if the principal amount of a Subordinated Note has from time to time been Converted or Written-off as described in, and in accordance with, Conditions 5 (“Non-viability, Conversion and Write-off”) and 6 (“Procedures for Conversion”) the principal amount of the Subordinated Note will be reduced by the principal amount so Converted or Written-off; and
- (b) if an amount is required to be determined in Australian Dollars, the Australian Dollar equivalent of the Alternate Currency is to be determined on the basis of the spot rate of exchange for the sale of Australian Dollars against the purchase of such relevant Alternate Currency in the Sydney foreign exchange market quoted by any leading bank selected by the Issuer on the relevant calculation date. The calculation date is, at the discretion of the Issuer, either the date of the Pricing Supplement for such Subordinated Notes or the preceding day on which commercial banks and foreign exchange markets are open for business in Sydney or such other date as may be specified by the Issuer in the Pricing Supplement;

Payment Date means, in respect of a Subordinated Note, an Interest Payment Date, the Maturity Date or other relevant payment date (including an early payment date);

Pricing Supplement means a pricing supplement prepared and issued in relation to Subordinated Notes of a relevant Tranche or Series confirmed in writing by the Issuer;

Programme means the Issuer's uncommitted revolving programme for the issuance of Subordinated Notes and other debt instruments established under the Transaction Documents;

Prudential Standards means the prudential standards and guidelines published by APRA and applicable to the Issuer from time to time;

Purchase Price means, in respect of a Subordinated Note, the purchase price so specified in the relevant Pricing Supplement;

Reclassification has the meaning given in Condition 6.3 ("Adjustments to VWAP for capital reconstruction");

Record Date means, in the case of payments of interest or principal, the eighth calendar day before the relevant date for payment or such date that may be specified in the relevant Pricing Supplement;

Reference Banks means the institutions specified as such in the Pricing Supplement or, if none, four major banks selected by the Calculation Agent in the inter-bank market that is most closely connected with the Reference Rate;

Reference Rate means, in relation to a Subordinated Note, the rate so specified in the relevant Pricing Supplement;

Register means a register, including any branch register, of Noteholders established and maintained by the Issuer in which is entered the names and addresses of Noteholders whose Subordinated Notes are carried on that register, the amount of Subordinated Notes held by each Noteholder and the Tranche, Series and date of issue and transfer of those Subordinated Notes, and any other particulars which the Issuer sees fit;

Registrar means Computershare Investor Services Pty Limited (ABN 48 078 279 277) or such other person appointed by the Issuer pursuant to the Registry Services Agreement to establish and maintain the Register on the Issuer's behalf from time to time;

Registry Services Agreement means the agreement entitled "Registrar and Paying Agency Agreement" dated 18 December 2018 between the Issuer and Computershare Investor Services Pty Limited;

Regular Period means:

- (a) in the case of Subordinated Notes where interest is scheduled to be paid only by means of regular payments, each Interest Period;
- (b) in the case of Subordinated Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls; and
- (c) in the case of Subordinated Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;

Related Entity means an entity over which the Issuer or any parent of the Issuer exercises control or significant influence, as determined by APRA from time to time;

Relevant Date means the date on which a payment in respect of the Subordinated Notes becomes due, except that if the full amount payable has not been received by the Registrar on or before the due date, it means the date on which, the full amount having been so received, notice to that effect is given to the Noteholders in accordance with Condition 13 (“Notices”);

Relevant Securities means Relevant Tier 1 Securities and Relevant Tier 2 Securities;

Relevant Tier 1 Security means a security forming part of the Tier 1 Capital of the Issuer on a “Level 1 basis” or “Level 2 basis” in accordance with the Prudential Standards which, upon the occurrence of a Non-Viability Trigger Event, may be either:

- (a) converted into Ordinary Shares; or
- (b) written-off or written-down (and all rights and claims of the holders in respect of the security shall be written-off or written-down);

Relevant Tier 2 Security means a security (other than the Subordinated Notes) forming part of the Tier 2 Capital of the Issuer on a “Level 1 basis” or “Level 2 basis” in accordance with the Prudential Standards which, upon the occurrence of a Non-Viability Trigger Event, may be either:

- (a) converted into Ordinary Shares; or
- (b) written-off or written-down (and all rights and claims of the holders in respect of the security shall be written-off or written-down);

Replacement has the meaning given in Condition 6.14(a);

Resolution means an Extraordinary Resolution or Ordinary Resolution, as the context requires;

Retail Issue means an issue of Subordinated Notes all of which are specified in a Pricing Supplement as being a retail issue. A retail issue is one in respect of which Subordinated Notes are issued pursuant to a prospectus which has been lodged with, and registered by, ASIC;

Sale and Transfer Agent means each nominee (who cannot be a Related Entity) appointed by the Issuer under a facility established for the sale or transfer of Ordinary Shares issued on Conversion on behalf of:

- (a) if the Noteholder is the operator of a Clearing System or a nominee for a common depository for any one or more Clearing Systems (such operator or nominee for a common depository acting in such capacity as is specified in the rules and regulations of the relevant Clearing System or Clearing Systems), the participants in the relevant Clearing System or Clearing Systems;
- (b) Noteholders who do not wish to receive Ordinary Shares on Conversion; or
- (c) Noteholders who are Ineligible Holders,

in accordance with Condition 6.10 (“Conversion: Clearing Systems, where the Noteholder does not wish to receive Ordinary Shares or is an Ineligible Holder”). For the avoidance of doubt, the Issuer may appoint more than one Sale and Transfer Agent in respect of the Conversion of one or more Series of Subordinated Notes;

Senior Creditors means all depositors and other creditors (present and future) of the Issuer, including all Noteholders of the Issuer’s debt:

- (a) whose claims are admitted in a Winding-Up; and
- (b) whose claims are not made as holders of indebtedness arising under:

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- (i) an Equal Ranking Instrument; or
 - (ii) a Junior Ranking Capital Instrument;

Series means a Tranche or Tranches of Subordinated Notes which are identical, except that:

- (a) the Issue Date and the amount of the first payment of interest may be different in respect of different Tranches of a Series; and
- (b) a Series may comprise Subordinated Notes in more than one Denomination;

Solvency Condition has the meaning given in Condition 4.3 (“Solvency condition”);

Solvent means that each of the following is satisfied:

- (a) the Issuer is able to pay its debts as they fall due; and
- (b) the Issuer’s Assets exceed its Liabilities;

Solvent Reconstruction means a scheme of amalgamation or reconstruction, not involving a bankruptcy or insolvency, where the obligations of the Issuer in relation to the outstanding Subordinated Notes are assumed by the successor entity to which all, or substantially all of the property, assets and undertaking of the Issuer are transferred or where an arrangement with similar effect not involving a bankruptcy or insolvency is implemented;

Subordinated Note means a note being a debt obligation of the Issuer constituted by and owing under the Deed Poll to a Noteholder, the details of which are recorded in, and evidenced by, inscription in the Register;

Subsidiary of an entity means another entity which is a subsidiary of the first within the meaning of Part 1.2 Division 6 of the Corporations Act;

Tax Act means the Income Tax Assessment Act 1936 of Australia and where applicable, the Income Tax Assessment Act 1997 of Australia;

Tax Legislation means (a) the Income Tax Assessment Act 1936 of Australia or the Income Tax Assessment Act 1997 of Australia (both as amended from time to time, as the case may be, and a reference to any section of the Income Tax Assessment Act 1936 includes a reference to that section as rewritten in the Income Tax Assessment Act 1997, (b) any other law setting the rate of income tax payable by the Issuer, and (c) any regulation made under such laws;

Taxes has the meaning given to that term in Condition 10.6 (“Taxation”);

Tenor of a Subordinated Note means the number of days from and including its Issue Date to, and excluding, its Maturity Date;

Terms and Conditions means, in respect of a Subordinated Note, these terms and conditions as amended, supplemented, modified or replaced by the Pricing Supplement applicable to such Subordinated Note;

Tier 1 Capital has the meaning given to it in the Prudential Standards;

Tier 2 Capital has the meaning given to it in the Prudential Standards;

Tranche means Subordinated Notes which are issued on the same Issue Date and the terms of which are identical in all respects (except that a Tranche may comprise Subordinated Notes in more than one denomination);

Transaction Documents means each of the Deed Poll, each Subordinated Note, each Pricing Supplement and the Registry Services Agreement;

VWAP means, subject to any adjustments under Condition 6.2 (“Adjustments to VWAP generally”), the average of the daily volume weighted average sale prices (expressed in Australian dollars and cents and rounded to the nearest full cent, with A\$0.005 being rounded upwards) of Ordinary Shares sold on ASX during the relevant period or on the relevant days but does not include any “crossing” transacted outside the “Open Session State” or any “special crossing” transacted at any time, each as defined in the ASX Market Rules or any overseas trades or trades pursuant to the exercise of options over Ordinary Shares;

VWAP Period means:

- (a) in the case of a Conversion resulting from the occurrence of a Non-Viability Trigger Event, the period of 5 ASX Business Days on which trading in Ordinary Shares took place immediately preceding (but not including) the Non-Viability Trigger Event Date; or
- (b) otherwise, the period for which the VWAP is to be calculated in accordance with these Terms and Conditions;

Winding-Up means the legal procedure for the liquidation of the Issuer commenced when:

- (a) a court order is made for the winding-up of the Issuer and that time for appeal of the decision has passed; or
- (b) an effective resolution is passed by shareholders or members for the winding-up of the Issuer,

other than in connection with a Solvent Reconstruction.

A Winding-Up must be commenced by a court order or an effective resolution of shareholders or members. Neither (i) the making of an application, the filing of a petition, or the taking of any other steps for the winding-up of the Issuer (or any other any procedure whereby the Issuer may be dissolved, liquidated, sequestered or cease to exist as a body corporate), nor (ii) the appointment of a receiver, administrator, administrative receiver, compulsory manager, ADI statutory manager or other similar officer (other than a Liquidator) in respect of the Issuer, constitutes a Winding-Up for the purposes of these Terms and Conditions;

Write-down means a partial Write-off. **Written-down** shall have a corresponding meaning; and

Write-off means termination, reduction and writing off or writing down in accordance with Condition 5.3 (“No further rights”). **Written-off** shall have a corresponding meaning.

1.2 References to certain general terms

Unless the contrary intention appears, a reference in these Terms and Conditions to:

- (a) these Terms and Conditions is a reference to these terms and conditions as modified, supplemented or replaced by the Pricing Supplement;
- (b) “**Australian Dollars**”, “**A\$**” or “**dollars**” is a reference to the lawful currency of the Commonwealth of Australia;
- (c) a “law” includes common law, principles of equity, decree and any statute or other law made by any parliament (where a “statute” or “other law” made by parliament includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them);
- (d) a “**directive**” includes a treaty, official directive, request, regulation, guideline or policy (whether or not having the force of law) with which responsible participants in the relevant market generally comply;
- (e) a document (including these Terms and Conditions) includes any variation or replacement of it;

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- (f) the singular includes the plural and vice versa;
 - (g) the word “**person**” includes a firm, body corporate, an unincorporated association or an authority;
 - (h) a particular person includes a reference to the person’s executors, administrators, successors, substitutes (including, without limitation, persons taking by novation) and assigns;
 - (i) anything (including, without limitation, any amount) is a reference to the whole and each part of it and a reference to a group of persons is a reference to all of them collectively and to each of them individually;
 - (j) a time of day is a reference to Sydney time;
 - (k) an agreement, representation or warranty in favour of two or more persons is for the benefit of them jointly and each of them individually;
 - (l) the words “**including**”, “**for example**” or “**such as**” when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind;
 - (m) a reference to the Issuer, the Registrar, the Calculation Agent or another Agent is a reference to the person so specified in the Pricing Supplement; and
 - (n) a reference to a particular date is a reference to that date adjusted in accordance with the applicable Business Day Convention but does not apply to the date on which a Non-Viability Trigger Event occurs.

1.3 References to principal and interest

Unless the contrary intention appears, in these Terms and Conditions:

- (a) any reference to “**principal**” is taken to include the Maturity Redemption Amount and any other amount in the nature of principal payable in respect of the Subordinated Notes under these Terms and Conditions;
- (b) the principal amount of a Subordinated Note issued at a discount is to be taken as at any time to equal its denomination;
- (c) any reference to “**interest**” is taken to include any Additional Amounts and any other amount in the nature of interest payable in respect of the Subordinated Notes under these Terms and Conditions.

1.4 Headings

Headings (including those in brackets at the beginning of paragraphs) are for convenience only and do not affect the interpretation of these Terms and Conditions.

1.5 Terms defined in Pricing Supplement

Terms which are defined in the Pricing Supplement as having a defined meaning have the same meaning when used in these Terms and Conditions but if the Pricing Supplement gives no meaning or specifies that the definition is “Not Applicable”, then that definition is not applicable to the Subordinated Notes.

2 Form, denomination and title

2.1 Constitution under Deed Poll

The Subordinated Notes are subordinated, registered debt obligations of the Issuer constituted by, and owing under, the Deed Poll and take the form of entries in the Register. Each entry in the Register constitutes a separate and individual acknowledgment to the Noteholder of the indebtedness of the Issuer to the Noteholder.

2.2 Independent obligations

The obligations of the Issuer in respect of each Subordinated Note constitute separate and independent obligations which the Noteholder to whom those obligations are owed is entitled to enforce without having to join any other Noteholder or any predecessor in title of a Noteholder.

2.3 Currency

Subordinated Notes may be denominated in Australian Dollars or an Alternate Currency specified in the Pricing Supplement.

2.4 Denomination

Unless otherwise specified in the Pricing Supplement Subordinated Notes are issued in the denomination of A\$100,000. Subordinated Notes may only be issued if:

- (a) the consideration payable to the Issuer by the relevant Noteholder to whom the Subordinated Notes are issued is a minimum of A\$500,000 (or its equivalent in an Alternate Currency, in either case, disregarding any moneys lent by the Issuer or its associates to the Noteholder) or if the Subordinated Notes are otherwise issued in a manner which does not require disclosure to be made under Parts 6D.2 or 7.9 of the Corporations Act;
- (b) the issue is not to a “retail client” as defined for the purposes of section 761G of the Corporations Act;
- (c) such action does not require any document to be lodged with ASIC; and
- (d) the issue complies with all applicable laws and directives of the jurisdiction in which the issue takes place.

2.5 Register conclusive

Entries in the Register in relation to a Subordinated Note constitute conclusive evidence that the person so entered is the registered owner of the Subordinated Note subject to rectification for fraud or error. No Subordinated Note will be registered in the name of more than 4 persons. A Subordinated Note registered in the name of more than one person is held by those persons as joint tenants. Subordinated Notes will be registered by name only without reference to any trusteeship. The person registered in the Register as a Noteholder of a Subordinated Note will be treated by the Issuer and the Registrar as absolute owner of that Subordinated Note and neither the Issuer nor the Registrar is, except as ordered by a court or as required by statute, obliged to take notice of any other claim to a Subordinated Note.

2.6 Noteholder absolutely entitled

Upon a person acquiring title to any Subordinated Note by virtue of becoming registered as the owner of that Subordinated Note, all rights and entitlements arising by virtue of the Deed Poll in respect of that Subordinated Note vest absolutely in the registered owner of the Subordinated Note, such that no person who has previously been registered as the owner of the Subordinated Note has or is entitled to assert against the Issuer or the Registrar or the registered owner of the Subordinated Note for the time being and from time to time any rights, benefits or entitlements in respect of the Subordinated Note.

2.7 Location of Register

The Register will be established and maintained in Queensland unless otherwise agreed with the Registrar.

2.8 Certificates

The Subordinated Notes are issued in registered form. No certificate or other evidence of title will be issued by or on behalf of the Issuer to evidence title to a Subordinated Note unless the Issuer determines that certificates should be made available or it is required to do so pursuant to any applicable law or regulation.

2.9 Acknowledgment

Where the Austraclear System is recorded in the Register as the Noteholder, each person in whose account that Subordinated Note is recorded is deemed to acknowledge in favour of the Registrar and Austraclear that:

- (a) the Registrar's decision to act as the Registrar of the Subordinated Note does not constitute a recommendation or endorsement by the Registrar or Austraclear in relation to the Subordinated Note but only indicates that such Subordinated Note is considered by the Registrar to be compatible with the performance by it of its obligations as Registrar under its agreement with the Issuer to act as Registrar of the Subordinated Note; and
- (b) the Noteholder does not rely on any fact, matter or circumstance contrary to Condition 2.9(a).

3 Transfers

3.1 Limit on transfer

Subordinated Notes may only be transferred in whole. If the principal amount of a Subordinated Note has from time to time been Converted or Written-off as described in, and in accordance with, Conditions 5 ("Non-viability, Conversion and Write-off") and 6 ("Procedures for Conversion"), the residual principal amount of the Subordinated Note is a "whole" Subordinated Note for the purposes of this Condition 3.1 ("Limit on transfer").

3.2 Compliance with law

Unless otherwise specified in the Pricing Supplement, Subordinated Notes may only be transferred if:

- (a) in the case of Subordinated Notes to be transferred in or into Australia:
 - (i) the offer or invitation giving rise to the transfer of the Subordinated Notes is for an aggregate consideration of at least A\$500,000 (or its equivalent in an alternative currency and either case, disregarding monies lent by the transferor or its associates to the transferee) or transfer does not require disclosure to investors under Parts 6D.2 and 7.9 of the Corporations Act;
 - (ii) the transfer is not to a "retail client" for the purposes of section 761G of the Corporations Act; and
 - (iii) such action does not require any document to be lodged with ASIC; and
- (b) at all times, the transfer complies with all applicable laws or directives of the jurisdiction where the transfer takes place.

3.3 Transfer procedures

Unless Subordinated Notes are lodged in the Austraclear System, application for the transfer of Subordinated Notes must be made by the lodgment of a transfer form with the Registrar. Transfer forms are available from the Registrar. Each transfer form must be duly completed, signed by both the transferor and transferee, and accompanied by such evidence (if any) as the Registrar may require to prove the title of the transferor or the transferor's right to transfer the Subordinated Note.

Subordinated Notes entered in the Austraclear System will be transferable only in accordance with the Austraclear Regulations.

3.4 Registration of transfer

The transferor of a Subordinated Note is deemed to remain the holder of that Subordinated Note until the name of the transferee is entered in the Register in respect of that Subordinated Note. Transfers will not be registered during the period between 5.00 pm (Sydney time) on the relevant Record Date and the corresponding date for payment of principal or interest or later than 5.00 pm (Sydney time) on the Record Date prior to the Maturity Date of the Subordinated Note.

3.5 No charge on transfer

Transfers will be registered without charge provided taxes, duties or other governmental charges (if any) imposed in relation to the transfer have been paid.

3.6 Estates

A person becoming entitled to a Subordinated Note as a consequence of the death or bankruptcy of a Noteholder or of a vesting order or a person administering the estate of a Noteholder may, upon producing such evidence as to that entitlement or status as the Registrar considers sufficient, transfer the Subordinated Note or, if so entitled, become registered as the holder of the Subordinated Note.

3.7 Unincorporated associations

A transfer to an unincorporated association is not permitted.

3.8 Transfer of unidentified Subordinated Notes

Where the transferor executes a transfer of less than all Subordinated Notes of the relevant Tranche or Series registered in its name, and the specific Subordinated Notes to be transferred are not identified, the Registrar may (subject to the limit on minimum holdings) register the transfer in respect of such of the Subordinated Notes of the relevant Tranche or Series registered in the name of the transferor as the Registrar thinks fit, provided the aggregate principal amount of the Subordinated Notes registered as having been transferred equals the aggregate principal amount of the Subordinated Notes expressed to be transferred in the transfer.

3.9 CHES

Subordinated Notes which are listed on the Australian Securities Exchange will not be transferred through or registered on, CHES and are not "Approved Financial Products" (as defined for the purposes of that system).

4 Status

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

Section 13A(3) of the Banking Act provides that the assets of an ADI in Australia would, in the event of the ADI becoming unable to meet its obligations or suspending payment, be available

to meet certain liabilities in priority to all other liabilities of that ADI. The liabilities which have priority, by virtue of section 13A(3) of the Banking Act, to the claims of holders in respect of the Subordinated Notes will be substantial, as such liabilities include (but are not limited to) liabilities owed to Australian Prudential Regulation Authority (“APRA”) in respect of any payments by APRA to holders of protected accounts held with that ADI under the Banking Act, the costs of APRA in certain circumstances, liabilities in Australia owed to holders of protected accounts held with that ADI, debts due to the Reserve Bank of Australia (“RBA”) and liabilities under certified industry support contracts. A “**protected account**” is an account or covered financial product that is kept by an account-holder (whether along or jointly with one or more other account-holders) with an ADI and either:

- (i) is an account, or covered financial product that is kept under an agreement between the account-holder and the ADI requiring the ADI to pay the account-holder, on demand by the account-holder or at an agreed time by them, the net credit balance of the account or covered financial product at the time of the demand or the agreed time (as appropriate); or
- (ii) an account prescribed by regulations for the purposes of section 5(4)(a) of the Banking Act.

For the purposes of section 13(A) of the Banking Act, the assets of the ADI do not include any interest in an asset (or part of an asset) in a cover pool (as defined in the Banking Act) that may have been established for the issuance of any covered bonds.

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

The Subordinated Notes do not constitute protected accounts or deposit liabilities of the Issuer in Australia under such statutory provisions.

4.1 Acknowledgements

Each Noteholder by its purchase or holding of Subordinated Notes is taken to acknowledge that:

- (a) the Issuer intends that Subordinated Notes constitute Tier 2 Capital and be able to absorb losses at the point of non-viability as described in the Prudential Standards;
- (b) the Issuer’s obligations in respect of Subordinated Notes are subordinated in the manner provided in Condition 4.2 (“Status and Subordination”); and
- (c) Subordinated Notes are subject to Conversion or Write-off in accordance with Conditions 5 (“Non-viability, Conversion and Write-off”) and 6 (“Procedures for Conversion”). The Pricing Supplement will specify whether the primary method of loss absorption will be:
 - (i) Conversion, subject to possible Write-off in accordance with Condition 5.3 (“No further rights”); or
 - (ii) Write-off without Conversion in accordance with Condition 5.3 (“No further rights”).

If the Pricing Supplement does not specify the primary method of loss absorption, the primary method of loss absorption will be Conversion, subject to possible Write-off in accordance with Condition 5.3 (“No further rights”).

4.2 Status and Subordination

- (a) Noteholders do not have any right to prove in a Winding-Up in respect of Subordinated Notes, except as permitted under Condition 4.4 (“Winding-Up”).
- (b) The Subordinated Notes are direct and unsecured subordinated obligations of the Issuer and will rank for payment in a Winding-Up as set out in Condition 4.4 (“Winding-Up”).
- (c) Subordinated Notes will not constitute protected accounts or deposit liabilities of the Issuer in Australia for the purposes of the Banking Act.

4.3 Solvency condition

Prior to a Winding-Up:

- (a) the obligation of the Issuer to make any payment of principal, interest or Additional Amounts in respect of Subordinated Notes shall be conditional upon the Issuer being Solvent at the time the payment or other amount owing falls due; and
- (b) no payment of principal, interest or Additional Amounts shall be made in respect of Subordinated Notes except to the extent that the Issuer may make such payment and still be Solvent immediately thereafter.

A certificate as to whether the Issuer is Solvent signed by two authorised signatories of the Issuer or, if the Issuer is in Winding-Up, the Liquidator, shall, in the absence of fraud or manifest or proven error, be conclusive evidence of the information contained in that certificate. In the absence of such a certificate, a Noteholder shall be entitled to assume (unless the contrary is proved) that the Issuer is and will after any payment aforesaid be Solvent.

For the avoidance of doubt, and provided that Subordinated Notes have not been Converted or Written-off:

- (i) interest will continue to accrue on any principal not paid as a consequence of Condition 4.3(b) at the Interest Rate; and
- (ii) any principal, interest or Additional Amounts not paid to a Noteholder as a consequence of Condition 4.3(b) accumulates with compounding.

Any amount not paid as a consequence of Condition 4.3(b): (x) remains a debt owing to the Noteholder by the Issuer until it is paid and shall be payable on the first date on which paragraphs (a) and (b) of this Condition 4.3 (“Solvency condition”) would allow payment of that amount (whether or not such date is otherwise an Interest Payment Date or other date on which such amount falls due); and (y) shall not constitute an Event of Default.

4.4 Winding-Up

In a Winding-Up:

- (a) Noteholders shall have no right or claim against the Issuer in respect of the principal of, interest on or Additional Amounts relating to their Subordinated Notes, to the extent such Subordinated Notes have been Converted or Written-Off; and
- (b) the rights and claims of Noteholders against the Issuer to recover any principal, interest or Additional Amounts in respect of such Subordinated Notes that have not been Converted or Written-off:
 - (i) shall be subordinate to, and rank junior in right of payment to, the obligations of the Issuer to Senior Creditors and all such obligations to Senior Creditors shall be entitled to be paid in full before any payment shall be paid on account of any sums payable in respect of such Subordinated Notes;

-
- (ii) shall rank equally with the obligations of the Issuer to the holders of other Subordinated Notes that have not been Converted or Written-off, and the obligations of the Issuer to holders of Equal Ranking Instruments; and
 - (iii) shall rank prior to, and senior in right of payment to, the obligations of the Issuer to holders of Ordinary Shares, and other Junior Ranking Capital Instruments.

Unless and until Senior Creditors have been paid in full, Noteholders must not claim in the Winding-Up in competition with Senior Creditors so as to diminish any payment which, but for that claim, Senior Creditors would have been entitled to receive.

In a Winding-Up, Noteholders shall only be entitled to prove for any sums payable in respect of their Subordinated Notes as a liability which is subject to prior payment in full of Senior Creditors. Noteholders waive, to the fullest extent permitted by law, any right to prove in a Winding-Up as a creditor ranking for payment in any other manner.

4.5 No Set-Off

Neither the Issuer nor any Noteholder is entitled to set-off any amounts due in respect of Subordinated Notes held by the Noteholder against any amount of any nature owed by the Issuer to the Noteholder or by the Noteholder to the Issuer.

4.6 Clawback

Each Noteholder by its purchase or holding of a Subordinated Note is taken to have irrevocably acknowledged and agreed that it shall pay or deliver to the Liquidator any payment or asset, whether voluntary or in any other circumstances, received by the Noteholder from or on account of the Issuer (including by way of credit, set-off or otherwise howsoever) or from any Liquidator (or any provisional or other liquidator, receiver, manager or statutory manager of the Issuer) in breach of either this Condition 4.6 (“Clawback”) or Condition 9 (“Events of Default”).

4.7 Other provisions

Each Noteholder by its purchase or holding of a Subordinated Note is taken to have irrevocably acknowledged and agreed:

- (a) that Condition 4.2 (“Status and Subordination”) constitutes a debt subordination for the purposes of section 563C of the Corporations Act;
- (b) without limiting its rights existing otherwise than as holder of a Subordinated Note, that it must not exercise its voting rights as an unsecured creditor in the Winding-Up of the Issuer to defeat, negate or in any way challenge the enforceability of the subordination in Condition 4.2 (“Status and Subordination”); and
- (c) that the debt subordination effected by Condition 4.2 (“Status and Subordination”) is not affected by any act or omission of the Issuer or a Senior Creditor which might otherwise affect it at law or in equity.

No consent of any Senior Creditor shall be required for any amendment of Condition 4.2 (“Status and Subordination”) in relation to any Outstanding Subordinated Notes.

4.8 Amendments affecting regulatory treatment

No amendment to the Terms and Conditions of a Subordinated Note that at the time of such amendment qualifies as Tier 2 Capital is permitted without the prior written consent of APRA if such amendment may affect the eligibility of the Subordinated Note as Tier 2 Capital as described in the Prudential Standards.

5 Non-viability, Conversion and Write-off

5.1 Non-Viability Trigger Event

- (a) If a Non-Viability Trigger Event occurs, the Issuer must:
- (i) subject to Condition 5.3 (“No further rights”), Convert; or
 - (ii) if the Pricing Supplement specifies that the primary method of loss absorption will be Write-off without Conversion in accordance with Condition 5.3 (“No further rights”), Write-off,

in either case, all Subordinated Notes or, where paragraph (a) of the definition of “Non-Viability Trigger Event” applies, an amount of Subordinated Notes (or a percentage of the Outstanding Principal Amount of each Subordinated Note) as is necessary to satisfy APRA that the Issuer will not become non-viable.

- (b) In determining the Subordinated Notes or percentage of the Outstanding Principal Amount of each Subordinated Note which must be Converted or Written-Off in accordance with Condition 5.1(a), the Issuer will:
- (i) first, convert, write-off or write-down an amount of the face value or outstanding principal amount of all outstanding Relevant Tier 1 Securities before Conversion, Write-off or Write-down of the Subordinated Notes; and
 - (ii) second, if conversion, write-off or write-down of those Relevant Tier 1 Securities is not sufficient to satisfy APRA that the Issuer would not become non-viable, Convert, Write-off or Write-down (in the case of the Subordinated Notes) and convert, write-off or write-down (in the case of any other Relevant Tier 2 Securities), on a pro-rata basis or in a manner that is otherwise, in the opinion of the Issuer, fair and reasonable, the face value or Outstanding Principal Amount of the Subordinated Notes and any Relevant Tier 2 Securities (subject to such adjustments as the Issuer may determine to take into account the effect on marketable parcels and whole numbers of Ordinary Shares and any Subordinated Notes or Relevant Tier 2 Securities remaining on issue, and the need to effect the conversion immediately) and, for the purposes of this Condition 5.1(b)(ii), where the Subordinated Notes and any Relevant Tier 2 Securities are denominated in one or more currencies, the Issuer may treat the principal amount of the Subordinated Notes and any Relevant Tier 2 Securities which are denominated in an Alternate Currency as being converted into Australian Dollars at such rate of exchange as the Issuer in good faith considers reasonable,

but such determination will not impede the immediate Conversion or Write-off of the relevant Subordinated Notes or percentage of the Outstanding Principal Amount of each Subordinated Note (as the case may be).

- (c) If a Non-Viability Trigger Event occurs:
- (i) the Subordinated Notes or the percentage of the Outstanding Principal Amount of each Subordinated Note determined in accordance with Conditions 5.1(a) and (b), shall be Converted or Written-off immediately upon the occurrence of the Non-Viability Trigger Event in accordance with Conditions 5.2 (“Automatic Conversion or Write-off upon the occurrence of a Non-Viability Trigger Event”) and 6 (“Procedures for Conversion”). The Conversion or Write-off will be irrevocable;
 - (ii) the Issuer must give notice to Noteholders in accordance with Condition 13 (“Notices”) and the ASX (if the Subordinated Notes are listed on the ASX) as soon as practicable that a Non-Viability Trigger Event has occurred and that Conversion or Write-off has occurred on the Non-Viability Trigger Event Date;

- (iii) the notice must specify (A) the date on which Conversion or Write-off occurred (“**Non-Viability Trigger Event Date**”) and the Subordinated Notes or the percentage of the Outstanding Principal Amount of each Subordinated Note which was Converted or, if Condition 5.3 (“No further rights”) is applicable, Written-off, and (B) details of the Relevant Securities converted, written-off or written down in accordance with Condition 5.1(b); and
- (iv) in the case of Conversion, the notice must specify the details of the Conversion process, including any details which were taken into account in relation to the effect on marketable parcels and whole numbers of Ordinary Shares, and the impact on any Subordinated Notes remaining on issue.

Failure to undertake any of the steps in Conditions 5.1(c)(ii) to (iv) does not prevent, invalidate or otherwise impede Conversion or Write-off.

5.2 Automatic Conversion or Write-off upon the occurrence of a Non-Viability Trigger Event

If a Non-Viability Trigger Event has occurred and all or some Subordinated Notes are (or a percentage of the Outstanding Principal Amount of each Subordinated Note is) required to be Converted or Written-off in accordance with Condition 5.1 (“Non-Viability Trigger Event”), then:

- (a) Conversion or Write-off of the relevant Subordinated Notes or percentage of the Outstanding Principal Amount of each Subordinated Note will occur in accordance with Condition 5.1 (“Non-Viability Trigger Event”) and, if applicable Condition 5.3 (“No further rights”), immediately upon the Non-Viability Trigger Event Date;
- (b) in the case of Conversion and subject to Condition 6.10 (“Conversion: Clearing Systems, where the Noteholder does not wish to receive Ordinary Shares or is an Ineligible Holder”), the entry with respect to a Noteholder’s Subordinated Notes in the Register will constitute an entitlement of that Noteholder to (i) the Conversion Number of Ordinary Shares in respect of such Subordinated Notes or percentage of the Outstanding Principal Amount of each Subordinated Instrument in accordance with Condition 6.1 (“Conversion”), and (ii) unless the Subordinated Notes shall have been Written-off in full, to Subordinated Notes with an Outstanding Principal Amount equal to the aggregate of the remaining percentage of the Outstanding Principal Amount of each Subordinated Note, and the Issuer will recognise the Noteholder as having been issued the Conversion Number of Ordinary Shares for all purposes, in each case without the need for any further act or step by the Issuer, the Noteholder or any other person (and the Issuer will, as soon as possible thereafter and without delay on its part, take any appropriate procedural steps to record such Conversion, including updating the Register and the Ordinary Share register); and
- (c) a Noteholder has no further right or claim under these Terms and Conditions in respect of such Subordinated Notes or percentage of the Outstanding Principal Amount of each Subordinated Instrument (including to payments of interest or the repayment of principal), except in the case of Conversion and subject to Condition 6.10 (“Conversion: Clearing Systems, where the Noteholder does not wish to receive Ordinary Shares or is an Ineligible Holder”) in relation to the Noteholder’s entitlement to the Conversion Number of Ordinary Shares in accordance with Condition 6 (“Procedures for Conversion”) and the Noteholder’s entitlement, if any, to Subordinated Notes representing the Outstanding Principal Amount of such Subordinated Notes which have not been required to be Converted.

5.3 No further rights

If:

- (a) for any reason, Conversion of any Subordinated Notes (or a percentage of the Outstanding Principal Amount of any Subordinated Note) required to be Converted under Condition 5.1 (“Non-Viability Trigger Event”) does not occur within five ASX Business Days after the Non-Viability Trigger Event Date; or

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- (b) the Pricing Supplement specifies that the primary method of loss absorption will be Write-off without Conversion in accordance with Condition 5.3 (“No further rights”),

then:

- (c) the relevant Noteholders’ rights and claims under these Terms and Conditions in relation to such Subordinated Notes or the percentage of the Outstanding Principal Amount of such Subordinated Notes (including to payments of interest or the repayment of principal and, in the case of Conversion, to be issued with the Conversion Number of Ordinary Shares in respect of such Subordinated Notes or percentage of the Outstanding Principal Amount of each Subordinated Note), are immediately and irrevocably written-off and terminated (“Written-off”) with effect on and from the Non-Viability Trigger Event Date; and;
- (d) the Outstanding Principal Amount of the Subordinated Notes is reduced on that date by the Outstanding Principal Amount of the Subordinated Notes to be Converted or Written-off, as determined in accordance with Conditions 5.1(a) and (b) and any accrued and unpaid interest and any unpaid Additional Amounts shall be correspondingly reduced.

5.4 Consent to receive Ordinary Shares and other acknowledgements

Subject to any Write-off required in accordance with Condition 5.3 (“No further rights”), each Noteholder by its purchase or holding of a Subordinated Note irrevocably agrees that:

- (a) upon Conversion in accordance with Condition 5 (“Non-viability, Conversion and Write-off”) and Condition 6 (“Procedures for Conversion”), consents to becoming a member of the Issuer and agrees to be bound by the constitution of the Issuer;
- (b) unless (x) it has given notice in accordance with Condition 6.10 (“Conversion: Clearing Systems, where the Noteholder does not wish to receive Ordinary Shares or is an Ineligible Holder”) that it does not wish to receive Ordinary Shares as a result of Conversion or (y) it is an Ineligible Holder, it is obliged to accept Ordinary Shares of the Issuer on Conversion notwithstanding anything that might otherwise affect a Conversion of Subordinated Notes including:
- (i) any change in the financial position of the Issuer since the issue of the Subordinated Notes;
- (ii) any disruption to the market or potential market for Ordinary Shares or capital markets generally; or
- (iii) any breach by the Issuer of any obligation in connection with the Subordinated Notes;
- (c)
- (i) Conversion is not subject to any conditions other than those expressly provided for in Condition 5 (“Non-viability, Conversion and Write-off”) and Condition 6 (“Procedures for Conversion”);
- (ii) Conversion must occur immediately on the Non-Viability Trigger Event Date and that may result in disruption or failures in trading or dealings in the Subordinated Notes;
- (iii) it will not have any rights to vote in respect of any Conversion (whether as a Noteholder or as a prospective holder of an Ordinary Share); and
- (iv) notwithstanding Condition 6.9 (“Status and listing of Ordinary Shares (“Status and listing of Ordinary Shares”), Ordinary Shares issued on Conversion may not be quoted at the time of Conversion or at all;

- (d) that where Condition 5.3 (“No further rights”) applies, no other conditions or events will affect the operation of that Condition and it will not have any rights to vote in respect of any Write-off under that Condition; and
- (e) that it has no remedies on account of the failure of the Issuer to issue Ordinary Shares in accordance with Condition 6 (“Procedures for Conversion”) other than, subject to Condition 5.3 (“No further rights”) , to seek specific performance of the Issuer’s obligation to issue Ordinary Shares.

5.5 Issue of ordinary shares of successor holding company

Where there is a replacement of the Issuer as the ultimate holding company of the Bank of Queensland Group and the successor holding company is an Approved Successor, the Conditions may be amended in accordance with Condition 6.14 (“Amendment of Terms and Conditions relating to Conversion for Successor Holding Company”).

5.6 No Conversion at the option of the Noteholders

Noteholders do not have a right to request Conversion of their Subordinated Notes at any time.

5.7 No rights before Conversion

Before Conversion, Subordinated Notes confer no rights on a Noteholder to:

- (a) vote at, or receive notices of, any meeting of shareholders or members of the Issuer;
- (b) subscribe for new securities or to participate in any bonus issues of securities of the Issuer; or
- (c) otherwise participate in the profits or property of the Issuer,

except as expressly set out in these Terms and Conditions.

6 Procedures for Conversion

6.1 Conversion

On the Non-Viability Trigger Event Date, subject to Conditions 5.3 (“No further rights”) and 6.10 (“Conversion: Clearing Systems, where the Noteholder does not wish to receive Ordinary Shares or is an Ineligible Holder”), the following provisions will apply.

- (a) The Issuer will allot and issue the Conversion Number of Ordinary Shares for each Subordinated Note to each Noteholder. The Conversion Number is, subject always to the Conversion Number being no greater than the Maximum Conversion Number, either (x) the number specified, or determined in accordance with the relevant provisions in, the Pricing Supplement or, (y) if no Conversion Number and no such provisions are specified in the Pricing Supplement, calculated according to the following formula:

$$\text{Conversion Number for each Subordinated Note} = \frac{\text{Outstanding Principal Amount of the Subordinated Note (translated into Australian Dollars in accordance with paragraph (b) of the definition of Outstanding Principal Amount, except that the calculation date shall be the Non-Viability Trigger Event Date)}}{P \times \text{VWAP}}$$

where:

P means the number, which is to be greater than zero, specified in the Pricing Supplement;

VWAP means the VWAP during the VWAP Period; and

Maximum Conversion Number means a number calculated according to the following formula:

$$\text{Maximum Conversion Number} = \frac{\text{Outstanding Principal Amount of the Subordinated Note (translated into Australian Dollars in accordance with paragraph (b) of the definition of Outstanding Principal Amount)}}{0.20 \times \text{Issue Date VWAP}}$$

- (b) Each Noteholder's rights in relation to the percentage of the Outstanding Principal Amount of each Subordinated Note that is being Converted as determined in accordance with Conditions 5.1(a) and (b) will be immediately and irrevocably terminated for an amount equal to its Outstanding Principal Amount and the Issuer will apply such Outstanding Principal Amount of each Subordinated Note to subscribe for the Ordinary Shares to be allotted and issued under Condition 6.1(a). Each Noteholder is taken to have irrevocably directed that any amount payable under this Condition 6.1 ("Conversion") is to be applied as provided for in this Condition 6.1 ("Conversion") and Noteholders do not have any right to payment in any other way.
- (c) If the total number of Ordinary Shares to be allotted and issued in respect of a Noteholder's aggregate holding of Subordinated Notes includes a fraction of an Ordinary Share, that fraction of an Ordinary Share will not be issued or delivered on Conversion.
- (d) Subject to Condition 6.10 ("Conversion: Clearing Systems, where the Noteholder does not wish to receive Ordinary Shares or is an Ineligible Holder"), where Subordinated Notes are Converted, the Issuer will allot and issue the Ordinary Shares to the Noteholder on the basis that a Noteholder's name and address set out in the Register (or, if not set out in the Register, otherwise held by the Registrar) are the name and address for entry into any register of title and receipt of any certificate or holding statement in respect of any Ordinary Shares issued on Conversion unless:
- (i) a Noteholder has notified the Issuer a different name and address; and
 - (ii) provided such other information as is reasonably requested by the Issuer (including, without limitation security account details in CHESS or such other account to which the Ordinary Shares issued on Conversion are to be credited),

which notice may be given at any time on or after the Issue Date and no less than 15 Business Days prior to the Non-Viability Trigger Event Date.

6.2 Adjustments to VWAP generally

For the purposes of calculating VWAP under Condition 6.1 ("Conversion"):

- (a) where, on some or all of the ASX Business Days in the relevant VWAP Period, Ordinary Shares have been quoted on ASX as cum dividend or cum any other distribution or entitlement and Subordinated Notes will be Converted into Ordinary Shares after that date and those Ordinary Shares will no longer carry that dividend or that other distribution or entitlement, then the VWAP on the ASX Business Days on which those Ordinary Shares have been quoted cum dividend or cum any other distribution or entitlement will be reduced by an amount ("**Cum Value**") equal to:
- (i) in the case of a dividend or other distribution, the amount of that dividend or other distribution including, if the dividend or distribution is franked, the amount that would be included in the assessable income of a recipient of the dividend or distribution who is a natural person resident in Australia under the Tax Legislation;

- (ii) in the case of any entitlement that is not a dividend or other distribution for which adjustment is made under Condition 6.2(a)(i) which is traded on ASX on any of those ASX Business Days, the volume weighted average price of all such entitlements sold on ASX during the VWAP Period on the ASX Business Days on which those entitlements were traded (excluding trades of the kind that would be excluded in determining VWAP under the definition of that term); or
 - (iii) in the case of other entitlements for which adjustment is not made under Conditions 6.2(a)(i) or (ii), the value of the entitlement as reasonably determined by the Issuer; and
- (b) where, on some or all of the ASX Business Days in the VWAP Period, Ordinary Shares have been quoted as ex dividend or ex any other distribution or entitlement, and Subordinated Notes will be Converted into Ordinary Shares which would be entitled to receive the relevant dividend, distribution or entitlement, the VWAP on the ASX Business Days on which those Ordinary Shares have been quoted ex dividend or ex any other distribution or entitlement will be increased by the Cum Value.

6.3 Adjustments to VWAP for capital reconstruction

- (a) Where during the relevant VWAP Period there is a change to the number of Ordinary Shares on issue because the Ordinary Shares are reconstructed, consolidated, divided or reclassified (in a manner not involving any cash payment or the giving of another form of consideration to or by holders of Ordinary Shares) (“**Reclassification**”) into a lesser or greater number, the daily VWAP for each day in the VWAP Period which falls before the date on which trading in Ordinary Shares is conducted on a post Reclassification basis will be adjusted by multiplying the VWAP applicable on the ASX Business Day immediately before the date of any such Reclassification by the following formula:

$$\frac{A}{B}$$

where:

A means the aggregate number of Ordinary Shares immediately before the Reclassification; and

B means the aggregate number of Ordinary Shares immediately after the Reclassification.

- (b) Any adjustment made by the Issuer in accordance with Condition 6.3(a) will be effective and binding on Noteholders under these Terms and Conditions and these Terms and Conditions will be construed accordingly.

6.4 Adjustments to Issue Date VWAP generally

For the purposes of determining the Issue Date VWAP under Condition 6.1 (“Conversion”), adjustments will be made in accordance with Conditions 6.2 (“Adjustments to VWAP generally”) and 6.3 (“Adjustments to VWAP for capital reconstruction”) during the VWAP Period for the Issue Date VWAP. On and from the Issue Date, adjustments to the Issue Date VWAP:

- (a) may be made by the Issuer in accordance with Conditions 6.5 (Adjustments to Issue Date VWAP for bonus issues), 6.6 (“Adjustments to Issue Date VWAP for capital reconstruction”) and 6.7 (“No adjustment to Issue Date VWAP in certain circumstances”); and
- (b) if so made, will be effective and binding on Noteholders under these Terms and Conditions and these Terms and Conditions will be construed accordingly.

6.5 Adjustments to Issue Date VWAP for bonus issues

- (a) Subject to Conditions 6.5(b) and 6.5(c), if the Issuer makes a pro-rata bonus issue of Ordinary Shares to holders of Ordinary Shares generally (in a manner not involving any cash payment or the giving of another form of consideration to or by holders of Ordinary Shares), the Issue Date VWAP will be adjusted immediately in accordance with the following formula:

$$V = V_o \times RD / (RD + RN)$$

where:

V means the Issue Date VWAP applying immediately after the application of this formula;

V_o means the Issue Date VWAP applying immediately prior to the application of this formula;

RD means the number of Ordinary Shares on issue immediately prior to the allotment of new Ordinary Shares pursuant to the bonus issue; and

RN means the number of Ordinary Shares issued pursuant to the bonus issue.

- (b) For the avoidance of doubt, Condition 6.5(a) does not apply to Ordinary Shares issued as part of a bonus share plan, employee or executive share plan, executive option plan, share top up plan, share purchase plan or a dividend reinvestment plan.
- (c) For the purposes of this Condition 6.5 (Adjustments to Issue Date VWAP for bonus issues), an issue will be regarded as a bonus issue notwithstanding that the Issuer does not make offers to some or all holders of Ordinary Shares with registered addresses outside Australia, provided that in so doing the Issuer is not in contravention of the ASX Listing Rules.

6.6 Adjustments to Issue Date VWAP for capital reconstruction

If at any time after the Issue Date there is a change to the number of Ordinary Shares on issue because of a Reclassification (in a manner not involving any cash payment or the giving of another form of consideration to or by holders of Ordinary Shares) into a lesser or greater number, the Issue Date VWAP will be adjusted by multiplying the Issue Date VWAP applicable on the ASX Business Day immediately before the date of any such Reclassification by the following formula:

$$\frac{A}{B}$$

where:

A means the aggregate number of Ordinary Shares on issue immediately before the Reclassification; and

B means the aggregate number of Ordinary Shares on issue immediately after the Reclassification.

6.7 No adjustment to Issue Date VWAP in certain circumstances

Notwithstanding the provisions of Condition 6.5 (Adjustments to Issue Date VWAP for bonus issues) and 6.6 ("Adjustments to Issue Date VWAP for capital reconstruction), no adjustment will be made to the Issue Date VWAP where any such adjustment (expressed in Australian dollars and cents and rounded to the nearest whole cent with A\$0.005 being rounded upwards) would be less than one per cent of the Issue Date VWAP then in effect.

6.8 Announcement of adjustments to Issue Date VWAP

The Issuer will notify any adjustment to the Issue Date VWAP under this Condition 6 (“Procedures for Conversion”) to ASX and to the Noteholders in accordance with Condition 13 (“Notices”) within 10 ASX Business Days of the Issuer determining the adjustment and the adjustment will be final and binding.

6.9 Status and listing of Ordinary Shares

- (a) Ordinary Shares issued or arising from Conversion will rank equally with all other fully paid Ordinary Shares provided that the rights attaching to the Ordinary Shares issued or arising from Conversion do not take effect until 5.00pm (Sydney time) on the Non-Viability Trigger Event Date (or such other time required by APRA).
- (b) The Issuer will use all reasonable endeavours to list the Ordinary Shares issued on Conversion of Subordinated Notes on ASX.

6.10 Conversion: Clearing Systems, where the Noteholder does not wish to receive Ordinary Shares or is an Ineligible Holder

- (a) If Subordinated Notes are required to be Converted and the Noteholder is the operator of a Clearing System or a nominee for a common depository for any one or more Clearing Systems (such operator or nominee for a common depository acting in such capacity as is specified in the rules and regulations of the relevant Clearing System or Clearing Systems), then, with effect from the Non-Viability Trigger Event Date, the Noteholder’s rights in relation to each such Subordinated Note being Converted shall be immediately and irrevocably terminated and the Issuer will issue the relevant aggregate Conversion Number of Ordinary Shares in accordance with the procedure in clause 6.1(b) to one or more Sale and Transfer Agents for no additional consideration to hold on trust for sale for the benefit of the participants in, or members of, the relevant Clearing System or Clearing Systems who held the corresponding Subordinated Notes through the relevant Clearing System or Clearing Systems immediately prior to Conversion (“**Clearing System Participants**”). A Clearing System Participant will be entitled to receive Ordinary Shares (or the proceeds of the sale of Ordinary Shares) in accordance with this Condition 6.10 (“Conversion: Clearing Systems, where the Noteholder does not wish to receive Ordinary Shares or is an Ineligible Holder”).
- (b) Where Ordinary Shares are issued to one or more Sale and Transfer Agents in accordance with Condition 6.10(a), a Clearing System Participant may, no later than the date specified in the Pricing Supplement (“Clearing System Cut-off Date”), provide to the Issuer and the relevant Sale and Transfer Agent:
 - (i) its name and address for entry into any register of title and receipt of any certificate or holding statement in respect of any Ordinary Shares issued on Conversion;
 - (ii) the Noteholder’s security account details in CHESS or such other account to which the Ordinary Shares issued on Conversion are to be credited; and
 - (iii) such other information as is reasonably requested by the Issuer,

and, if it does so, the Clearing System Participant must make arrangements to transfer the relevant number of Subordinated Notes held by it through the relevant Clearing System or Clearing Systems immediately prior to Conversion to the Issuer (or the Issuer’s nominee) in accordance with accepted market practice, and the rules and regulations of the relevant Clearing System or Clearing Systems or in such other manner that is, in the opinion of the Issuer, fair and reasonable. The Issuer and the relevant Sale and Transfer Agent will, as soon as possible thereafter and without delay on the part of the Issuer or the relevant Sale and Transfer Agent, take any appropriate procedural steps to record the transfer of the relevant Ordinary Shares to the Clearing System Participant, including updating the Ordinary Share register.

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- (c) If a Clearing System Participant:
- (i) fails to provide the information required by Condition 6.10(b) by the Clearing System Cut-off Date;
 - (ii) notifies the Issuer that it does not wish to receive Ordinary Shares on or prior to the Clearing System Cut-off Date; or
 - (iii) would be an Ineligible Holder if the Clearing System Participant's name had been entered in a Register as the owner of the corresponding Subordinated Notes immediately prior to Conversion,

then, with effect from the Clearing System Cut-off Date, the Clearing System Participant will cease to be entitled to receive Ordinary Shares in relation to each corresponding Subordinated Note which was Converted and at the first opportunity to sell the Ordinary Shares after the Clearing System Cut-off Date, the Sale and Transfer Agent will arrange for their sale at market value and pay the proceeds received after deducting any applicable brokerage, stamp duty and other similar taxes and charges to the Clearing System Participant.

- (d) If Subordinated Notes are required to be Converted and:
- (i) the Noteholder has notified the Issuer that it does not wish to receive Ordinary Shares as a result of Conversion, which notice may be given at any time on or after the Issue Date and no less than 15 Business Days prior to the Non-Viability Trigger Event Date; or
 - (ii) the Noteholder is an Ineligible Holder,

then, on the Non-Viability Trigger Event Date, the Noteholder's rights (including to payments of interest or Additional Amounts, or the repayment of principal) in relation to each such Subordinated Note being Converted are immediately and irrevocably terminated and the Issuer will issue the Conversion Number of Ordinary Shares to one or more Sale and Transfer Agents for no additional consideration to hold on trust for sale for the benefit of the relevant Noteholder. At the first opportunity to sell the Ordinary Shares, each Sale and Transfer Agent will arrange for their sale at market value and pay the proceeds received after deducting any applicable brokerage, stamp duty and other similar taxes and charges to the relevant Noteholder.

- (e) If Conversion under this Condition 6.10 ("Conversion: Clearing Systems, where the Noteholder does not wish to receive Ordinary Shares or is an Ineligible Holder") does not occur within five ASX Business Days, then Noteholders' rights will be immediately and irrevocably terminated in accordance with Condition 5.3 ("No further rights").
- (f) The provisions of this Condition 6.10 ("Conversion: Clearing Systems, where the Noteholder does not wish to receive Ordinary Shares or is an Ineligible Holder") will not impede the immediate Conversion or Write-off of the relevant number of Subordinated Notes or percentage of the Outstanding Principal Amount of each Subordinated Note (as the case may be).

6.11 Conversion or Write-off if amounts not paid

For the avoidance of doubt, Conversion or Write-off may occur even if an amount is not paid to a Noteholder as a consequence of Condition 4.3 ("Solvency condition").

6.12 Conversion or Write-off after Winding-Up commences

If an order is made by a court, or an effective resolution is passed, for a Winding-Up, and a Non-Viability Trigger Event occurs, then Conversion or Write-off shall occur (subject to Condition 5.3 ("No further rights")) in accordance with Conditions 5.1 ("Automatic Conversion

or Write-off upon the occurrence of a Non-Viability Trigger Event”) and 5.2 (“Non-Viability Trigger Event”).

6.13 Conversion or Write-off of a percentage of Outstanding Principal Amount

If under these Terms and Conditions it is necessary to Convert or Write-off a percentage of the Outstanding Principal Amount upon the occurrence of a Non-Viability Trigger Event, Condition 6 (“Procedures for Conversion”) will apply to the Conversion or Write-off as if references to the Outstanding Principal Amount were references to the relevant percentage of the Outstanding Principal Amount to be Converted or Written-off multiplied by the Outstanding Principal Amount.

6.14 Amendment of Terms and Conditions relating to Conversion for Successor Holding Company

- (a) If:
- (i) it is proposed that the Issuer be replaced as the ultimate holding company of the Bank of Queensland Group by an Approved Successor (“Replacement”); and
 - (ii) the Approved Successor agrees to expressly assume the Issuer’s obligations in respect of the Subordinated Notes by entering into a deed poll for the benefit of Noteholders under which it agrees (among other things):
 - (A) to deliver fully paid ordinary shares in the capital of the Approved Successor (“**Approved Successor Shares**”) under all circumstances when the Issuer would have otherwise been obliged to deliver Ordinary Shares on a Conversion, subject to the same terms and conditions as set out in these Terms and Conditions as amended by this Condition 6.14 (“Amendment of Terms and Conditions relating to Conversion for Successor Holding Company”); and
 - (B) to use all reasonable endeavours and furnish all such documents, information and undertakings as may be reasonably necessary in order to procure quotation of the Approved Successor Shares issued under these Terms and Conditions on the stock exchanges on which the other Approved Successor Shares are quoted at the time of a Conversion,

the Issuer may, with APRA’s prior written approval, but without the authority, assent or approval of Noteholders, give a notice (an “**Approved Replacement Notice**”) to Noteholders (which, if given, must be given as soon as practicable before the Replacement and in any event no later than 10 ASX Business Days before the Replacement occurs).

- (b) An Approved Replacement Notice must specify the amendments to these Terms and Conditions in respect of the Subordinated Notes which will be made in accordance with this Condition 6.14 (“Amendment of Terms and Conditions relating to Conversion for Successor Holding Company”), being those amendments which in the Issuer’s reasonable opinion are necessary, expedient or appropriate to effect the substitution of the Approved Successor as the debtor in respect of Subordinated Notes and the issuer of ordinary shares on Conversion (including such amendments as are necessary, expedient or appropriate for the purposes of complying with the provisions of Chapter 2L of the Corporations Act where the Approved Successor is not an authorised deposit-taking institution under the Banking Act).
- (c) An Approved Replacement Notice, once given, is irrevocable.
- (d) If the Issuer gives an Approved Replacement Notice to Noteholders in accordance with Condition 6.14(a) , then with effect on and from the date specified in the Approved Replacement Notice:

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- (i) the Approved Successor will assume all of the obligations of, and succeed to, and be substituted for, and may exercise every right and power of, the Issuer in respect of the Subordinated Notes with the same effect as if the Approved Successor had been the original Issuer of the Subordinated Notes;
 - (ii) the Issuer (or any corporation which has previously assumed the obligations of the Issuer) will be released from its liability under these Terms and Conditions in respect of the Subordinated Notes; and
 - (iii) references to the Issuer in these Terms and Conditions will be taken to be references to the Approved Successor and references to Ordinary Shares in these Terms and Conditions will be taken to be references to Approved Successor Shares.
- (e) If the Issuer gives an Approved Replacement Notice in accordance with Condition 6.14(a), then each Noteholder by its purchase and holding of a Subordinated Note shall be taken to have irrevocably consented to becoming a member of the Approved Successor in respect of Approved Successor Shares issued on Conversion and to have agreed to be bound by the constitution of the Approved Successor.
- (f) The Issuer must not issue an Approved Replacement Notice unless:
- (i) APRA is satisfied that the capital position of the Issuer on a “Level 1 basis” and “Level 2 basis” in accordance with the Prudential Standards will not be adversely affected by the Replacement; or
 - (ii) the Approved Successor or another entity which is not a Related Entity (other than an entity which is a direct or indirect parent entity of the Issuer) and is approved by APRA subscribes for Ordinary Shares or other capital instruments acceptable to APRA in such amount as may be necessary, or take other steps acceptable to APRA to ensure that the capital position of the Issuer on a “Level 1 basis” and “Level 2 basis” in accordance with the Prudential Standards will not be adversely affected by the Replacement, including, if required by APRA or the Prudential Standards, undertaking any capital injection in relation to the Issuer to replace the Subordinated Notes.

Any capital injection carried out pursuant to Condition 6.14(f)(ii) must:

- (A) be unconditional;
- (B) occur simultaneously with the substitution of the Approved Successor; and
- (C) be of equal or better quality capital and at least the same amount as the Subordinated Notes, unless otherwise approved by APRA in writing.

Nothing in this Condition 6.14 (“Amendment of Terms and Conditions relating to Conversion for Successor Holding Company”) prevents the Issuer from proposing, or limits, any scheme of arrangement or other similar proposal that may be put to Noteholders or shareholders or members of the Issuer.

6.15 Power of attorney

By holding a Subordinated Note each Noteholder irrevocably appoints each of the Issuer, its officers and any Liquidator or administrator of the Issuer (each an “**Attorney**”) severally to be the attorney of the Noteholder with power in the name and on behalf of the Noteholder to sign all documents and transfers and do any other thing as may in the Attorney’s opinion be necessary or desirable to be done in order to give effect to, or for the Noteholder to observe or perform the Noteholder’s obligations under, Conditions 5 (“Non-viability, Conversion and Write-off”) and 6 (“Procedures for Conversion”).

The power of attorney given in this Condition 6.15 (“Power of attorney”) is given for valuable consideration and to secure the performance by the Noteholder of the Noteholder’s obligations under Conditions 5 (“Non-viability, Conversion and Write-off”) and 6 (“Procedures for Conversion”) and is irrevocable.

7 Interest

7.1 General

Subordinated Notes will be interest-bearing Notes. Subordinated Notes may bear interest at either a fixed rate or a floating rate. In relation to any Tranche of Subordinated Notes, the relevant Pricing Supplement may specify actual amounts of interest payable (“**Interest Amounts**”) rather than, or in addition to, a rate or rates at which interest accrues.

The Pricing Supplement in relation to each Tranche of interest-bearing Subordinated Notes will specify which of Conditions 7.2 (“Interest - fixed rate”), 7.3 (“Interest - floating rate”) and 7.4 (“Interest - other rates”) will be applicable to the Subordinated Notes. Condition 7.5 (“Interest - supplemental provisions”) will be applicable to each Tranche of interest-bearing Subordinated Notes save to the extent of any inconsistency with the relevant Pricing Supplement.

7.2 Interest - fixed rate

Each Subordinated Note in relation to which this Condition 7.2 (“Interest - fixed rate”) is specified in the relevant Pricing Supplement as being applicable (“**Fixed Rate Subordinated Notes**”) will bear interest on its Outstanding Principal Amount at the fixed coupon rate or the fixed rate or rates per annum specified in the relevant Pricing Supplement from the Issue Date of the Subordinated Notes.

Interest will be payable in arrear on the Interest Payment Dates specified in the relevant Pricing Supplement.

Interest which is required to be calculated for a period of other than a full year will be calculated on such basis as is specified as the Day Count Fraction in the relevant Pricing Supplement.

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

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

7.3 Interest - floating rate

(a) Accrual of interest

Subordinated Notes in relation to which this Condition 7.3 (“Interest - floating rate”) is specified in the relevant Pricing Supplement as being applicable (“**Floating Rate Subordinated Notes**”) will bear interest in respect of each Interest Period at the rate or rates per annum determined in accordance with this Condition 7.3 (“Interest - floating rate”).

Each Floating Rate Subordinated Note will bear interest on its Outstanding Principal Amount at the Interest Rate (as defined below) from the Interest Commencement Date. Interest will be payable in arrear on each Interest Payment Date. If any Interest Payment Date in respect of a Floating Rate Subordinated Note would otherwise fall on a day which is not a Business Day, such Interest Payment Date shall be determined in accordance with the Business Day Convention specified in the Pricing Supplement.

(b) *Interest Rate*

The Interest Rate payable in respect of Floating Rate Subordinated Notes shall be determined by the Calculation Agent as specified in the relevant Pricing Supplement.

(c) *Calculation of interest amount payable*

The Calculation Agent will, as soon as practicable on or after determining the Interest Rate in relation to each Interest Period, calculate the amount of interest payable for the relevant Interest Period in respect of the Outstanding Principal Amount of each Subordinated Note. The amount of interest payable will be calculated by multiplying the product of the Interest Rate for such Interest Period and the Outstanding Principal Amount by the applicable Day Count Fraction and rounding the resultant figure to the nearest cent (with halves being rounded upwards).

7.4 Interest - other rates

Subordinated Notes in relation to which this Condition 7.4 (“Interest - other rates”) is specified in the relevant Pricing Supplement as being applicable will bear interest at the rate or rates calculated on the basis specified in, and be payable in the amounts and in the manner determined in accordance with, the relevant Pricing Supplement.

7.5 Interest - supplemental provisions

(a) *Interest Payment Dates*

Interest on each Subordinated Note will be payable in arrear at such intervals and on such Interest Payment Dates as are specified in the relevant Pricing Supplement and on the Maturity Date.

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

The Calculation Agent will cause each Interest Rate, the amount of interest payable and each other amount, item or date, as the case may be, determined or calculated by it to be notified to the Issuer, the Registrar and to be notified to Noteholders in accordance with Condition 13 (“Notices”) as soon as practicable after such determination or calculation but in any event not later than the fourth Business Day thereafter. The Calculation Agent will be entitled to amend any such amount, item or date (or to make appropriate alternative arrangements by way of adjustment) without prior notice in the event of the extension or abbreviation of any relevant Interest Period or calculation period and such amendment will be notified in accordance with the previous sentence.

(c) *Determination final*

The determination by the Calculation Agent of all amounts, rates and dates falling to be determined by it pursuant to these Terms and Conditions (including, without limitation, the Interest Rate for any Interest Period and the amount of interest payable for any Interest Period in respect of any Subordinated Note) is, in the absence of manifest error, final and binding on the Issuer, each Noteholder, the Registrar, and the Calculation Agent.

(d) *Accrual of interest*

Interest accrues on the Outstanding Principal Amount of each Subordinated Note. Interest ceases to accrue as from the due date for redemption of a Subordinated Note unless the relevant payment is not made in which case interest will continue to accrue thereon (as well after as before any demand or judgement) at the rate then applicable to the Outstanding Principal Amount of the Subordinated Note until the date on which the relevant payment is made or, if earlier, the seventh day after the date on which the Registrar receives the funds required to make such payment (provided that notice of

such circumstance is given to the Noteholders in accordance with Condition 13 ("Notices")) except to the extent that there is failure in the subsequent payment thereof to the Noteholders.

7.6 Calculations and adjustments

The amount of interest payable in respect of any Subordinated Note for any period of less than one year is calculated by multiplying the product of the Interest Rate and the Outstanding Principal Amount by the Day Count Fraction, save that if the Pricing Supplement specifies an amount in respect of such period, the amount of interest payable in respect of such Subordinated Note for such period is equal to such specified amount. Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period is the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

For the purposes of any calculations referred to in these Terms and Conditions and unless otherwise specified in these terms and conditions or the Pricing Supplement:

- (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest fifth decimal place (with 0.000005% being rounded to 0.00001%); and
- (b) all Australian dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up).

7.7 Calculation Agent

As soon as practicable after the relevant time on such date as these Terms and Conditions or the Pricing Supplement may require:

- (a) any Early Termination Amount, Maturity Redemption Amount or any other amount to be calculated; or
- (b) any quote to be obtained or any determination or calculation to be made by the Calculation Agent,

the Calculation Agent will be required to:

- (c) determine the Interest Rate in respect of each Series of the Subordinated Notes for the relevant Interest Accrual Period, Interest Period or Interest Payment Date;
- (d) calculate the Early Termination Amount, Maturity Redemption Amount or other amount; or
- (e) obtain such quote or make such determination or calculation,

and cause the Interest Rate for each Interest Accrual Period, Interest Period or Interest Payment Date and, if required to be calculated, any Early Termination Amount, Maturity Redemption Amount or other amount, to be notified to the Registrar and the Issuer as soon as possible after their determination but in no event later than 5.00pm on the Business Day on which such calculation is made.

The Calculation Agent must obtain relevant quotes from appropriate banks or reference agents or obtain information from such other sources as are specified in these Terms and Conditions or the Pricing Supplement or, failing which, as the Calculation Agent deems appropriate.

The calculations and determinations made by the Calculation Agent shall, in the absence of manifest error, be final and binding on the parties.

8 Redemption and purchase

No redemption or purchase of any Subordinated Note pursuant to this Condition 8 (“Redemption and purchase”) may be made without the prior written approval of APRA. As set out in greater detail below approval is at the discretion of APRA and may or may not be given.

8.1 Redemption on maturity

Unless previously redeemed, or purchased and cancelled, Converted or Written-off and subject to Condition 4.3 (“Solvency condition”), each Subordinated Note shall be redeemed on maturity at its Maturity Redemption Amount, together with any interest payable under Condition 7 (“Interest”).

8.2 Purchase of Subordinated Notes

The Issuer or any of its Subsidiaries may, subject to prior written approval having been obtained from APRA, at any time purchase Subordinated Notes in the open market or otherwise and at any price, provided that such Subordinated Notes are not acquired by a controlled entity that is not a tax resident of Australia unless such Subordinated Notes are acquired by it as part of a business carried on by it through a permanent establishment located within Australia. All unmatured Subordinated Notes purchased in accordance with this Condition 8.2 (“Purchase of Subordinated Notes”) will be cancelled. For the purposes of the Meetings Provisions, in determining whether the provisions relating to quorum are complied with, any Subordinated Notes held in the name of the Issuer or any Subsidiaries will be disregarded.

8.3 Early redemption at the option of the Issuer

(a) If this Condition 8.3 (“Early redemption at the option of the Issuer”) is specified in the relevant Pricing Supplement as being applicable to the Subordinated Notes of any Series, and:

- (i) subject to Conditions 4.3 (“Solvency condition”) and 8.3(c), and satisfaction of any relevant conditions specified in the Pricing Supplement; and
- (ii) unless previously redeemed, purchased and cancelled, Converted or Written-off,

then the Issuer, having given notice in accordance with Condition 8.6 (“Notice of redemption”) may redeem all (but not, unless and to the extent that the relevant Pricing Supplement specifies otherwise, some only) of the Subordinated Notes on the Early Redemption Date (Call) at the Early Redemption Amount (Call).

(b) In this Condition 8 (“Redemption and purchase”):

Early Redemption Amount (Call) means, in respect of the Subordinated Notes, their Outstanding Principal Amount together with (unless otherwise specified in the Pricing Supplement) accrued interest (if any) thereon; and

Early Redemption Date (Call) means, in the case of interest-bearing Subordinated Notes, an Interest Payment Date(s) or such other date(s) specified in the Pricing Supplement or, in the case of other Subordinated Notes, the date(s) specified in the Pricing Supplement.

(c) The Issuer may only give a notice under Condition 8.3(a) if:

- (i) the Early Redemption Date (Call) occurs on, or after, the fifth anniversary of the Issue Date;
- (ii) the Issuer has received the prior written approval of APRA (approval is at the discretion of APRA and may or may not be given); and
- (iii) before or concurrently with redemption, the Issuer:

- (A) replaces the Subordinated Notes with a capital instrument which is of the same or better quality (for the purposes of the Prudential Standards) than the Subordinated Notes and the replacement of the Subordinated Notes is done under conditions that are sustainable for the income capacity of the Issuer and the Bank of Queensland Group; or
- (B) obtains confirmation from APRA that APRA is satisfied, having regard to the capital position of the Issuer and the Bank of Queensland Group, that the Issuer does not have to replace the Subordinated Notes.

8.4 Early redemption for adverse tax events

- (a) If “Early Redemption Amount (Adverse Tax Event)” is specified in the Pricing Supplement as being applicable to the Subordinated Notes of any Series and, in respect of the Subordinated Notes of any Series and subject to Conditions 4.3 (“Solvency condition”) and 8.4(c), the Issuer determines (supported by an opinion, as to such determination, from legal or tax advisers of recognised standing in Australia) that an Adverse Tax Event has occurred, then the Issuer having given notice in accordance with Condition 8.6 (“Notice of redemption”) may redeem all (but not, unless and to the extent that the Supplement specifies otherwise, some only) of the Subordinated Notes on the Early Redemption Date (Adverse Tax Event) at the Early Redemption Amount (Adverse Tax Event).
- (b) In this Condition 8 (“Redemption and purchase”):

Administrative Action means any judicial decision, official administrative pronouncement or action, published or private ruling, interpretative decision, regulatory procedure or policy, application or a regulatory procedure or policy and any notice or announcement (including any notice or announcement of intent to adopt or make any of those things);

Adverse Tax Event means the Issuer determines that, as a result of:

- (A) any amendment to, clarification of, or change in, the Tax Legislation which has been or will be effected; or
- (B) any Administrative Action under or in connection with the Tax Legislation or any amendment to, clarification of, or change in any such Administrative Action,

being in each case by any legislative body, court, government authority or regulatory body (irrespective of the manner in which such amendment, clarification, change or Administrative Action is announced) after the Issue Date (but which the Issuer did not expect at the Issue Date):

- (i) there is a material risk that the Issuer would be exposed to a more than *de minimis* adverse tax consequence (other than the Issuer being required to pay an Additional Amount) in relation to the Subordinated Notes;
- (ii) the Issuer determines that any interest payable on the Subordinated Notes is not, or may not be, allowed as a deduction for the purposes of Australian income tax; or
- (iii) the Issuer has or will become obliged to pay Additional Amounts in accordance with Condition 10.6 (“Taxation”);

Early Redemption Amount (Adverse Tax Event) means, in respect of the Subordinated Notes, their Outstanding Principal Amount together with (unless otherwise specified in the Pricing Supplement) accrued interest (if any) thereon; and

Early Redemption Date (Adverse Tax Event) means, in the case of interest bearing Subordinated Notes, the next Interest Payment Date or such other date specified in the Pricing Supplement or, in the case of other Subordinated Notes, the date specified in the Pricing Supplement.

- (c) The Issuer may only give a notice under Condition 8.4(c)(a) if:
- (i) the Issuer has received the prior written approval of APRA (approval is at the discretion of APRA and may or may not be given); and
 - (ii) before or concurrently with redemption, the Issuer:
 - (A) replaces the Subordinated Notes with a capital instrument which is of the same or better quality (for the purposes of the Prudential Standards) than the Subordinated Notes and the replacement of the Subordinated Notes is done under conditions that are sustainable for the income capacity of the Issuer and the Bank of Queensland Group; or
 - (B) obtains confirmation from APRA that APRA is satisfied, having regard to the capital position of the Issuer and the Bank of Queensland Group, that the Issuer does not have to replace the Subordinated Notes.

8.5 Early redemption for regulatory events

- (a) If, in respect of the Subordinated Notes of any Series and subject to Conditions 4.3 (“Solvency condition”) and 8.5(c), the Issuer determines (supported, in the case of an event described in paragraph (A) of the definition of “Regulatory Event” below, by an opinion as to such determination from advisers of recognised standing in Australia) that a Regulatory Event has occurred, then the Issuer having given notice in accordance with Condition 8.6 (“Notice of redemption”) may redeem all (but not, unless and to the extent that the Supplement specifies otherwise, some only) of the Subordinated Notes of such Series on the Early Redemption Date (Regulatory Event) at the Early Redemption Amount (Regulatory Event).
- (b) In this Condition 8 (“Redemption and purchase”):

Early Redemption Amount (Regulatory Event) means, in respect of the Subordinated Notes, their Outstanding Principal Amount together with (unless otherwise specified in the Supplement) accrued interest (if any) thereon;

Early Redemption Date (Regulatory Event) means, in the case of interest bearing Subordinated Notes, the next Interest Payment Date or such other date specified in the Supplement or, in the case of other Subordinated Notes, the date specified in the Supplement; and

“**Regulatory Event**” means that either:

- (A) as a result of any amendment to, clarification of or change (including any announcement of a change that will be introduced) in, any law or regulation of the Commonwealth of Australia or any official administrative pronouncement or action or judicial decision interpreting or applying such law or regulation, which amendment, clarification or change is effective, or pronouncement, action or decision is announced, after the Issue Date; or
- (B) written confirmation is received from APRA that,

the Issuer is not or will not be entitled to treat all of the Subordinated Notes of a Series as Tier 2 Capital.

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- (c) The Issuer may give a notice under Condition 8.5(a) only if:
- (i) the Issuer has received the prior written approval of APRA (approval is at the discretion of APRA and may or may not be given); and
 - (ii) as at the Issue Date, the Issuer did not expect the Regulatory Event to occur;
 - (iii) before or concurrently with redemption, the Issuer:
 - (A) replaces the Subordinated Notes with a capital instrument which is of the same or better quality (for the purposes of the Prudential Standards) than the Subordinated Notes and the replacement of the Subordinated Notes is done under conditions that are sustainable for the income capacity of the Issuer and the Bank of Queensland Group; or
 - (B) obtains confirmation from APRA that APRA is satisfied, having regard to the capital position of the Issuer and the Bank of Queensland Group, that the Issuer does not have to replace the Subordinated Notes.

8.6 Notice of redemption

Any notice of redemption given by the Issuer under this Condition 8 (“Redemption and purchase”) must be given in accordance with Condition 13 (“Notices”) and to the relevant Registrar, the relevant Agent and the Noteholders not more than 45 or less than 15 days before the relevant redemption date, and shall specify:

- (a) the Series of Subordinated Notes subject to redemption;
- (b) the Early Redemption Date (Call), Early Redemption Date (Adverse Tax Event) or Early Redemption Date (Regulatory Event), as the case may be;
- (c) the Early Redemption Amount (Call), Early Redemption Amount (Adverse Tax Event) or Early Redemption Amount (Regulatory Event), as the case may be, at which such Subordinated Notes are to be redeemed;
- (d) whether or not accrued interest is to be paid upon redemption and, if so, the amount thereof or the basis or method of calculation thereof, all as provided in the relevant Pricing Supplement; and
- (e) subject to the Pricing Supplement specifying that a partial redemption is permissible, whether such Series is to be redeemed in whole or in part only and, if in part only, the aggregate principal amount of the Subordinated Notes of the relevant Series which are to be redeemed. In the case of a partial redemption, the Subordinated Notes to be redeemed will be selected by the Issuer in such manner as it considers appropriate, and the notice will also specify the Subordinated Notes selected for redemption.

Any notice given under this Condition 8.6 (“Notice of redemption”) is irrevocable unless a Non-Viability Trigger Event occurs, in which case, such notice will be taken to be revoked immediately and automatically. In any other case, subject to Condition 4.3 (“Solvency condition”), a notice under this Condition 8.6 (“Notice of redemption”) obliges the Issuer to redeem the Subordinated Notes at the time and in the manner specified in the notice.

9 Events of Default

9.1 Events of Default

The following events or circumstances as modified by, and/or such other events as may be specified in, the Pricing Supplement (in this Condition 9, each an “**Event of Default**”) shall be events giving rise to the limited remedies set out in Condition 9.2 (“Events of Default”):

- (a) the Issuer fails to pay any principal or any interest in respect of the Subordinated Notes within five Business Days of the relevant due date unless, prior to the commencement of a Winding-Up, the failure is the result of the Issuer not being Solvent at the time of that payment or if the Issuer would not be Solvent as a result of that payment; or
- (b) a Winding-Up.

9.2 Consequences of an Event of Default

- (a) In the event of the occurrence of either of the Events of Default set out above at Condition 9.1(a), a Noteholder may bring proceedings:
 - (i) to recover any amount then due and payable but unpaid on its Subordinated Notes (subject to the Issuer being able to make the payment and remain Solvent);
 - (ii) to obtain an order for specific performance of any other obligation in respect of its Subordinated Note; or
 - (iii) for the Winding-Up of the Issuer.

No remedy against the Issuer (including, without limitation, any right to sue for a sum of damages which has the same economic effect of an acceleration of the Issuer’s payment obligations), other than the remedies set out in paragraphs (i) to (iii) above or, subject to Condition 4.2 (“Status and Subordination”), for proving or claiming in any Winding-Up, shall be available to a Noteholder for the recovery of amounts owing in respect of the Subordinated Notes or in respect of any breach by the Issuer of any obligation, condition or provision binding on it under the terms of the Subordinated Notes.

- (b) In the event of the occurrence of the Event of Default set out above at Condition 9.1(b):
 - (i) the Subordinated Notes of the relevant Series will, subject to Condition 9.2 (b)(ii), without further action, become due and payable and a Noteholder may institute proceedings for a Winding-Up or, subject to Condition 4.2 (“Status and Subordination”), for proving or claiming in any Winding-Up; and
 - (ii) no remedy against the Issuer (including, without limitation, any right to sue for a sum of damages which has the same economic effect of an acceleration of the Issuer’s payment obligations), other than the institution of proceedings for the Winding-Up or, subject to Condition 4.2 (“Status and Subordination”), for proving or claiming in any Winding-Up, shall be available to a Noteholder of any Subordinated Notes for the recovery of amounts owing in respect of the Subordinated Notes or in respect of any breach by the Issuer of any obligation, condition or provision binding on it under the terms of the Subordinated Notes.

9.3 Repayment

If any Subordinated Note becomes due and payable pursuant to this Condition 9 (“Events of Default”), it shall be repaid at its Early Termination Amount together with all accrued interest (if any) accrued thereon.

9.4 Notification

If an Event of Default occurs and is continuing, the Issuer must promptly after becoming aware of it notify the Registrar of the occurrence of the Event of Default (specifying details of it) and procure that the Registrar promptly notifies the Noteholders of the occurrence of the Event of Default by registered post to the address of the Noteholder recorded in the Register.

10 Payments

10.1 Record Date

Payments to Noteholders will be made according to the particulars recorded in the Register at 5.00 pm (Sydney time) on the relevant Record Date.

10.2 Joint holders

When a Subordinated Note is held jointly, payment will be made to the holders in their joint names unless requested otherwise.

10.3 Method of payments

Payments in respect of each Subordinated Note will be made in cash and:

- (a) if the Subordinated Notes are in the Austraclear System, by crediting on the relevant Payment Date the amount then due to the account of the Noteholder in accordance with the Austraclear Regulations; or
- (b) if the Subordinated Notes are not in the Austraclear System, by crediting on the Payment Date the amount then due to an account previously notified by the registered owner of the Subordinated Note to the Issuer and the Registrar. If the registered owner of the Subordinated Note has not notified the Issuer and the Registrar of such an account by close of business on the relevant Record Date or upon application by the registered owner of the Subordinated Note to the Issuer and the Registrar no later than close of business on the relevant Record Date, payments in respect of the relevant Subordinated Note will be made by cheque, mailed on the Business Day immediately preceding the relevant Interest Payment Date in the case of payments of interest or on the due date for redemption or repayment, in the case of payments of principal, at the Noteholder's risk to the registered owner (or to the first named of joint registered owners) of such Subordinated Note at the address appearing in the Register as at the Record Date. Cheques to be despatched to the nominated address of a Noteholder will in such cases be deemed to have been received by the Noteholder on the relevant Payment Date and no further amount will be payable by the Issuer in respect of the relevant Subordinated Note as a result of payment not being received by the Noteholder on the due date.

10.4 Business Days

All payments must be made in accordance with the Applicable Business Day Convention.

This Condition 10.4 ("Business Days") does not apply to the application by the Issuer pursuant to Condition 6.1(b) of the Outstanding Principal Amount of each Subordinated Note to be Converted to subscribe for Ordinary Shares to be allotted and issued under Condition 6.1 ("Conversion").

10.5 Payment subject to fiscal laws

Payments (whether in respect of principal, redemption amount, interest or otherwise) in respect of the Subordinated Notes are subject in all cases to:

- (a) applicable provisions of fiscal and other laws, regulations and directives; and
- (b) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed

pursuant to FATCA, any regulations or agreements thereunder, official interpretations thereof, or law implementing any intergovernmental approach thereto.

10.6 Taxation

Unless this Condition 10.6 ("Taxation") is specified in the Pricing Supplement as being not applicable, all payments (whether in respect of principal redemption amount, interest or otherwise) in respect of the Subordinated Notes will be made without set-off or counterclaim and free and clear of, and without withholding or deduction for or on account of any taxes, levies, duties, charges, deductions or withholding of any nature (together, "**Taxes**") now or hereafter imposed, levied, collected, withheld or assessed, unless such withholding or deduction is made under or in connection with, or in order to ensure compliance with FATCA or is required by law. In the event that any such Taxes are imposed, levied, collected, withheld or assessed by the Commonwealth of Australia or any political subdivision therein or thereof, the Issuer will pay such additional amounts ("**Additional Amounts**") as may be necessary in order that the net amount received by the Noteholders after such withholding or deduction equals the respective amounts which would otherwise have been receivable in respect of the Subordinated Notes in the absence of such withholding or deduction, except that no Additional Amounts are payable in relation to any payments in respect of any Subordinated Note:

- (a) in respect of any Tax imposed on, or calculated having regard to, the net income of a Noteholder;
- (b) to, or to a third party on behalf of, a Noteholder who is liable to such Taxes in respect of such Subordinated Note by reason of the Noteholders having some connection with the Commonwealth of Australia (or any political subdivision therein or thereof) other than the mere holding of such Subordinated Note or receipt of payment (whether in respect of principal, redemption amount, interest or otherwise) in respect of it;
- (c) to, or to a third party on behalf of, a Noteholder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or similar cause for exemption to any relevant tax authority or other person in the place where payment under the Subordinated Note is made;
- (d) to, or to a third party on behalf of, a Noteholder who is liable to the Taxes in respect of the Subordinated Note by reason of the Noteholder being an *associate* of the Issuer within the meaning of section 128F(9) of the Tax Act;
- (e) to, or to a third party on behalf of an Australian resident Noteholder or a non-resident Noteholder carrying on business in Australia at or through a permanent establishment of the non-resident in Australia, if that person has not supplied a tax file number, an Australian business number (if applicable) or exemption details as may be necessary to enable the payment to be made without such withholding or deduction;
- (f) to, or to a third party on behalf of, a Noteholder where such withholding or deduction is required to be made pursuant to a notice or direction issued by the Commissioner of Taxation under section 255 of the Tax Act or section 260-5 of Schedule 1 to the Taxation Administration Act 1953 of the Commonwealth of Australia or any similar law;
- (g) upon or with respect to the issuance of any Ordinary Shares upon Conversion; or
- (h) in such other circumstances as may be specified in the Pricing Supplement.

Notwithstanding anything to the contrary in these Terms and Conditions, if the Issuer, or any other person through whom payments on the Subordinated Notes are made, is required to withhold or deduct amounts under or in connection with, or in order to ensure compliance with FATCA, the Issuer shall be entitled to make such withholding or deduction and shall have no obligation to gross up any payment under these Terms and Conditions or to pay any Additional Amount or other amount for such withholding or deduction.

10.7 Currency indemnity

The Issuer waives any right it has in any jurisdiction to pay an amount other than in the currency in which it is due. However, if a Noteholder receives an amount in a currency other than that in which it is due:

- (a) it may convert the amount received into the due currency (even though it may be necessary to convert through a third currency to do so) on the day and at such rates (including spot rate, same day value rate or value tomorrow rate) as it reasonably considers appropriate. It may deduct its usual Costs in connection with the conversion; and
- (b) the Issuer satisfies its obligation to pay in the due currency only to the extent of the amount of the due currency obtained from the conversion after deducting the Costs of the conversion.

11 Further issues

The Issuer may from time to time, without the consent of any Noteholder, issue (x) further Subordinated Notes having the same terms and conditions as the Subordinated Notes of any Series in all respects (or in all respects except for the first payment of interest, if any, on them and/or their denomination) so as to form a single Series with the Subordinated Notes of that Series or (y) any securities ranking equally with Subordinated Notes (on the same terms or otherwise) or ranking in priority or junior to Subordinated Notes.

References in these Terms and Conditions to the Subordinated Notes include (unless the context requires otherwise) any other Subordinated Notes issued under this Condition and forming a single Series with the Subordinated Notes.

12 Time limit for claims

A claim against the Issuer for a payment under a Subordinated Note is void unless such claim is made within 5 years from the Relevant Date of payment.

13 Notices**13.1 To the Issuer and the Registrar**

A notice or other communication in connection with a Subordinated Note to the Issuer, or the Registrar must be in writing and may be given by prepaid post or delivery to the address of the addressee or by facsimile to the facsimile number of the addressee specified:

- (a) in the Information Memorandum; or
- (b) as otherwise agreed between those parties from time to time and notified to the Noteholders.

13.2 To Noteholders

A notice or other communication in connection with a Subordinated Note to the Noteholder must be in writing and may be given by:

- (a) an advertisement published in The Australian Financial Review or any other newspaper or newspapers circulating in Australia generally; or
- (b) if an additional or alternate newspaper is specified in the Pricing Supplement, that newspaper; or
- (c) prepaid post (airmail if posted to or from a place outside Australia) or delivery to the address of each Noteholder or any relevant Noteholder as shown in the Register at the close of business 3 Business Days prior to the dispatch of the relevant notice or communication.

13.3 Effective on receipt

Unless a later time is specified in it a notice, approval, consent or other communication takes effect from the time it is received, except that if it is received after 5.00pm in the place of receipt or on a non-business day in that place, it is to be taken to be received at 9.00am on the next succeeding Business Day in that place.

13.4 Proof of receipt

Subject to Condition 13.3 ("Effective on receipt"), proof of posting of a letter or of publication of a notice is proof of receipt:

- (a) in the case of a letter, on the third (seventh, if outside Australia) day after posting; and
- (b) in the case of publication, on the date of such publication.

14 Meetings of Noteholders

Meetings of Noteholders may be convened in accordance with the Meetings Provisions. Any such meeting may consider any matters affecting the interests of Noteholders, including, without limitation, the variation of the terms of the Subordinated Notes by the Issuer and the granting of approvals, consents and waivers, and the declaration of an Event of Default.

An action which may affect the eligibility of the Subordinated Notes as Tier 2 Capital cannot be sanctioned or approved by Noteholders at a meeting convened in accordance with the Meetings Provisions without the prior written approval of APRA.

15 Amendments**15.1 To cure ambiguities**

Subject to Condition 4.8 ("Amendments affecting regulatory treatment"), the Terms and Conditions and the Pricing Supplement may be amended by the Issuer, and the Registry Services Agreement may be amended by the parties to such document, without the consent of any Noteholder for the purposes of curing any ambiguity, or correcting or supplementing any defective or inconsistent provisions therein and such amendment does not adversely affect the interests of the Noteholders.

15.2 Approval by Noteholders

Subject to Condition 4.8 ("Amendments affecting regulatory treatment"), the Terms and Conditions, Pricing Supplement and Registry Services Agreement may otherwise be varied by the Issuer with the approval of the Noteholders by Extraordinary Resolution. No other variation to the Terms and Conditions has effect in relation to the Noteholders who hold Subordinated Notes at the date of any amending deed, unless they otherwise agree in writing. A variation will take effect in relation to all subsequent Noteholders. A variation which affects only a particular Series or Tranche of Subordinated Notes may be approved solely by the Noteholders of such Series or Tranche.

16 Registrar**16.1 Role of the Registrar**

In acting under the Registry Services Agreement in connection with the Subordinated Notes, the Registrar acts solely as agent of the Issuer and does not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders save insofar as that any funds received by the Registrar in accordance with the Registry Services Agreement shall, pending their application in accordance with the Registry Services Agreement, be held by it in a segregated account for the persons entitled thereto.

16.2 Change of Registrar

The Issuer reserves the right at any time to terminate the appointment of the Registrar in accordance with the Registry Services Agreement and to appoint a successor or additional

registrars, provided, however, that the Issuer must at all times maintain the appointment of a registrar. Notice of any such termination of appointment will be given to the Noteholders in accordance with Condition 13 (“Notices”).

16.3 Appointment of replacement Registrar

If the then current Registrar ceases to be Registrar (whether as a result of termination under Condition 16.2 (“Change of Registrar”), resignation as a result of the Subordinated Notes ceasing to be lodged in the Austraclear System or otherwise), the Issuer must ensure that a replacement Registrar is appointed with effect from the relevant date.

17 Calculation Agent

The Calculation Agent and its initial specified officers are as set out in the relevant Pricing Supplement for the Subordinated Notes issued by the Issuer. The Issuer reserves the right at any time to terminate the appointment of the Calculation Agent or to appoint additional or other Calculation Agents, provided that it will ensure that at all times for so long as any Subordinated Notes are outstanding the Calculation Agent acts in respect of Subordinated Notes for which these Conditions require a Calculation Agent to make calculations.

18 Governing law and jurisdiction

18.1 Governing law

The Subordinated Notes are governed by the law in force in the State of Queensland.

18.2 Jurisdiction

The Issuer irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of the State of Queensland and courts of appeal from them.

Form of Pricing Supplement

The Pricing Supplement that will be issued in respect of each Tranche will be substantially in the form set out below.

[SINGAPORE SECURITIES AND FUTURES ACT PRODUCT CLASSIFICATION – Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289 of Singapore) (the “SFA”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Regulation 3(b) of the Securities and Futures (Capital Markets Products) Regulations 2018 (the “SF (CMP) Regulations”)) that the [Term Instruments / Notes] are “prescribed capital markets products” (as defined in the SF (CMP) Regulations) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]

[MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES ONLY TARGET MARKET – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the [Term Instruments / Notes] has led to the conclusion that: (i) the target market for the [Term Instruments / Notes] is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, “MiFID II”); and (ii) all channels for distribution of the [Term Instruments / Notes] to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the [Term Instruments / Notes] (a “distributor”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the [Term Instruments / Notes] (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.)

Series No.: [●]

Tranche No.: [●]



Bank of Queensland Limited
(ABN 32 009 656 740)

**A\$[●]
Debt Instrument Programme**

Issue of
[Aggregate Principal Amount of Tranche]

[Title of Term Instruments / [Senior / Subordinated] Notes] due [●] (“[Term Instruments / Notes]”)

The date of this Pricing Supplement is [●].

This Pricing Supplement (as referred to in the Information Memorandum dated [●] (“**Information Memorandum**”) in relation to the above Programme) relates to the Tranche of [Term Instruments / Notes] referred to above. It is supplementary to, and should be read in conjunction with the terms and conditions of the [Term Instruments / Notes] contained in the Information Memorandum (“**Conditions**”) and the

Second Note and TD Deed Poll dated 18 April 2016 made by the Issuer (“**Deed Poll**”). Unless otherwise indicated, terms defined in the Conditions have the same meaning in this Pricing Supplement.

This Pricing Supplement does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the [Term Instruments / Notes] or the distribution of this Pricing Supplement in any jurisdiction where such action is required.

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The [Term Instrument / Notes] are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the “**Insurance Mediation Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the “**Prospectus Directive**”). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended the “**PRIIPs Regulation**”) for offering or selling the [Term Instruments / Notes] or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the [Term Instruments / Notes] or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

The particulars to be specified in relation to the Tranche of [Term Instruments / Notes] referred to above are as follows:

- | | | | |
|-----------|--|---|--|
| 1 | Issuer | : | Bank of Queensland Limited |
| 2 | Type of [Term Instrument / Note] | : | [TD / [Senior / Subordinated] Note] |
| 3 | Type of Issue | : | [Non-Private Placement / Private Placement]
- [Retail / Wholesale] |
| 4 | Public Offer Test Compliant | : | It [is / is not] the Issuer’s intention that this issue of Term Instruments will be issued in a manner which will seek to satisfy the “public offer” test set out in section 128F(3) of the Income Tax Assessment Act 1936 of Australia. |
| 5 | IWT Notice | : | The Tax gross-up in respect of the Commonwealth of Australia specified in Condition [8.6 / 10.6] ¹ of the [Term Instruments / Notes] is [applicable / not applicable] to this Tranche with effect from the Issue Date. |
| 6 | Relevant Dealer(s) | : | [Name] |
| 7 | Lead Manager(s) | : | [Name(s)] |
| 8 | Registrar | : | [Name] |
| 9 | Calculation Agent | : | [Name] |
| 10 | If to form a single Series with an existing Series, specify date on which all Term Instruments of the Series become fungible, if not the Issue Date | : | [Specify] |

¹ [Senior Notes or TDs / Subordinated Notes]

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- 11 Status** : [Senior / Subordinated].
 [The following is only applicable for Subordinated Notes]
 The primary method of loss absorption is [Conversion, subject to possible Write-off in accordance with Condition 5.3 / Write-off without Conversion in accordance with Condition 5.3.]
 [Insert where the primary method of loss absorption is Conversion, subject to possible Write-off in accordance with Condition 5.3.]
 [For the purposes of:
- Condition 6.1(a), the formula to be used for calculating the Conversion Number, P is [insert number, which may be greater than or less than 1.00²]; and
 - Condition 6.10(b), the Clearing System Cut-off Date is [10 ASX Business Days after the Non-Viability Trigger Event Date].]
- [Insert where the Conversion Number, or provisions for determining the Conversion Number, is to be specified.]
 [For the purposes of Condition 6.1(a), the Conversion Number is [insert number] / [determined by reference to [insert provisions for determining Conversion Number]].
- 12 Aggregate Principal Amount of Tranche** : [Specify]
- 13 Interchangeable with existing Series** : [Specify]
- 14 Issue Date** : [Specify]
- 15 Purchase Price** : [Specify]
- 16 Denomination(s)** : [Specify amount and currency] [provided that the minimum aggregate consideration payable by each offeree is at least A\$500,000 (or its equivalent in an alternate currency and, in each case, disregarding moneys lent by the offeror or its associates) or the offer otherwise does not require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act.]
- 17 Interest Type** : [Fixed Rate / Floating Rate / Zero Coupon / Amortising / Other] [Term Instruments / Notes]

² If "P" is to be a number other than 0.99, a detailed case must be submitted to APRA together with the draft Pricing Supplement giving reasons for this.

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- 18 **Condition [5.2 / 7.2]³ for Fixed Rate Instruments** : [Applicable / Not Applicable]
- (a) **Fixed Coupon Amount** : [Specify]
- (b) **Interest Rate(s)** : [Specify]
- (c) **Interest Commencement Date, if not Issue Date** : [Specify]
- (d) **Interest Payment Dates** : [Specify]
- (e) **Day Count Fraction** : [Specify] (if none specified, the Day Count Fraction will be [Actual/365 (Fixed)] (as defined in the Conditions)).
- (f) **Initial Broken Amount** : [Specify]
- (g) **Final Broken Amount** : [Specify]
- 19 **Condition [5.3 / 7.3]³ for Floating Rate Instruments** [Applicable / Not Applicable]
- (a) **Interest Commencement Date, if not Issue Date** : [Specify]
- (b) **Interest Rate** : [Specify]
- (c) **Interest Payment Dates** : [Specify]
- (d) **Business Day Convention** : [Floating Rate Convention / Following Business Day Convention / Modified Following Business Day Convention / Preceding Business Day Convention]
- 20 **Condition [5.4 / 7.4]⁴ for other rates⁵** : [Applicable / Not Applicable]
[Specify full interest determination provisions, including Interest Commencement Date, rate or calculation basis for interest or actual amounts of interest payable, amount and dates for payment, minimum/maximum rates]
- 21 **Accrual of interest** : [Specify any change to Condition [5.5(d) / 7.5(d)]⁶ regarding accrual of interest]
- 22 **Amortisation Yield [Senior Notes and TDs only]** : [In the case of Zero Coupon [Term Instruments / Notes], specify the Amortisation Yield (Condition 5.6)]

³ [Senior Notes or TDs / Subordinated Notes]

⁴ [Senior Notes or TDs / Subordinated Notes]

⁵ In the case of Subordinated Notes, there must be no change in the interest basis or margin if it would create an expectation that the Notes will be redeemed by the Issuer. Note that a conversion from a fixed rate to a floating rate (or vice versa) in combination with a call option without any increase in the credit spread is not considered an incentive to redeem.

⁶ [Senior Notes / Subordinated Notes]

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- 23 **Maturity Date** : [Specify] [In the case of an amortising [Term Instruments / Notes], insert the date on which the last instalment of principal is payable.]⁷
- 24 **Maturity Redemption Amount⁸** : [Specify] [If Maturity Redemption Amount is not the outstanding principal amount of the [Term Instruments / Notes, insert amount or full calculation provisions.]
- 25 **Early Redemption Amount (Tax) (Condition 6.3) [Senior Notes and TDs only]**
- (a) **If Early Redemption Amount (Tax) is not the outstanding principal amount together with accrued interest (if any) thereon of the [Term Instruments / Notes], insert amount or full calculation provisions** : [Specify]
- (b) **Specify if [Noteholders / TD Holders] are not to receive accrued interest on early redemption for tax reasons** : [Specify]
- 26 **Early Redemption Amount (Call)⁹**
- (a) **Specify if Condition [6.4 / 8.3]¹⁰ is applicable** : [Applicable / Not Applicable]
[For Subordinated Notes:
Applicable, but only in respect of the Interest Payment Date scheduled to fall on [date which is no earlier than fifth anniversary of Issue Date] and each Interest Payment Date thereafter]
- (b) **Specify minimum notice period for the exercise of the call option** : [Specify]
- (c) **Specify maximum notice period for the exercise of the call option** : [Specify]
- (d) **Specify any relevant conditions to exercise of option** : [Specify]

⁷ In the case of Subordinated Notes, the Maturity Date must be (a) not less than five years from the later of the Issue Date and the date on which the Issuer irrevocably receives the proceeds for payment of the Subordinated Notes and (b) not more than 30 years after the Issue Date (and the Conditions must not include an unconditional right to extend the term of the Subordinated Notes beyond a total term of 30 years).

⁸ For Subordinated Notes, Noteholders should be aware that if the Notes are partially Converted or Written-off, the Maturity Redemption Amount, being the Outstanding Principal Amount, will be proportionately reduced.

⁹ For Subordinated Notes, Noteholders should be aware that if the Notes are partially Converted or Written-off, the Early Redemption Amount (Call), being the Outstanding Principal Amount, will be proportionately reduced.

¹⁰ [Senior Notes or TDs / Subordinated Notes]

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- (e) Specify first date on which the call option may be exercised in the case of Subordinated Notes *[which must be a minimum of five years from the Issue Date in the case of Subordinated Notes]* : *[Specify]*
- (f) Specify whether redemption at Issuer's option is permitted in respect of some only of the [Term Instruments / Notes] and, if so, any minimum aggregate principal amount and the means by which [Term Instruments / Notes] will be selected for redemption : *[Specify]*
- (g) Specify if [Noteholders / TD Holders] are not to receive accrued interest on early redemption at Issuer's option : *[Specify]*
- (h) Early Redemption Date (Call) : [As per Condition [6.4 / 8.3]¹¹ / Specify]
- 27 **Early Redemption Amount (Adverse Tax Event) (Condition 8.4)¹² [Subordinated Notes only]**
- (a) Specify if Condition 8.4 is applicable : [Applicable / Not Applicable]
- (b) Specify minimum notice period : *[Specify if other than as set out in the Conditions]*
- (c) Specify maximum notice period : *[Specify if other than as set out in the Conditions]*
- (d) Specify any additional conditions to exercise of option : *[Specify]*
- (e) Specify whether redemption is permitted in respect of some only of the Subordinated Notes and, if so, any minimum aggregate principal amount and the means by which Subordinated Notes will be selected for redemption : *[Specify]*
- (f) Specify if Noteholders are not to receive accrued interest on early redemption (Adverse Tax Event) : *[Specify]*
- (g) Early Redemption Date (Adverse Tax Event) : [As per Condition 8.4/ Specify]

¹¹ [Senior Notes or TDs / Subordinated Notes]

¹² For Subordinated Notes, Holders should be aware that if the Notes are partially Converted or Written-off, the Early Redemption Amount (Adverse Tax Event), being the Outstanding Principal Amount, will be proportionately reduced.

28 Early Redemption Amount (Regulatory Event) (Condition 8.5)¹³ [Subordinated Notes only]

- (a) **Specify if Condition 8.5 is applicable** : [Applicable / Not Applicable]
- (b) **Specify minimum notice period** : [*Specify if other than as set out in the Conditions*]
- (c) **Specify maximum notice period** : [*Specify if other than as set out in the Conditions*]
- (d) **Specify any additional conditions to exercise of option** : [*Specify*]
- (e) **Specify whether redemption is permitted in respect of some only of the Subordinated Notes and, if so, any minimum aggregate principal amount and the means by which Subordinated Notes will be selected for redemption** : [*Specify*]
- (f) **Specify if Noteholders are not to receive accrued interest on early redemption (Regulatory Event)** : [*Specify*]
- (g) **Early Redemption Date (Regulatory Event)** : [As per Condition 8.5 / *Specify*]

29 Early Redemption Amount (Put) [Senior Notes / TDs only]

- (a) **Specify if Condition 6.5 is applicable** : [Applicable / Not Applicable]
- (b) **Specify minimum notice period for exercise of put option** : [*Specify*]
- (c) **Specify any relevant conditions to exercise of option** : [*Specify*]
- (d) **Specify if [Noteholders / TD Holders] are not to receive accrued interest on early redemption at their option** : [*Specify*]

¹³ For Subordinated Notes, Holders should be aware that if the Notes are partially Converted or Written-off, the Early Redemption Amount (Regulatory Event), being the Outstanding Principal Amount, will be proportionately reduced.

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- 30 **Early Termination Amount (following an Event of Default)** : *[Specify]*
[Senior Notes / TDs only]
- (a) **If Early Termination Amount (following an Event of Default) is not the outstanding principal amount of the [Term Instruments / Notes], insert amount or full calculation provisions** : *[Specify]*
- (b) **Specify if [Noteholders / TD Holders] are not to receive accrued interest on early redemption on default** : *[Specify]*
- 31 **Redemption of Zero Coupon Notes** : *[Specify any change to Condition 6.8]*
[Senior Notes / TDs only]
- 32 **Taxation** : *[Specify the additional circumstances in which an exception to the gross up obligation are to apply pursuant to Condition [8.6 / 10.6]¹⁴].*
- 33 **Clearing System** : *[Austraclear / Euroclear / Clearstream]*
- 34 **Other relevant terms and conditions** : *[Specify any Conditions to be altered, varied, deleted, otherwise than as provided above and also any additional Conditions to be included.]*
- 35 **Other selling restrictions** : *[Specify any variation to the selling restrictions set out in the section entitled “Selling Restrictions” in the Information Memorandum.]*
- 36 **Listing** : *[Specify]*
- 37 **Events of Default** : *[Specify any additional (or modifications to) Events of Default.]*
- 38 **Additional or alternate newspapers** : *[Specify any additional or alternate newspapers for the purposes of Condition [11.2(b) / 13.2(b)]¹⁵].*
- 39 **Credit rating** : *[The [Term Instruments / Notes] are expected to be rated:
“[Specify]” by [Specify].]*
[A credit rating is not a recommendation to buy, sell or hold [Term Instruments / Notes] and may be subject to revision, suspension or withdrawal at any time by the relevant rating agency.
Credit ratings are for distribution only to a person (a) who is not a “retail client”

¹⁴ [Senior Notes or TDs / Subordinated Notes]

¹⁵ [Senior Notes or TDs / Subordinated Notes]

within the meaning of section 761G of the Corporations Act and is also a person in respect of whom disclosure is not required under Part 6D.2 or 7.9 of the Corporations Act, and (b) who is otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person may be located. Anyone who is not such a person is not entitled to receive this Pricing Supplement and anyone who receives this Pricing Supplement must not distribute it to any person who is not entitled to receive it.]

40 ISIN Code : [Specify]

41 Common Code : [Specify]

CONFIRMED

**For and on behalf of
Bank of Queensland Limited**

By:
Name:
Authorised Officer

Date:

By:
Name:
Authorised Officer

Date:

Australian Taxation

The following is a summary of the Australian withholding tax treatment under the Income Tax Assessment Acts of 1936 and 1997 of Australia (together, “**Australian Tax Act**”), the Taxation Administration Act 1953 of Australia and any relevant rulings, judicial decisions or administrative practice, at the date of this Information Memorandum, of payments of interest (as defined in the Australian Tax Act) on the Instruments to be issued by the Issuer and certain other Australian tax matters.

This summary applies to holders of Instruments that are:

- residents of Australia for tax purposes that do not hold their Instruments, and do not derive any payments under the Instruments, in carrying on a business at or through a permanent establishment outside of Australia, and non-residents of Australia for tax purposes that hold their Instruments, and derive all payments under the Instruments, in carrying on a business at or through a permanent establishment in Australia (“**Australian Holders**”); and
- non-residents of Australia for tax purposes that do not hold their Instruments, and do not derive any payments under the Instruments, in carrying on a business at or through a permanent establishment in Australia, and Australian tax residents that hold their Instruments, and derive all payments under the Instruments, in carrying on a business at or through a permanent establishment outside of Australia (“**Non-Australian Holders**”).

This summary is not exhaustive and, in particular, does not deal with the position of certain classes of holders of Instruments (including, without limitation, dealers in securities, custodians or other third parties who hold Instruments on behalf of other persons or holders that have elected into any of the elective taxing regimes under the Taxation of Financial Arrangements (“**ToFA**”) rules). In addition, unless expressly stated, the summary does not consider the Australian tax consequences for persons who hold interests in the Instruments through Austraclear, Euroclear, Clearstream, Luxembourg or another Clearing System.

Holders of the Instruments should also be aware that particular terms of issue of any Series of Instruments may affect the tax treatment of that Series of Instruments. Information regarding taxes in respect of Instruments may also be set out in the relevant Pricing Supplement.

This summary is not intended to be, nor should it be construed as, legal or tax advice to any particular holder of Instruments. Prospective holders of Instruments should consult their professional advisers on the tax implications of an investment in the Instruments for their particular circumstances.

1. Interest withholding tax

The Australian Tax Act characterises securities as either “debt interests” (for all entities) or “equity interests” (for companies) including for the purposes of Australian interest withholding tax imposed under Division 11A of Part III of the Australian Tax Act (“**IWT**”) and dividend withholding tax.

For IWT purposes, “interest” is defined to include amounts in the nature of, or in substitution for, interest and certain other amounts. The Issuer intends to issue Instruments which are to be characterised as “debt interests” for the purposes of the tests contained in Division 974 and the returns paid on the Instruments are to be “interest” for the purpose of section 128F of the Australian Tax Act.

Australian Holders

Payments of interest in respect of the Instruments to Australian Holders should not be subject to IWT.

Non-Australian Holders

IWT is payable at a rate of 10% of the gross amount of interest paid by the Issuer to a Non-Australian Holder, unless an exemption is available.

Section 128F exemption from IWT

An exemption from IWT is available, in respect of interest paid on the Instruments if the requirements in section 128F of the Australian Tax Act are satisfied.

In broad terms, the requirements are as follows:

- (a) the Issuer remains a resident of Australia and a company (as defined in section 128F(9) of the Australian Tax Act) when it issues the Instruments and when interest (as defined in section 128A(1AB) of the Australian Tax Act) is paid. “Interest” is defined to include amounts in the nature of, or in substitution for, interest and certain other amounts;
- (b) the Instruments are issued in a manner which satisfies the “public offer” test in section 128F of the Australian Tax Act. There are five principal methods of satisfying the “public offer” test, the purpose of which is to ensure that lenders in capital markets are aware that the Issuer is offering the Instruments for issue. In summary, the five methods are:
 - (i) offers to 10 or more unrelated persons carrying on a business of providing finance, or investing or dealing in securities in the course of operating in financial markets;
 - (ii) offers to 100 or more investors of a certain type;
 - (iii) offers of listed Instruments;
 - (iv) offers via publicly available information sources; and
 - (v) offers to a dealer, manager or underwriter who offers to sell the Instruments within 30 days by one of the preceding methods;
- (c) the Issuer does not know, or have reasonable grounds to suspect, at the time of issue, that the Instruments (or interests in the Instruments) were being, or would later be, acquired, directly or indirectly, by an “associate” of the Issuer, except as permitted by section 128F(5) of the Australian Tax Act; and
- (d) at the time of the payment of interest, the Issuer does not know, or have reasonable grounds to suspect, that the payee is an “associate” of the Issuer, except as permitted by section 128F(6) of the Australian Tax Act.

Associates

An “associate” of the Issuer for the purposes of section 128F of the Australian Tax Act includes:

- a person or entity which holds more than 50% of the voting shares of, or otherwise controls, the Issuer;
- an entity in which more than 50% of the voting shares are held by, or which is otherwise controlled by, the Issuer;
- a trustee of a trust where the Issuer is capable of benefiting (whether directly or indirectly) under that trust; and

- a person or entity who is an “associate” of another person or company which is an “associate” of the Issuer under the first bullet point above.

However, for the purposes of sections 128F(5) and (6) of the Australian Tax Act (see requirements in paragraphs (c) and (d) above), an “associate” does not include:

- (a) an Australian Holder; or
- (b) a Non-Australian Holder who is acting in the capacity of:
 - (i) in the case of section 128F(5), a dealer, manager or underwriter in relation to the placement of the relevant Instruments or a clearing house, custodian, funds manager or responsible entity of a registered managed investment scheme (for the purposes of the Corporations Act 2001 of Australia); or
 - (ii) in the case of section 128F(6), a clearing house, paying agent, custodian, funds manager or responsible entity of a registered managed investment scheme (for the purposes of the Corporations Act 2001 of Australia).

Compliance with section 128F of the Australian Tax Act

Unless otherwise specified in any relevant Pricing Supplement (or another relevant supplement to this Information Memorandum), the Issuer intends to issue the Instruments in a manner which will satisfy the requirements of section 128F of the Australian Tax Act.

Exemptions under certain double tax conventions

The Australian government has signed double tax conventions (“**Specified Tax Treaties**”) with particular countries (each a “**Specified Country**”) that contain certain exemptions from Australian IWT. The Specified Tax Treaties effectively prevent Australian IWT applying to interest derived by:

- the government of the relevant Specified Country and certain governmental authorities and agencies in the Specified Country; and
- a “financial institution” which is a resident of a “Specified Country” and which is unrelated to and dealing wholly independently with the Issuer. The term “financial institution” refers to either a bank or any other enterprise which substantially derives its profits by carrying on a business of raising and providing finance. However, interest under a back-to-back loan or an economically equivalent arrangement will not qualify for this exemption.

The Australian Federal Treasury maintains a listing of Australia’s double tax conventions which provides details of country, status, withholding tax rate limits and Australian domestic implementation. This listing is available to the public on the Federal Treasury’s Department website.

Payment of additional amounts

Notwithstanding that the Instruments are intended to be issued in a manner that will satisfy the requirements of section 128F of the Australian Tax Act and payments of interest in respect of the Instruments are not expected to be subject to interest withholding tax, as set out in more detail in the relevant Terms and Conditions for the Instruments, and unless expressly provided to the contrary in the relevant Pricing Supplement, if the Issuer is at any time required by law to withhold or deduct an amount in respect of any taxes imposed, levied, collected, withheld or assessed by the Commonwealth of Australia in respect of the Instruments, the Issuer must, subject to certain exceptions, pay such additional amounts as may be necessary in order to ensure that the net amounts received by the holders of the Instruments after such deduction or withholding shall equal the respective amounts which would otherwise have been receivable had no such deduction or withholding been required. In the event that the Issuer is compelled by law in relation to any Instruments to deduct or withhold an amount in respect of any

withholding taxes, the Issuer will have the option to redeem such Instruments in accordance with the Terms and Conditions.

2. Other tax matters

Under Australian laws as presently in effect:

- (a) *death duties* - no Instruments will be subject to death, estate or succession duties imposed by Australia, or by any political subdivision or authority therein having power to tax, if held at the time of death;
- (b) *stamp duty and other taxes* - no *ad valorem* stamp, issue, registration or similar taxes are payable in Australia on the issue, transfer or redemption of any Instruments;
- (c) *TFN withholding* - withholding tax is imposed (see below in relation to the rate of withholding tax) on the payment of interest on certain registered securities unless the relevant payee has quoted an Australian tax file number ("**TFN**"), (in certain circumstances) an Australian Business Number ("**ABN**") or proof of some other exception (as appropriate).

Assuming the requirements of section 128F of the Australian Tax Act are satisfied with respect to the Instruments, then such withholding should not apply to payments to a Non-Australian Holder that is a non-resident of Australia for Australian tax purposes.

The rate of withholding tax is currently 47%;

- (d) *supply withholding tax* - payments in respect of the Instruments can be made free and clear of any "supply withholding tax"; and
- (e) *additional withholdings from certain payments to non-residents* – the Governor-General may make regulations requiring withholding from certain payments to non-residents of Australia (other than payments of interest and other amounts which are already subject to current IWT rules or specifically exempt from those rules). Regulations may only be made if the responsible Minister is satisfied the specified payments are of a kind that could reasonably relate to assessable income of foreign residents. The possible application of any future regulations in relation to the Instruments will need to be monitored;
- (f) *garnishee directions by the Commissioner of Taxation* – the Commissioner may give a direction requiring the Issuer to deduct from any payment to a holder of the Instruments any amount in respect of Australian tax payable by the holder. If the Issuer is served with such a direction, then the Issuer will comply with that direction and make any deduction required by that direction; and
- (g) *goods and services tax ("GST")* - neither the issue nor receipt of the Instruments will give rise to a liability for GST in Australia on the basis that the supply of Instruments will comprise either an input taxed financial supply or (in the case of an offshore subscriber that is a non-resident) a GST-free supply. Furthermore, the payment of principal or interest by the Issuer, would not give rise to any GST liability in Australia.

U.S. Foreign Account Tax Compliance Act and OECD Common Reporting Standard

FATCA

Under sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (“**FATCA**”), a 30% withholding (“**FATCA withholding**”) may be required if (i)(A) an investor does not provide information sufficient for any non-U.S. financial institution (“**FFI**”) through which payments on the Instruments are made to determine a holder’s status under FATCA, or (B) an FFI to or through which payments on the Instruments are made is a “non-participating FFI”; and (ii) the Instruments are treated as debt for U.S. federal income tax purposes and the payment is made in respect of Instruments issued or modified after the date that is six months after the date on which final regulations defining the term “foreign passthru payment” are filed with the U.S. Federal Register, or the Instruments are treated as equity for U.S. federal income tax purposes, whenever issued. This withholding is not expected to apply on payments made before the date that is two years after the date on which final regulations defining the term “foreign passthru payment” are filed with the U.S. Federal Register.

Reporting Australian Financial Institutions (“**RAFI**s”) under the Australia–U.S. FATCA Intergovernmental Agreement dated 28 April 2014 (“**Australian IGA**”) must comply with specific due diligence procedures to identify their account holders and provide the Australian Taxation Office (“**ATO**”) with information on financial accounts held by U.S. persons and recalcitrant account holders. The ATO is required to provide such information to the U.S. Internal Revenue Service. Consequently, holders of the Instruments may be requested to provide certain information and certifications to RAFIs through which payments on the Instruments are made. A RAFI that complies with its obligations under the Australian IGA will not be subject to FATCA withholding on amounts it receives, and will not be required to deduct FATCA withholding from payments it makes, other than in certain prescribed circumstances. In the event that any amount is required to be withheld or deducted from a payment on the Instruments as a result of FATCA, pursuant to the terms and conditions of the Instruments, no additional amounts will be paid by the Issuer as a result of the deduction or withholding.

Common Reporting Standard

The OECD Common Reporting Standard for Automatic Exchange of Financial Account Information (“**CRS**”) requires certain financial institutions to report information regarding certain accounts (which may include the Instruments) to their local tax authority and follow related due diligence procedures. Holders of the Instruments may be requested to provide certain information and certifications to ensure compliance with the CRS. A jurisdiction that has signed a CRS Competent Authority Agreement may provide this information to other jurisdictions that have signed the CRS Competent Authority Agreement. The Australian Government has enacted legislation amending, among other things, the Taxation Administration Act 1953 of Australia to give effect to the CRS.

Selling Restrictions

Under the Dealer Agreement and subject to the Terms and Conditions contained in the Information Memorandum, the Instruments will be offered by the Issuer through the Dealers. The Issuer has the sole right to accept any offer to purchase the Instruments and may reject that offer in whole or (subject to the terms of the offer) in part. Each Dealer has the right to reject any offer to purchase Instruments made to it in whole or (subject to the terms of such offer) in part. The Issuer is entitled under the Dealer Agreement to appoint one or more financial institutions as a Dealer for a particular Tranche or Series of Instruments or the Programme generally. At the time of any appointment, each such financial institution will be required to represent and agree to the selling restrictions applicable at that time.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree to comply with any applicable law or directive in any jurisdiction in which it may subscribe for, offer, sell or transfer Instruments and that it will not, directly or indirectly, subscribe for, offer, sell or transfer Instruments or distribute any Information Memorandum or other offering material in relation to the Instruments, in any jurisdiction, except in accordance with these selling restrictions, any additional restrictions which are set out in the relevant Pricing Supplement and any applicable law or directive of that jurisdiction.

None of the Issuer, the Arranger or any Dealer has represented that any Instruments may at any time lawfully be offered or sold, or that this Information Memorandum or any other offering material relating to the Instruments may be distributed, in compliance with any applicable registration or other requirements in any jurisdiction, or in accordance with any available exemption, or assumes any responsibility for facilitating that sale.

In addition to the above, the following selling and distribution restrictions apply:

General

No action has been taken in any jurisdiction that would permit a public offering of any of the Instruments or possession or distribution of the Information Memorandum or any other offering material in any country or jurisdiction where action for that purpose is required.

Persons into whose hands this Information Memorandum comes are required by the Issuer, the Arranger and the Dealers to comply with all applicable laws and directives in each country or jurisdiction in which they purchase, offer, sell, resell, reoffer or deliver Instruments or have in their possession or distribute or publish the Information Memorandum or other offering material and to obtain any authorisation, consent, approval or permission required by them for the purchase, offer, sale, reoffer, resale or delivery by them of any Instruments under any applicable law or directive in force in any jurisdiction to which they are subject or in which they make such purchases, offers, sales, reoffers, resales or deliveries, in all cases at their own expense, and neither the Issuer nor the Arranger or any Dealer has responsibility for such matters. In accordance with the above, any Instruments purchased by any person which it wishes to offer for sale or resale may not be offered in any jurisdiction in circumstances which would result in the Issuer being obliged to register any further prospectus or corresponding document relating to the Instruments in such jurisdiction.

For the purposes of these selling restrictions:

- “**directive**” includes a treaty, an official directive, request, regulation, guideline or policy (whether or not having the force of law) with which responsible participants in the relevant market generally comply; and
- references to Instruments include interests or rights in those Instruments held in the Austraclear System or any other Clearing System.

In particular, there are restrictions on the distribution of this Information Memorandum and the offer or sale of Instruments in Australia, the United Kingdom, the United States of America, the European Economic Area, Hong Kong, Singapore and Japan as set out below.

Australia

No prospectus or other disclosure document (as defined in the Corporations Act) in relation to the Programme or the Instruments has been, or will be, lodged with ASIC. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, unless the relevant Pricing Supplement (or another supplement to any Information Memorandum) otherwise provides, it:

- (a) has not made or invited, and will not make or invite, an offer of the Instruments for issue or sale in Australia (including an offer or invitation which is received by a person in Australia); and
- (b) has not distributed or published, and will not distribute or publish, any Information Memorandum or other offering material or advertisement relating to the Instruments in Australia,

unless:

- (i) the aggregate consideration payable by each offeree is a minimum of A\$500,000 (or its equivalent in an alternative currency and, in either case, disregarding moneys lent by the offeror or its associates) or the offer or invitation does not otherwise require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act;
- (ii) the offer or invitation does not constitute an offer to a “**retail client**” as defined for the purposes of section 761G of the Corporations Act;
- (iii) such action complies with all applicable laws and directives (including, without limitation, the licensing requirements of Chapter 7 of the Corporations Act); and
- (iv) such action does not require any document to be lodged with ASIC or any other regulatory authority in Australia.

In addition, each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree that, in connection with the offering and primary distribution of any issue of Instruments issued by the Issuer, it will not offer or sell any Instruments (or any interest in any Instruments) to any person who is known or suspected, by the relevant officer(s) or employee(s) of the Dealer making the offer, effecting the sale or otherwise directly involved in the offer, invitation or sale to be an Offshore Associate of the Issuer or to any person who is notified in writing by the Issuer to it as being an Offshore Associate of the Issuer.

“**Offshore Associate**” means an associate (as defined in section 128F(9) of the Income Tax Assessment Act 1936 of Australia) that is either:

- (a) a non-resident of Australia for Australian tax purposes which does not acquire the Instrument in the course of carrying on a business at or through a permanent establishment in Australia; or
- (b) a resident of Australia for Australian tax purposes that acquires the Instrument in the course of carrying on a business at or through a permanent establishment outside Australia,

which is not:

- (c) acquiring the Instrument in the capacity of a dealer, manager or underwriter in relation to the placement of the Instruments or in the capacity of a clearing house, custodian, fund manager or responsible entity of a registered scheme; or
- (d) receiving payment under the Instrument in the capacity of a clearing house, paying agent, custodian, fund manager or responsible entity of a registered scheme.

Section 708(19) of the Corporations Act provides that an offer of debentures for issue or sale does not need disclosure to investors under Part 6D.2 of the Corporations Act if the issuer is an ADI. As at the date of this Information Memorandum, the Issuer is an ADI.

The United States of America

The Instruments have not been and will not be registered under the Securities Act.

Terms used in the following four paragraphs have the meanings given to them by Regulation S.

The Instruments may not be offered, sold, delivered or transferred within the United States of America or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S or pursuant to certain transactions exempt from the registration requirements of the Securities Act.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, it, its affiliates and any person acting on its or their behalf will not offer, sell or deliver the Instruments of any Tranche constituting part of its allotment within the United States, or to, or for the account or benefit of U.S. persons, or engage in “directive selling efforts”:

- (a) as part of its distribution at any time; and
- (b) otherwise until 40 days after completion of the distribution of the Instruments, as determined and certified by the relevant Dealer or, in the case of an issue of Instruments on a syndicated basis, the Lead Manager,

except in an offshore transaction in accordance with Rule 903 of Regulation S.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Instruments from it during the distribution compliance period a confirmation or other notice substantially to the following effect:

*“The Instruments covered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (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 (i) as part of such Dealer’s distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Tranche of Instruments of which such Instruments are a part, except in either case in accordance with Rule 903 of Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S.”*

Until 40 days after the completion of the distribution of all Instruments of the Tranche of which those Instruments are a part, an offer or sale of Instruments within the United States by any dealer or other distributor (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 applicable exemption from registration under the Securities Act.

The United Kingdom

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

- (a) in relation to the Short Term Instruments:
 - (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business:
 - (ii) it has not offered or sold and will not offer or sell any Short Term Instruments other than to persons:

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- (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
 - (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Short Term Instruments would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (“**FSMA**”) by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any 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 Instruments in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
 - (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to those Instruments in, from or otherwise involving the United Kingdom.

European Economic Area

Prohibition of sales to EEA Retail Investors

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 otherwise made available and will not offer, sell or otherwise make available any Instruments which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area.

For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or
 - (ii) a customer within the meaning of Directive 2002/92/EC (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in the Prospectus Directive;
- (b) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Instruments to be offered so as to enable an investor decide to purchase or subscribe the Instruments;
- (c) “**Prospectus Directive**” means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant EEA State; and
- (d) “**Relevant EEA State**” means a Member State of the European Economic Area which has implemented the Prospectus Directive.

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) the Instruments have not been authorised by the Hong Kong Securities and Futures Commission;
- (b) it has not offered, sold, delivered or transferred, and will not offer, sell, deliver or transfer in Hong Kong Instruments, by means of any document, any Instruments (except for Instruments which are a “structured product” as defined in the Securities and Futures Ordinance (Cap 571) (as amended) of Hong Kong (“SFO”)) other than:
 - (i) to “professional investors” as defined in the SFO and any rules made under the SFO; or
 - (ii) in other circumstances which do not result in the document being a “prospectus” within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap 32) (as amended) of Hong Kong (“CO”) or which do not constitute an offer to the public within the meaning of the CO; and
- (c) unless it is a person permitted to do so under the applicable securities laws of Hong Kong, 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, (in each case, whether in Hong Kong or elsewhere) any advertisement, invitation or other offering material or other document relating to the Instrument, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Instruments which are, or are intended to be, disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the SFO and any rules made under the SFO.

Japan

The Instruments 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 “**Financial Instruments and Exchange Act**”) and, accordingly, each Dealer appointed under the Programme 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, delivered or transferred and it will not offer, sell, deliver or transfer any Instruments directly or indirectly, in Japan or to, or for the account or 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 account or benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, directives and ministerial guidelines of Japan.

Singapore

This Information Memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore (as amended) (“SFA”).

Accordingly, each Dealer appointed under the Programme has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Instruments or caused such Instruments to be made the subject of an invitation for subscription or purchase and will not offer or sell such Instruments or cause such Instruments to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute the Information Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Instruments, whether directly or indirectly, to any person in Singapore other than:

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- (a) to an institutional investor (as defined in the SFA) under Section 274 of the SFA;
 - (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or 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 provision of the SFA.

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

- (1) a corporation (which is not an accredited investor (as defined in 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; or
- (2) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

the securities (as defined in section 2(1) of the SFA) or securities-based derivatives contracts (as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Instruments pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person or to any person arising from an offer referred to in section 275(1A) of the SFA;
- (ii) (in the case of a corporation) where the transfer arises from an offer referred to in Section 276(3)(i)(B) of the SFA or (in the case of a trust) where the transfer arises from an offer referred to in Section 276(4)(i)(B) of the SFA;
- (iii) where no consideration is or will be given for the transfer;
- (iv) where the transfer is by operation of law; or
- (v) as specified in section 276(7) of the SFA.

Any reference to the “**SFA**” is a reference to the Securities and Futures Act, Chapter 289 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

Directory

ISSUER

Bank of Queensland Limited

Level 6
100 Skyring Terrace
Newstead QLD 4006
Australia

Telephone: + 61 7 3212 3438
Facsimile: + 61 7 3067 9320
Attention: Treasury Department

ARRANGER AND DEALER

UBS AG, Australia Branch

(ABN 47 088 129 613, AFSL No. 231087)

Level 16, The Chifley Tower
2 Chifley Square
Sydney NSW 2000
Australia

Telephone: + 852 2971 5707
Facsimile: + 61 2 8215 8239
Attention: Head of DCM Syndicate

Copy to: General Counsel
Telephone: + 61 2 9324 2786
Facsimile: + 61 2 9324 2558

DEALER

Westpac Banking Corporation

(ABN 33 007 457 141, AFSL No. 233714)

Level 2, Westpac Place
275 Kent Street
Sydney NSW 2000
Australia

Telephone: + 61 2 8253 4574
Facsimile: + 61 2 8254 6937
Attention: Executive Director, Head of DCM & Syndicate

REGISTRAR

Computershare Investor Services Pty Limited

Level 4
60 Carrington Street
Sydney NSW 2000
Australia

Telephone: +61 2 8234 5000
Facsimile: +61 2 8234 5050
Attention: Senior Manager Structured Products and Fund Services