

# **Information Memorandum**

## **BANK OF QUEENSLAND LIMITED**

(ACN 009 656 740)  
(ABN 32 009 656 740)

**A\$2,000,000,000**

## **Debt Instrument Programme**

### **Co-Arrangers**

**Westpac Banking Corporation  
UBS AG, Australia Branch**

### **Dealers**

**Westpac Banking Corporation  
UBS AG, Australia Branch  
ABN AMRO Bank N.V., Australian Branch  
Macquarie Bank Limited**

**8 November 2005**

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## Important Notice

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This Information Memorandum relates solely to the Debt Instrument Programme (“**Programme**”) established for Bank of Queensland Limited (“**Issuer**”) under which transferable deposits (“**TD**”) and subordinated or unsubordinated debt instruments (“**Notes**”) (together “**Instruments**”) may be issued up to a maximum aggregate amount of A\$2,000,000,000 (which amount may be increased from time to time by agreement between the Issuer and the Dealers (each as defined in the “**Programme Summary**”)).

### **Date and currency of this Information Memorandum**

This Information Memorandum has been prepared by the Issuer as at the Preparation Date (as defined below). The delivery of the Information Memorandum at any time after the Preparation Date does not imply the information contained in it is accurate, timely and complete at any time subsequent to the Preparation Date. Accordingly, neither the delivery of this Information Memorandum, nor any offer or issue of Instruments, implies or should be relied upon as a representation or warranty that there has been no change since the Preparation Date in the affairs or financial condition of the Issuer or that the information contained in this Information Memorandum is correct at any time after the Preparation Date.

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

- in relation to this Information Memorandum, the date indicated on its face or, if the Information Memorandum has been amended or supplemented, the date indicated on the face of that amendment or supplement;
- in relation to financial accounts incorporated in this Information Memorandum, the date up to or as at the date on which the accounts relate; and
- in relation to 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.

Without limiting this general statement, the Issuer has given an undertaking to the Dealers that if at any time during the term of the Programme it is aware of any fact, condition, matter or thing which renders anything contained in this Information Memorandum inaccurate, incomplete, misleading or deceptive in any material respect, the Issuer will prepare a new Information Memorandum (or a supplement on or amendment to it) for use in any subsequent offering of Instruments.

### **Responsibility for information**

This Information Memorandum has been prepared by and issued with the authority of the Issuer. The Issuer accepts responsibility for it.

The only role of the Co-Arrangers, the Dealers and the Registrar (each as defined in the “**Programme Summary**”) in the preparation of this Information Memorandum has been to confirm to the Issuer that the information as to their identity and their respective descriptions under the heading “Programme Summary” and their respective descriptions under the heading “Directory” are accurate as at the Preparation Date. Apart from the foregoing, the Co-Arrangers, the Dealers and the Registrar make no representation or warranty, express or implied, as to and assume no responsibility or liability for the authenticity, origin, validity, accuracy or completeness of, or any errors or omissions in, any information, statement, opinion or forecast contained in this Information Memorandum or in any accompanying, previous or subsequent material or presentation.

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

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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 Dealers or the Registrar.

### **Intending purchasers to make independent investment decision and obtain tax advice**

The information contained in this Information Memorandum is not a recommendation by the Issuer, the Co-Arrangers, the Dealers or the Registrar that any person acquire Instruments. Intending purchasers should:

- determine for themselves the relevance of the information contained in this Information Memorandum and must base their investment decision solely upon such independent assessment and investigation as they consider necessary; and
- consult their own tax advisers concerning the application of any tax laws applicable to their particular situation.

The Co-Arrangers, the Dealers and the Registrar do not undertake to review the financial condition or affairs of the Issuer at any time or to advise any holder of an Instrument of any information coming to their attention with respect to the Issuer or the Instruments.

### **Distribution**

This Information Memorandum has been prepared for persons whose ordinary business includes the buying or selling of Instruments. This Information Memorandum is not intended for and should not be distributed to any other person. Its contents may not be reproduced or used in whole or in part for any purpose other than in conjunction with the Programme, nor furnished to any other person without the express written permission of the Issuer.

A person may not (directly or indirectly) offer for subscription or purchase or issue an invitation to subscribe for or buy Instruments, nor distribute this Information Memorandum, in the Commonwealth of Australia or to any resident of the Commonwealth of Australia, except under circumstances where the offer or invitation does not otherwise require disclosure to investors to be made under Part 6D.2 of the Corporations Act 2001 of Australia (“**Corporations Act**”) and complies with any other applicable laws, regulations or directives.

In addition, distribution and use of this Information Memorandum, and the offer or sale of Instruments, may be restricted by law in certain jurisdictions. The Issuer, the Co-Arrangers, the Dealers and the Registrar do not represent that this Information Memorandum may be lawfully distributed, or that any Instruments may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by any of those parties which would permit a public offering of any Instruments or distribution of this Information Memorandum in any jurisdiction where action for that purpose is required. Accordingly, no Instruments may be offered or sold, directly or indirectly, and neither this Information Memorandum nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations and the Dealers have represented that all offers and sales by them will be made on the same terms. Persons into whose possession this Information Memorandum or any Instruments come must inform themselves about, and observe, any such restrictions.

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The Instruments have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”). Instruments may not be offered, sold or delivered within the United States or to or for the account of U.S. persons unless registered under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act and applicable U.S. tax law requirements are satisfied. For a description of certain restrictions on offers and sales of Instruments and on distribution of any Pricing Supplement and the Information Memorandum, see the section headed “Selling Restrictions”.

### **References to ratings**

There are references in this Information Memorandum to the credit rating of the Instruments. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the relevant rating agency.

### **Disclosure of interest**

In accordance with the provisions of the Corporations Act, the Co-Arrangers, the Registrar and the Dealers disclose that they, their subsidiaries, directors and employees may have pecuniary or other interests in the securities mentioned in this Information Memorandum, and may also have interests pursuant to other arrangements and will receive fees, brokerage and commissions, and may act as principal in any dealings in the Instruments.

### **Documents incorporated by reference**

Where the context so permits, the following documents 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 financial statements of the Issuer; and
- all documents issued by the Issuer and stated to be incorporated in this Information Memorandum by reference including, in the case of any series of Instruments, a Pricing Supplement.

Any statement contained in this Information Memorandum or in any of the documents incorporated by reference in, and forming part of this Information Memorandum, shall be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in any document subsequently incorporated by reference modifies or supersedes such statement.

Copies of documents incorporated by reference are available for inspection from the Issuer and the Co-Arrangers at their respective offices.

### **References to currencies**

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

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## Corporate Profile of the Issuer

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### Bank of Queensland Limited

#### History

The Bank of Queensland Limited ("the Bank") is a public company incorporated and domiciled in Australia and listed on the Australian Stock Exchange. The Bank is regulated by the Australian Prudential Regulation Authority as an authorised deposit-taking institution.

The Bank has its origins in the Brisbane Permanent Benefit Building Banking and Investment Society which was formed in 1874. Brisbane Permanent converted from a building society into a bank in 1887. Following various mergers and acquisitions the Bank was granted a formal commercial banking licence in 1941 and changed its name to Bank of Queensland Limited in 1970.

From 1985 until 1996 the Bank's largest shareholder was Suncorp Insurance and Finance ("Suncorp") which at that time was wholly owned by the State Government of Queensland ("the State Government"). In May 1996 the State Government announced the merger of Suncorp, the Queensland Industry Development Corporation ("QIDC") (also a wholly owned State Government corporation) and the publicly listed Metway Bank. The Bank was invited to join the merger but after giving the matter due consideration the Board declined to accept the invitation.

On 8 November 1999 the State Government announced that their shareholding in the Bank would pass to Queensland investors via a public offering. The State Government's approach to the sell down was reflected in not only the preference given to Queenslanders in the retail allocation, but also the preference given to long term portfolio investors in the institutional allocation.

#### Divisional Overview

##### Retail Banking

Underpinned by an ever-growing branch network and a new \$40 million Core Banking System, the Retail Bank is the cornerstone of the Bank's franchise. A comprehensive product offering encompassing transactional and saving accounts, mortgage and personal lending, and numerous credit card products augurs well for continued above-system growth in the Retail Banking Division. Whilst the Bank has historically operated exclusively in Queensland, the 2003/04 financial year saw the beginning of a move to diversify operations into the southern states of New South Wales and Victoria. To support this interstate branch roll out, customers have access to the use of Bank-branded ATMs across Australia.

The majority of branches are manager-owned using the Bank's innovative Owner-Managed Branch® ("OMB") model. OMBs are a relatively unique concept in the provision of face-to-face banking services in Australia. The OMB model involves sharing revenues generated through upfront commissions and trail commissions and net interest income and fee income which provides an incentive for the OMB to write profitable business. Unlike traditional brokers, OMBs are also provided incentives to bring in deposits. While the Bank tightly controls brand, credit policy, pricing, compliance and procedures, OMBs are encouraged to build their own business and manage their local market and are full service branches.

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## **Business Banking**

Unlike many other Australian regional banks which have their recent origins in building societies, the Bank, with its long history as a fully licensed commercial bank, has for some time had a significant proportion of its lending portfolio in the small to medium business sector. Its history of exposure to this sector has offered the Bank some protection against an over-reliance on residential lending and also afforded the Bank the experience necessary to deal with the more complex credit decisions and on-going management required when lending to the small business sector. Following the successful acquisition and integration of UFJ Leasing Australia Ltd's portfolio ("UFJA"), the Bank has significantly diversified its asset base and strengthened its representation in the Bank's core small to medium enterprise market. An extensive suite of products is offered to business customers and includes transactional accounts, foreign exchange hedging, merchant services and lending products such as factoring, leasing, overdrafts, commercial loans and trade finance facilities.

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## Programme Summary

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*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.*

- Issuer:** Bank of Queensland Limited (ACN 009 656 740) (ABN 32 009 656 740).
- Programme:** A combined non-underwritten revolving domestic debt instrument programme for the acceptance of TDs and the issue of Notes. 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**”).
- Notes which are subordinated pursuant to Condition 4 of the relevant Terms and Conditions (“**Subordinated Notes**”) may only be issued as Term Instruments.
- Programme Limit:** A\$2,000,000,000 (or its equivalent in any other currency). The Programme Limit may be increased by agreement between the Issuer and these current Dealers to the Programme from time to time.
- Co-Arrangers :** Westpac Banking Corporation (ARBN 007 457 141)  
(ABN 33 007 457 141)  
UBS AG, Australia Branch (ARBN 088 129 613) (ABN 47 088 129 613)
- Dealers:** Westpac Banking Corporation (ARBN 007 457 141)  
(ABN 33 007 457 141)  
UBS AG, Australia Branch (ARBN 088 129 613) (ABN 47 088 129 613)  
ABN AMRO Bank N.V., Australian Branch (ABN 84 079 478 612)  
Macquarie Bank Limited (ABN 46 008 583 542)
- Additional Dealers may be appointed from time to time in accordance with the amended and restated Dealer Agreement (“**Dealer Agreement**”) dated at or about the date of this Information Memorandum for the Programme. Dealers may also be appointed for a particular Tranche.
- Registrar:** CIS (Debt Securities) Pty Ltd (ACN 073 485 971).
- Status:** The obligations of the Issuer under the Instruments rank:
- (i) in the case of the Notes and TDs will rank at least equally with the Issuer’s present and future unsecured and unsubordinated indebtedness, other than indebtedness mandatorily preferred by law (including section 13A(3) of the Banking Act, 1959 (Cth) and section 86A of the Reserve Bank Act 1959 of Australia); and
  - (ii) in the case of Subordinated Notes, unless otherwise specified in the relevant Pricing Supplement, at least equally with its present and future unsecured and subordinated indebtedness and pari passu without preference among themselves.

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*Section 13A(3) of the Banking Act 1959 of Australia provides that, in the event of an authorised deposit-taking institution (“ADI”) becoming unable to meet its obligations or suspending payment, the assets of the ADI in Australia shall be available to meet its deposit liabilities in Australia in priority to all other liabilities of the ADI. Section 86 of the Reserve Bank Act 1959 of Australia provides that debts due to the Reserve Bank of Australia by an ADI specified under the Banking Act 1959 of Australia (of which the Issuer is one) shall, in a winding up, but subject to the aforesaid Section 13A(3) of the Banking Act 1959 of Australia, have priority over all other debts of such ADI other than debts due to the Commonwealth of Australia.*

*Section 16 of the Banking Act 1959 of Australia provides that in a winding up of an ADI the costs (including costs in the nature of remuneration and expenses) of the Australian Prudential Regulatory Authority of being in control of the ADI or of having an administrator in control of the ADI’s business will, subject to the aforesaid Section 13A(3) of the Banking Act 1959 of Australia, have priority over all other unsecured debts.*

*The Issuer does not make any representation as to whether the Instruments would constitute deposit liabilities in Australia under such statutory provisions.*

- 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:** 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 Australian stamp duty is payable on the issue of the Instruments or any transfer of Instruments for full market value through the Austraclear System.
- Taxes:** Investors should obtain their own taxation advice regarding the taxation consequences of investing in Instruments.
- Tax file number or Australian business number:** 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 (ordinarily 48.5%) if an Australian resident investor or a non-resident investor that holds an Instrument in carrying on a business of or through a permanent establishment in Australia has not supplied an appropriate tax file number, Australian business number or exemption details as may be necessary to enable the payment to be made without the required withholding or deduction.

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<b>Withholding tax:</b>	<p>All payments in respect of Instruments are subject in all cases to applicable provisions of fiscal and other laws, regulation and directives (“<b>Relevant Laws</b>”). If the Issuer or anyone making payment on its behalf is obliged 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.</p> <p>Unless otherwise specified in the Pricing Supplement, Instruments will be issued in a manner which enables the Issuer to pay interest to holders free of Australian interest withholding tax. 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 subject to certain customary exceptions as provided under Condition 8.6 below.</p> <p>See “Australian Taxation” below for a summary of the Australian taxation treatment of payments of interest on the Instruments and certain other matters.</p>
<b>Rating:</b>	<p>As at the date of this Information Memorandum, senior unsubordinated Instruments issued under the Programme have been rated BBB+/A-2 by Standard &amp; Poor’s, a Division of The McGraw-Hill Companies.</p> <p>A credit rating is not a recommendation to buy, sell or hold securities and is subject to revision, suspension or withdrawal at any time by the relevant rating agency.</p>
<b>Title:</b>	<p>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.</p>
<b>Denominations:</b>	<p>Instruments will be issued in denominations of A\$10,000 or such other amount specified in the relevant Pricing Supplement.</p>
<b>Transfer procedure:</b>	<p>Instruments may only be transferred in whole.</p> <p>Unless otherwise specified in a Pricing Supplement, the minimum aggregate consideration payable on each transfer of Instruments within Australia must be not less than A\$500,000 (or the equivalent in an alternate currency) (disregarding moneys lent by the transferor or its associates to the transferee) or the transfer must be in a manner which does not require disclosure to be made to investors under Part 6D.2 of the Corporations Act.</p> <p>Instruments entered in the Austraclear System will be transferred only in accordance with the Austraclear Regulations.</p> <p>If Instruments are not entered in or are removed from the Austraclear System, application for the transfer of Instruments must be made by lodgement 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.</p>

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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.

**Redemption:** 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.

**Redemption for taxation reasons:** If so specified in the relevant Pricing Supplement, Instruments may also be redeemed following the occurrence of changes in tax law which give rise to an obligation of the Issuer to gross-up for deductions or withholdings required to be made by law (as provided in Condition 6.3 of the relevant Terms and Conditions).

**Redemption of Subordinated Notes:** Any right to redeem or repurchase Subordinated Notes is subject to:

- (i) Condition 4 of the relevant Terms and Conditions;
- (ii) the Pricing Supplement specifying that the relevant redemption provisions are applicable; and
- (iii) the Issuer obtaining the prior approval of the Australian Prudential Regulation Authority for such redemption or repurchase.

**Payments:** 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.

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.

**Listing:** Application may be made for one or more Tranches of Instruments to be listed on the Australian Stock Exchange.

**Selling restrictions:** The offering, 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

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and on the offer or sale of Instruments in the United Kingdom, the United States of America, Japan, Singapore and Hong Kong are set out in “Selling Restrictions” below.

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## A. Short Term Instrument Summary

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- Form:** Short Term Instruments will take the form of either TDs or Notes (other than Subordinated Notes). They will be constituted either by the acceptance of the amount deposited on the terms and conditions of the TD Deed Poll (“**TD Deed Poll**”) in the case of TDs, or by the Note Deed Poll (“**Note Deed Poll**”) in the case of Notes. They will take the form of entries on a register (“**Register**”) maintained by the Registrar. No certificate or other evidence of title will be issued. There is no trustee for the holders of Short Term Instruments.
- Austraclear:** The Issuer will apply to Austraclear Limited (“**Austraclear**”) for approval of the Short Term Instruments of each Series to be traded on the settlement system operated by Austraclear (“**Austraclear System**”). Such approval of Short Term Instruments by Austraclear is not a recommendation or endorsement by Austraclear of the 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.

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## B. Term Instrument Summary

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- 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 TD Deed Poll (“**TD Deed Poll**”) in the case of TDs or by the Note Deed Poll (“**Note Deed Poll**”) in the case of Notes. They will take the form of entries on a register (“**Register**”) maintained by the Registrar. No certificate or other evidence of title will be issued. The Term Instruments of any Series may be described as “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.
- Austraclear:** The Issuer will apply to Austraclear Limited (“**Austraclear**”) for approval of the Term Instruments of each Series to be traded on the settlement system operated by Austraclear (“**Austraclear System**”). Such approval of Term Instruments by Austraclear is not a recommendation or endorsement by Austraclear of the Term Instruments.
- 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.

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## Terms and Conditions of Notes

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*The following are the Terms and Conditions of the Notes which, as supplemented, modified or replaced in relation to any Notes by the relevant Pricing Supplement, will be applicable to each Series of 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 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 Note 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 Notes) are available for inspection by the holder of any Note of such Tranche at the offices of the Issuer at its address specified in the Information Memorandum.*

### 1 Interpretation

#### *Definitions*

- 1.1 The following words have these meanings in these terms and conditions unless the contrary intention appears:

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

**Amortised Face Amount** means in relation to a 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 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 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 Notes.

**Austraclear** means Austraclear Limited (ABN 94 002 060 773).

**Austraclear Regulations** means the regulations known as the “Austraclear System Regulations” together with the manual known as the “Austraclear System

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Operating Manual” established by Austraclear (as amended or replaced from time to time) to govern the use of the Austraclear system.

**Austraclear System** means the system operated by Austraclear for holding securities and electronic recording and settling of transactions in those securities between members of that system.

**Australian Dollars** and **A\$** means the lawful currency of Australia.

**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 Notes or the preceding day on which commercial banks and foreign exchange markets are open for business in Sydney.

**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 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 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:
  - (A) such date is brought forward to the first preceding day that is a Business Day; and
  - (B) 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

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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 Notes in a Series.

**Condition** means the correspondingly numbered condition in these Terms and Conditions.

**Corporations Act** means the Corporations Act 2001(Cth).

**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/365** or **Actual/Actual** 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 the portion of the Calculation Period falling in a leap year divided by 366; and
  - (ii) the actual number of days in the portion of the Calculation Period falling in a non-leap year divided by 365;
- (b) if **Actual/365 (fixed)** is so specified, the actual number of days in the Calculation Period divided by 365;
- (c) if **Actual/360** is specified, means the actual number of days in the Calculation Period divided by 360;
- (d) if **30E/360** or **Eurobond Basis** is specified, means the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of the final Calculation Period, the date of final maturity is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month); and
- (e) if **Australian Bond Basis** is specified, one divided by the number of Interest Payment Dates in a year.

**Dealer Agreement** means the agreement dated 26 May 2000 between the Issuer and the institutions named in it as Co-Arrangers and Dealers, as amended and restated on or about the date of this Information Memorandum.

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**Denomination** means the notional face value of a Note as specified in the relevant Pricing Supplement.

**Early Termination Amount** means in relation to a Note, the Outstanding Principal Amount or, if the 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) a Senior Note has the meaning given to it in Condition 7.1; and
- (b) a Subordinated Note has the meaning given to it in Condition 7.4.

**Extraordinary Resolution** has the same meaning as in the Meetings Provisions.

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

**Financial Arrangement** includes a currency swap, an interest rate swap, a forward exchange rate agreement, a forward interest rate agreement or a futures contract or futures option (each within the meaning of section 9 of the Corporations Act), or any other option agreement or combination of the above or any similar arrangement;

**Financial Indebtedness** means, in respect of any person, any indebtedness, present or future, actual or contingent of that person in respect of moneys borrowed or raised or any financial accommodation or Financial Arrangement whatsoever including (without limitation):

- (a) under or in respect of any Guarantee, bill, acceptance or endorsement or any discounting arrangement;
- (b) in respect of any obligation to pay par value, premium and dividend (whether or not declared, and whether or not there are sufficient profits or other moneys for payment) of any redeemable share or stock issued by that person or to purchase any share or stock issued by that person which is the subject of a put option against that person;
- (c) in respect of any Lease which under current accounting practice would be required to be capitalised on the balance sheet of the lessee;
- (d) the deferred purchase price (for more than 90 days) of any asset or service and any related obligation; and
- (e) in respect of any obligation to deliver goods or services which are paid for in advance by a financier or which are paid for in advance in relation to any financing transaction;

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

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**Guarantee** means any guarantee, indemnity, letter of credit, suretyship or any other obligation (whatever called and of whatever nature);

- (a) to pay or to purchase; or
- (b) to provide funds (whether by the advance money, the purchase of or subscription for shares or other securities, the purchase of assets, rights or services, or otherwise) for the payment or discharge of; or
- (c) to indemnify against the consequences of default in the payment of; or
- (d) otherwise to be responsible for;

any obligation or indebtedness, any dividend, capital or premium on shares or stock or the insolvency or the financial condition of any other person.

**Information Memorandum** means at any time the Information Memorandum (and any supplement to it) (whether in printed or electronic form) prepared on behalf of, and approved in writing by, the Issuer in connection with the issue of Notes and TDs, all documents incorporated by reference in it and such other information (including in the case of a Tranche of Notes or TDs, as the case may be, a Pricing Supplement) approved in writing by the Issuer from time to time.

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

**Instrument** means a TD or a Note.

**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** has the meaning specified as such in 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

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date or dates are specified in the Pricing Supplement, means the dates which correspond with the Interest Payment Dates in respect of the 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 Notes specified in, or calculated or determined in accordance with the provisions of, the Pricing Supplement and in the case of Floating Rate Notes, the rate determined in accordance with Condition 5.3.

**Issue Date** means the day on which any 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 (ACN 009 656 740) (ABN 32 009 656 740) and any Substituted Issuer pursuant to Condition 12.

**Lease** means :

- (a) any lease, charter or hiring arrangement of any property;
- (b) any other agreement under which any property is or may be used or operated by a person other than the owner; and
- (c) any agreement under which any property is or may be managed or operated for or on behalf of the owner or another person by a person other than the owner, and the operator or manager or its related body corporate (as defined in section 9 of the Corporations Act) (whether in the same or another agreement) is required to make or assure minimum, fixed and/or floating rate payments of a periodic nature,

(other than agreements under which the manager of a joint venture uses assets owned by the joint venture on behalf of the joint venture).

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

**Material Subsidiary** means a Subsidiary of the Issuer as to which either or both of the following conditions is satisfied:

- (a) its net profits attributable to the Issuer (before taxation and extraordinary items) for its last completed financial year represent 5 per cent or more of the consolidated net profits (before taxation and extraordinary items but after deducting minority interests in Subsidiaries) of the Issuer and its Subsidiaries for its last completed financial year; or
- (b) its gross assets attributable to the Issuer for its last completed financial year represent 5 per cent or more of the consolidated gross assets (after deducting minority interests in Subsidiaries) of the Issuer and its Subsidiaries for its last completed financial year,

in each case as determined from the latest available relevant audited accounts and provided that, on a Material Subsidiary transferring all or substantially all of its assets to another Subsidiary, the transferor shall cease to be a Material Subsidiary and (if the transferee is a Subsidiary but not a Material Subsidiary) the transferee shall become a Material Subsidiary.

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A certificate by the Issuer's auditors as to whether a Subsidiary of the Issuer is or is not, or was or was not, at any particular time a Material Subsidiary, in the absence of manifest error, shall be conclusive.

**Maturity Date** means the date for redemption of a Note or, in the case of an amortising 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 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 schedule 2 of the Note 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.

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

**Note Deed Poll** means the deed poll (including these Terms and Conditions which form schedule 1 to the deed poll) dated 26 May 2000 executed by the Issuer in New South Wales, as amended and restated on or about the date of this Information Memorandum.

**Noteholder** means a Senior Noteholder and/or a Subordinated Noteholder.

**Ordinary Resolution** has the same meaning as in the Meetings Provisions.

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

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

- (a) the premium of a 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 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; and

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- (c) the principal amount of a partly paid Note is to be taken to equal its outstanding principal amount.

**Payment Date** means, in respect of a 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 Notes under the Note Deed Poll and TDs under the TD Deed Poll.

**Purchase Price** means, in respect of a 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 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 Notes are carried on that register, the amount of Notes held by each Noteholder and the Tranche, Series and date of issue and transfer of those Notes, and any other particulars which the Issuer sees fit.

**Registrar** means CIS (Debt Securities) Pty Ltd (ACN 073 485 971) 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 amended and restated agreement entitled "Registry Services Agreement" dated 4 August 1995 as amended and restated on 30 May 2000 between the Issuer and CIS (Debt Securities) Pty Ltd (ACN 073 485 971) (formerly National Registry Services Pty Ltd).

**Relevant Date** means the date on which a payment in respect of the 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.

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**Resolution** means an Extraordinary Resolution or Ordinary Resolution, as the context requires.

**Retail Issue** means an issue of Instruments all of which are specified in a Pricing Supplement as being a retail issue. A retail issue is one in respect of which Instruments are issued pursuant to a prospectus which has been lodged with, and registered by, the Australian Securities and Investments Commission.

**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:

- (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 Term Instrument that is an unsubordinated obligation under Condition 4.2.

**Senior Noteholder** 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 and (for the avoidance of doubt) when a Senior Note is entered into the Austraclear System, includes Austraclear acting on behalf of a member of the Austraclear System.

**Series** means a Tranche or Tranches of 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 Notes in more than one Denomination.

**Short Term Instrument** means a Note (other than a Senior Note or a Subordinated Note) which has a Tenor of less than 365 days.

**Subordinated Note** means a Term Instrument that is subordinated under Condition 4.

**Subordinated Noteholder** means a person whose name is for the time being entered in the Register as a 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 and (for the avoidance of doubt) when a Subordinated Note is entered into the Austraclear System, includes Austraclear acting on behalf of a member of the Austraclear System.

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**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 or is a subsidiary of or otherwise controlled by the first within the meaning of any applicable approved accounting standard.

**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.

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

**Term Instrument** means a Note which will have a Tenor of not less than 365 days.

**Tranche** means 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 Notes in more than one denomination).

**TD** means each transferable deposit obligation of the Issuer owing under the TD Deed Poll to a holder of the deposit obligation.

**TD Deed Poll** means the deed poll (including the Terms and Conditions which form schedule 1 to the deed poll) dated 26 May 2000 executed by the Issuer in New South Wales, as amended and restated on or about the date of this Information Memorandum.

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

**Unsubordinated Creditors** means, in respect of the Issuer, all its present and future creditors (including depositors) whose claims:

- (a) would be entitled to be admitted in the Winding-Up of the Issuer; and
- (b) are not by their terms expressed to rank equally with, or behind, the claims of Subordinated Noteholders.

**Winding Up** means:

- (a) a court order is made for the winding-up of the Issuer; or
- (b) an effective resolution is passed by shareholders or members for the winding-up of the Issuer.

### *Interpretation*

1.2 In these terms and conditions unless the contrary intention appears:

- (a) a reference to these terms and conditions is a reference to these terms and conditions as modified, supplemented or replaced by the Pricing Supplement;

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- (b) a reference to *Australian Dollars, A\$* or *dollars* is a reference to the lawful currency of the Commonwealth of Australia
  - (c) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
  - (d) a reference to a document (including these Terms and Conditions) includes any variation or replacement of it;
  - (e) the singular includes the plural and vice versa;
  - (f) the word *person* includes a firm, body corporate, an unincorporated association or an authority;
  - (g) a reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including, without limitation, persons taking by novation) and assigns; and
  - (h) a reference to any thing (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.

#### *Headings*

- 1.3 Headings are inserted for convenience and do not affect the interpretation of these terms and conditions.

## **2 Form, denomination and title**

#### *Constitution under Note Deed Poll*

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

#### *Independent obligations*

- 2.2 The obligations of the Issuer in respect of each 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.

#### *Currency*

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

#### *Denomination*

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

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*Register conclusive*

- 2.5 Entries in the Register in relation to a Note constitute conclusive evidence that the person so entered is the registered owner of the Note subject to rectification for fraud or error. No Note will be registered in the name of more than 4 persons. A Note registered in the name of more than one person is held by those persons as joint tenants. Notes will be registered by name only without reference to any trusteeship. The person registered in the Register as a Noteholder of a Note will be treated by the Issuer and the Registrar as absolute owner of that 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 Note.

*Holder absolutely entitled*

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

*Location of Register*

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

*Certificates*

- 2.8 The 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 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.

*Acknowledgment*

- 2.9 Where the Austraclear System is recorded in the Register as the Noteholder, each person in whose account that 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 Note does not constitute a recommendation or endorsement by the Registrar or Austraclear in relation to the Note but only indicates that such 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 Note; and
  - (b) the Noteholder does not rely on any fact, matter or circumstance contrary to Condition 2.9(a).

### **3 Transfers**

*Limit on transfer*

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- 3.1 Notes may only be transferred in whole.
- 3.2 Unless otherwise specified in the Pricing Supplement, Notes may only be transferred if:
- (a) 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 Part 6D.2 of the Corporations Act; and
  - (b) the transfer is in compliance with the laws of the jurisdiction in which the transfer takes place.

*Transfer procedures*

- 3.3 Unless Notes are lodged in the Austraclear System, application for the transfer of Notes must be made by the lodgement 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 Note.

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

*Registration of transfer*

- 3.4 The transferor of a Note is deemed to remain the holder of that Note until the name of the transferee is entered in the Register in respect of that 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 Note.

*No charge on transfer*

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

*Estates*

- 3.6 A person becoming entitled to a 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 Note or, if so entitled, become registered as the holder of the Note.

*Unincorporated associations*

- 3.7 A transfer to an unincorporated association is not permitted.

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*Transfer of unidentified Notes*

- 3.8 Where the transferor executes a transfer of less than all Notes of the relevant Tranche or Series registered in its name, and the specific 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 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 Notes registered as having been transferred equals the aggregate principal amount of the Notes expressed to be transferred in the transfer.

*Australian Stock Exchange*

- 3.9 Notes which are listed on the Australian Stock Exchange will not be transferred through or registered on, the Clearing House Electronic Subregister System operated by the Australian Stock Exchange and are not “Approved Financial Products” (as defined for the purposes of that system).

#### **4 Status and negative pledge**

*Nature of obligations*

- 4.1 The Notes (other than Short Term Instruments) may be issued as unsubordinated or subordinated debt obligations of the Issuer, as specified in the relevant Pricing Supplement. Short Term Instruments will be unsubordinated debt obligations of the Issuer.

*Section 13A(3) of the Banking Act 1959 of Australia provides that, in the event of an authorised deposit-taking institution (“ADI”) becoming unable to meet its obligations or suspending payment, the assets of the ADI in Australia shall be available to meet its deposit liabilities in Australia in priority to all other liabilities of the ADI. Section 86 of the Reserve Bank Act 1959 of Australia provides that debts due to the Reserve Bank of Australia by an ADI specified under the Banking Act 1959 of Australia (of which the Issuer is one) shall, in a winding up, but subject to the aforesaid Section 13A(3) of the Banking Act 1959 of Australia, have priority over all other debts of such ADI other than debts due to the Commonwealth of Australia.*

*Section 16 of the Banking Act 1959 of Australia provides that in a winding up of an ADI the costs (including costs in the nature of remuneration and expenses) of the Australian Prudential Regulatory Authority of being in control of the ADI or of having an administrator in control of the ADI’s business will, subject to the aforesaid Section 13A(3) of the Banking Act 1959 of Australia have priority over all other unsecured debts.*

*The Notes do not constitute deposit liabilities of the Issuer in Australia under such statutory provisions.*

*Status - Notes*

- 4.2 The Notes (other than Subordinated Notes) are direct, unsubordinated and (subject to Condition 4.6) unsecured obligations of the Issuer and rank equally among themselves and at least equally with all other unsecured and

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unsubordinated obligations of the Issuer except liabilities mandatorily preferred by law.

The Notes (other than Subordinated Notes) rank senior to the Issuer's subordinated obligations, including all Subordinated Notes.

*Status - Subordinated Notes*

- 4.3 The Subordinated Notes constitute direct, unsecured, subordinated obligations of the Issuer, and unless otherwise specified in the Pricing Supplement, rank:
- (a) equally among themselves;
  - (b) behind all claims of Unsubordinated Creditors;
  - (c) equally with creditors whose claims against the Issuer rank or are expressed to rank equally with the Subordinated Noteholders' claims for amounts owing by the Issuer in connection with the Subordinated Notes; and
  - (d) ahead of all claims expressed to rank behind the Subordinated Noteholders' claims for amounts owing by the Issuer in connection with the Subordinated Notes.

*Subordinated Notes*

- 4.4 Each Subordinated Noteholder by its purchase of a Subordinated Note, is taken to acknowledge that the Issuer's obligations in respect of that Subordinated Note are subordinated to Unsubordinated Creditors, in the manner provided in this Condition 4.

*Terms of subordination*

- 4.5 Unless otherwise specified in the Pricing Supplement, the following provisions apply to Subordinated Notes:
- (a) in a Winding-Up of the Issuer the rights and claims of Subordinated Noteholders for an amount owing by the Issuer in connection with a Subordinated Note are subordinated to the claims of Unsubordinated Creditors in that:
    - (i) all claims of all Unsubordinated Creditors must be paid in full before the Subordinated Noteholder's claim is paid; and
    - (ii) until the Unsubordinated Creditors have been paid in full, the Subordinated Noteholder must not claim in the Winding Up in competition with the Unsubordinated Creditors so as to diminish any distribution, dividend or payment which, but for that claim, the Unsubordinated Creditors would have been entitled to receive;
  - (b) there is no limit on the amount of debt or other obligations which rank equally or ahead of the Subordinated Notes that may be incurred or assumed by the Issuer;

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- (c) a Subordinated Noteholder does not have any right to set-off any amounts owing to it by the Issuer in respect of a Subordinated Note against any amount owing by that Subordinated Note holder to the Issuer on any account;
  - (d) Condition 6 (*Redemption and purchase*) is applicable to Subordinated Notes subject to:
    - (i) this Condition 4;
    - (ii) where required, the Pricing Supplement specifying that the relevant provisions are applicable; and
    - (iii) the Issuer obtaining the prior approval of the Australian Prudential Regulation Authority to the proposed purchase or redemption;
  - (e) Each Subordinated Noteholder must not exercise its voting rights as an unsecured creditor in the Winding Up or administration of the Issuer to defeat the subordination in this Condition 4; and
  - (f) Each Noteholder agrees that this Condition 4 is a debt subordination for the purposes of section 563C of the Corporations Act.

*Negative pledge*

- 4.6 Subject to Condition 4.7, so long as any Notes remain Outstanding, the Issuer will not, and will ensure that none of its Subsidiaries will, create or permit to subsist any Security Interest upon the whole or any part of its present or future assets or revenues as security for any Debt Instruments (as defined below) or any Guarantee given in respect of any Debt Instruments unless, in the case of the creation of a Security Interest, prior to or simultaneously therewith, and in any other case, promptly, the Issuer either:
- (i) grants or procures to be granted a Security Interest or Security Interests securing its obligations under the Notes, equally and rateably in all respects so as to rank *pari passu* with the applicable Debt Instruments or Guarantee; or
  - (ii) grants or procures to be granted such other Security Interest or Security Interests in respect of its obligations under the Notes, as shall be approved by an Extraordinary Resolution of the relevant Noteholders.

**“Debt Instruments”** means any notes, bonds, certificates of deposit, loan stock, debentures, bills of exchange, transferable loan certificates or other similar instruments of indebtedness issued by, or the obligations under which have been assumed by, the Issuer or a Subsidiary of the Issuer.

- 4.7 Condition 4.6 is not applicable to Subordinated Notes or Short Term Instruments.

## 5 Interest

*General*

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- 5.1 Notes may be either interest-bearing or non interest-bearing, as specified in the relevant Pricing Supplement. Interest-bearing Notes may bear interest at either a fixed rate or a floating rate. In relation to any Tranche of 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 Notes will specify which of Conditions 5.2, 5.3 and 5.4 will be applicable to the Notes. Condition 5.5 will be applicable to each Tranche of interest-bearing Notes save to the extent of any inconsistency with the relevant Pricing Supplement.

*Interest - fixed rate*

- 5.2 Each Note in relation to which this Condition 5.2 is specified in the relevant Pricing Supplement as being applicable (“**Fixed Rate 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 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*

Notes in relation to which this Condition 5.3 is specified in the relevant Pricing Supplement as being applicable (“**Floating Rate 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.

Each Floating Rate 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 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.

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(b) *Interest Rate*

The Interest Rate payable in respect of Floating Rate 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 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).

*Interest - other rates*

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

5.5 *Interest - supplemental provisions*

(a) *Interest Payment Dates*

Interest on each 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 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 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 Note or as otherwise indicated in the relevant Pricing Supplement. Interest ceases to accrue as from the due date for redemption of a 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 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) except to the extent that there is failure in the subsequent payment thereof to the relevant Noteholders.

*Zero Coupon Notes*

- 5.6 If the amount due and payable in respect of a non-interest bearing Note (“**Zero Coupon 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.

*Calculations and adjustments*

- 5.7 The amount of interest payable in respect of any 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 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:

- (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).

*Calculation Agent*

- 5.8 As soon as practicable after the relevant time on such date as these terms and conditions or the Pricing Supplement may require:

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- (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:

- (c) determine the Interest Rate in respect of each Series of the Notes for the relevant Interest Accrual Period, Interest Period or Interest Payment Date;
- (d) calculate the Amortised Face Amount, 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 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**

### *Redemption on maturity*

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

### *Purchase of Notes*

- 6.2 The Issuer or any of its Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price. All unmatured 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.

### *Redemption for taxation reasons*

- 6.3 If, in respect of the Notes of any Series, the Issuer, on the occasion of the next payment due in respect of the Notes, would be required to make payment of any Additional Amount (as defined in Condition 8.6), then the Issuer may give not more than 30 nor less than 15 days' notice to the Registrar and the Noteholders in accordance with Condition 11, and upon expiry of such notice shall redeem all (but not some only) of the Notes at their early redemption amount applicable for

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

*Early redemption at the option of the Issuer*

- 6.4 If this Condition 6.4 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 (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 Notes on any Business Day (being, in the case of interest-bearing 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 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 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 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 Notes, the Notes to be redeemed will be selected by the Registrar, and notice of the Notes selected for redemption will be given in accordance with Condition 11 not less than 15 days prior to the date fixed for redemption.

Any notice given under this Condition 6.4 is irrevocable and obliges the Issuer to redeem the Notes at the time and in the manner specified in the notice.

*Redemption at the option of Noteholders*

- 6.5 If this Condition 6.5 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 Note on any day (being, in the case of an interest-bearing 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 Notes.

*Zero Coupon Notes*

- 6.6 In the case of a Zero Coupon 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

*Events of Default - Senior Notes*

- 7.1 Subject to clause 7.5, an Event of Default occurs in relation to the Senior Notes of any Series if:
- (a) if 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) 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 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) if 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) if the Issuer or any Material Subsidiary:
    - (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

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- (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 or any Material Subsidiary,

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 Senior Noteholders;

- (e) if an order is made or an effective resolution is passed for the winding-up of the Issuer or any Material Subsidiary, except:
  - (i) 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 Senior Noteholders; or
  - (ii) in the case of a Material Subsidiary, for the purposes aforesaid whereby the undertaking and assets of the Material Subsidiary are transferred to or otherwise vested in the Issuer or another of its Subsidiaries);
- (f) an administrator is appointed to the Issuer or any Material Subsidiary by a provisional liquidator of the Issuer or that Material Subsidiary 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 any Material Subsidiary or against all or a material part of the assets of the Issuer or any Material Subsidiary and is not stayed, satisfied or discharged within 21 days;
- (h) if any present or future Security Interest on or over the assets of the Issuer or any Material Subsidiary 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;
- (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; or
- (j) if any Financial Indebtedness of the Issuer or of any of its Material Subsidiaries which in aggregate exceeds A\$2,500,000 (or its equivalent in any other currency or currencies):

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- (i) is not paid when due or within any applicable grace period as originally provided (or if payable or to be discharged or honoured on demand, when demanded); or
  - (ii) becomes due and repayable before its scheduled maturity by reason of a default or event of default (howsoever described),

then any Senior 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.

*Consequences of an Event of Default - Senior Notes*

- 7.2 Subject to Condition 7.3, if any Event of Default occurs in relation to the Senior Notes of any Series or any of them, then a Senior 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 Senior Noteholder to be due and payable immediately or on such other date specified in the notice.

*Rectification*

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

*Event of Default - Subordinated Notes.*

- 7.4 An Event of Default occurs in relation to a Subordinated Note of any Series if the Issuer does not pay an amount owing in connection with a Subordinated Note within 5 Business Days of it falling due.

*Consequences of an Event of Default - Subordinated Notes*

- 7.5 If any Event of Default occurs in relation to Subordinated Notes of any Series or any of them, the Subordinated Noteholder:
- (a) has no right to declare each Subordinated Note held by it to be due and payable or to take other action on account of the Issuer not paying the amount, except as provided in this Condition 7.5; and
  - (b) may take proceedings in a court of competent jurisdiction:
    - (i) to recover the amount, provided that the Issuer may only be compelled in those proceedings to pay that amount to the extent that it is, and after making the payment would be, Solvent; or
    - (ii) for the Winding Up of the Issuer.

If the Issuer is in Winding Up, a Subordinated Noteholder may by written notice to the Issuer (with a copy to the Registrar) declare each Subordinated Note held by it to be due and payable and, subject to Condition 4, may prove in the Winding

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Up for an amount equal to the principal amount of the Subordinated Note (together with interest in accordance with the terms of the Subordinated Notes to the date on which the Winding Up is taken to have commenced).

Any amount not paid due to Condition 7.5(b)(i) remains a debt owing to the Subordinated Noteholder by the Issuer until it is paid.

In this Condition 7.5:

“**Assets**” means, in respect of the Issuer, its total gross assets as shown by its latest published audited financial statements but adjusted for events subsequent to the date of such financial statements in such manner and to such extent as its directors, its auditors or its liquidator may determine to be appropriate.

“**Liabilities**” means, in respect of the Issuer, its total gross liabilities as shown by its latest published audited financial statements but adjusted for events subsequent to the date of such financial statements in such manner and to such extent as its directors, its auditors or its liquidator may determine to be appropriate.

“**Solvent**” means that each of the following is the case:

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

*Notification*

- 7.6 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 relevant Senior Noteholders of the occurrence of the Event of Default by registered post to the address of the Noteholder recorded in the Register.

*Events of Default not applicable to Short Term Instruments.*

- 7.7 This clause 7 is not applicable to a Note which is a Short Term Instrument.

## **8 Payments**

*Record Date*

- 8.1 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.

*Joint holders*

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

*Method of payments*

- 8.3 Payments in respect of each Note will be made:

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- (a) if the 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 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 Note to the Issuer and the Registrar. If the registered owner of the 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 Note to the Issuer and the Registrar no later than close of business on the relevant Record Date, payments in respect of the relevant 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 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 Note as a result of payment not being received by the Noteholder on the due date.

*Business Days*

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

*Payment subject to fiscal laws*

- 8.5 Payments (whether in respect of principal, redemption amount, interest or otherwise) in respect of the Notes are subject in all cases to applicable provisions of fiscal and other laws, regulations and directives.

*Taxation*

- 8.6 Unless this Condition 8.6 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 Notes will be made without set-off or counterclaim and free and clear of, and without deduction of 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 the Commonwealth of Australia or any political subdivision therein or thereof unless such withholding or deduction is required by law. In that event 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 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 Note:
- (a) to, or to a third party on behalf of, a Noteholder who is liable to such Taxes in respect of such Note by reason of the Noteholders having some

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connection with the Commonwealth of Australia (or any political subdivision therein or thereof) other than the mere holding of such Note or receipt of payment (whether in respect of principal, redemption amount, interest or otherwise) in respect of it;

- (b) 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 tax authority in the place where payment under the Note is made;
- (c) to, or to a third party on behalf of, a Noteholder who is liable to the Taxes in respect of the Note by reason of the Noteholder being an *associate* of the Issuer within the meaning of section 128F(9) of the Tax Act;
- (d) 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 an Australian business number, a tax file number or exemption details as may be necessary to enable the payment to be made without such withholding or deduction; or
- (e) in such other circumstances as may be specified in the Pricing Supplement.

*Currency indemnity*

8.7 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 Notes having the same terms and conditions as the 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 Notes of that Series. References in these Terms and Conditions to the Notes include (unless the context requires otherwise) any other Notes issued under this Condition and forming a single Series with the Notes.

*Each issue of Subordinated Notes must comply with standards set by the Australian Prudential Regulation Authority as in force at the time of issue. If*

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*there is a change in those standards between the time of issue of a Series of Subordinated Notes and the time of issue of further Subordinated Notes, those further Subordinated Notes may not form a single Series.*

## **10 Time limit for claims**

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

## **11 Notices**

*To the Issuer, and the Registrar*

11.1 A notice or other communication in connection with a 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.

*To Noteholders*

11.2 A notice or other communication in connection with a 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.

*Effective on receipt*

11.3 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.

*Proof of receipt*

11.4 Subject to Condition 11.3, 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

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(b) 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 Notes by the Issuer and the granting of approvals, consents and waivers, and the declaration of an Event of Default.

## **13 Amendments**

### *To cure ambiguities*

- 13.1 The Terms and Conditions and the form of the Pricing Supplement may be amended by the Issuer, and the Registry Services Agreement may be amended by the parties to each 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, provided that in the case of Subordinated Notes, the Issuer has obtained the prior approval of the Australia Prudential Regulation Authority.

### *Approval by Noteholders*

- 13.2 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 provided that, in the case of Subordinated Notes, the Issuer has obtained the prior approval of the Australian Prudential Regulation Authority. No other variation to the Terms and Conditions has effect in relation to the Noteholders who hold 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 Notes may be approved solely by the Noteholders of such Series or Tranche.

## **14 Registrar**

### *Role of the Registrar*

- 14.1 In acting under the Registry Services Agreement in connection with the 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.

### *Change of Registrar*

- 14.2 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

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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.

*Appointment of replacement Registrar*

- 14.3 If the then current Registrar ceases to be Registrar (whether as a result of termination under Condition 14.2, resignation as a result of the 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 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 Notes are outstanding the Calculation Agent acts in respect of Notes for which these Conditions require a Calculation Agent to make calculations.

**16 Governing law and jurisdiction**

*Governing law*

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

*Jurisdiction*

- 16.2 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.

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## Terms and Conditions of TDs

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*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 TD 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

#### *Definitions*

- 1.1 The following words have these meanings in these terms and conditions unless the contrary intention appears:

**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 Limited (ABN 94 002 060 773).

**Austraclear Regulations** means the regulations known as the “Austraclear System Regulations” together with the manual known as the “Austraclear System

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Operating Manual” established by Austraclear (as amended or replaced from time to time) to govern the use of the Austraclear system.

**Austraclear System** means the system operated by Austraclear for holding securities and electronic recording and settling of transactions in those securities between members of that system.

**Australian Dollar** and **A\$** means the lawful currency of Australia.

**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 Notes or the preceding day on which commercial banks and foreign exchange markets are open for business in Sydney.

**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:
  - (A) such date is brought forward to the first preceding day that is a Business Day; and
  - (B) 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

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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.

**Condition** means the correspondingly numbered condition in these Terms and Conditions.

**Corporations Act** means the Corporations Act 2001 (Cth).

**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/365** or **Actual/Actual** 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 the portion of the Calculation Period falling in a leap year divided by 366; and
  - (ii) the actual number of days in the portion of the Calculation Period falling in a non-leap year divided by 365;
- (b) if **Actual/365 (fixed)** is so specified, the actual number of days in the Calculation Period divided by 365;
- (c) if **Actual/360** is specified, means the actual number of days in the Calculation Period divided by 360;
- (d) if **30E/360** or **Eurobond Basis** is specified, means the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of the final Calculation Period, the date of final maturity is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month); and
- (e) if **Australian Bond Basis** is specified, one divided by the number of Interest Payment Dates in a year.

**Dealer Agreement** means the agreement dated 26 May 2000 between the Issuer and the institutions named in it as Co-Arrangers and Dealers, as amended and restated on or about the date of this Information Memorandum.

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**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.

**Extraordinary Resolution** has the same meaning as in the Meetings Provisions.

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

**Financial Arrangement** includes a currency swap, an interest rate swap, a forward exchange rate agreement, a forward interest rate agreement, a futures contract or futures **option** (each within the meaning of section 9 of the Corporations Act) or any other option agreement or combination of the above or any similar arrangement.

**Financial Indebtedness** means, in respect of any person, any indebtedness, present or future, actual or contingent of that person in respect of moneys borrowed or raised or any financial accommodation or Financial Arrangement whatsoever including (without limitation):

- (a) under or in respect of any Guarantee, bill, acceptance or endorsement or any discounting arrangement;
- (b) in respect of any obligation to pay par value, premium and dividend (whether or not declared, and whether or not there are sufficient profits or other moneys for payment) of any redeemable share or stock issued by that person or to purchase any share or stock issued by that person which is the subject of a put option against that person;
- (c) in respect of any Lease which under current accounting practice would be required to be capitalised on the balance sheet of the lessee;
- (d) the deferred purchase price (for more than 90 days) of any asset or service and any related obligation; and
- (e) in respect of any obligation to deliver goods or services which are paid for in advance by a financier or which are paid for in advance in relation to any financing transaction;

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

**Guarantee** means any **guarantee**, indemnity, letter of credit, suretyship or any other obligation (whatever called and of whatever nature);

- (a) to pay or to purchase; or

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- (b) to provide funds (whether by the advance money, the purchase of or subscription for shares or other securities, the purchase of assets, rights or services, or otherwise) for the payment or discharge of; or
  - (c) to indemnify against the consequences of default in the payment of; or
  - (d) otherwise to be responsible for,

any obligation or indebtedness, any dividend, capital or premium on shares or stock or the insolvency or the financial condition of any other person.

**Information Memorandum** means at any time the Information Memorandum (and any supplement to it) (whether in printed or electronic form) prepared on behalf of, and approved in writing by, the Issuer in connection with the issue of Notes and TDs, all documents incorporated by reference in it and such other information (including any Pricing Supplement) approved in writing by the Issuer from time to time.

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

**Instrument** means a TD or a Note.

**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** has the meaning specified as such in 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

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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 notes, the rate determined in accordance with Condition 5.3.

**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 (ACN 009 656 740) (ABN 32 009 656 740) and any Substituted Issuer pursuant to Condition 12.

**Lease** means :

- (a) any lease, charter or hiring arrangement of any property;
- (b) any other agreement under which any property is or may be used or operated by a person other than the owner; and
- (c) any agreement under which any property is or may be managed or operated for or on behalf of the owner of another person by a person other than the owner, and the operator or manager or its related body corporate (as defined in section 9 of the Corporations Act) (whether in the same of another agreement) is required to make or assure minimum, fixed and/or floating rate payments of a periodic nature,

(other than agreements under which the manager of a joint venture uses assets owned by the joint venture in behalf of the joint venture).

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

**Material Subsidiary** means a Subsidiary of the Issuer as to which either or both of the following conditions is satisfied:

- (a) its net profits attributable to the Issuer (before taxation and extraordinary items) for its last completed financial year represent 5 per cent or more of the consolidated net profits (before taxation and extraordinary items but after deducting minority interests in Subsidiaries) of the Issuer and its Subsidiaries for its last completed financial year; or
- (b) its gross assets attributable to the Issuer for its last completed financial year represent 5 per cent or more of the consolidated gross assets (after deducting minority interests in Subsidiaries) of the Issuer and its Subsidiaries for its last completed financial year;

in each case as determined from the latest available relevant audited accounts and provided that, on a Material Subsidiary transferring all or substantially all of its assets to another Subsidiary, the transferor shall cease to be a Material Subsidiary and (if the transferee is a Subsidiary but not a Material Subsidiary) the transferee shall become a Material Subsidiary.

A certificate by the Issuer's auditors as to whether a Subsidiary of the Issuer is or is not, or was or was not, at any particular time a Material Subsidiary, in the absence of manifest error, shall be conclusive.

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**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 schedule 2 of the TD 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.

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

**Note Deed Poll** means the deed poll entitled “Note Deed Poll” dated 26 May 2000 executed by the Issuer in New South Wales, as amended and restated on or about the date of this Information Memorandum.

**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 an 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.

**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:

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- (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 Notes under the Note Deed Poll and TDs under the TD Deed Poll.

**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 CIS (Debt Securities) Pty Ltd (ACN 073 485 971) 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 amended and restated agreement entitled "Registry Services Agreement" dated 4 August 1995 as amended and restated on 30 May 2000 between the Issuer and CIS (Debt Securities) Pty Ltd (ACN 073 485 971) (formerly National Registry Services Pty Ltd).

**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.

**Resolution** means an Extraordinary Resolution or Ordinary Resolution, as the context requires.

**Retail Issue** means an issue of Instruments all of which are specified in a Pricing Supplement as being a retail issue. A retail issue is one in respect of which Instruments are issued pursuant to a prospectus which has been lodged with, and registered by, the Australian Securities and Investments Commission.

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**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:

- (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 or is a subsidiary of or otherwise controlled by the first within the meaning of any applicable approved accounting standard.

**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.

**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.

**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 TD 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 Deed Poll** means the deed poll (including the Terms and Conditions which form schedule 1 to the deed poll) dated on or about 26 May 2000 executed by the Issuer in New South Wales, as amended and restated on or about the date of this Information Memorandum.

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**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 (for the avoidance of doubt) when a TD is entered into the Austraclear System, includes Austraclear acting on behalf of a member of the Austraclear System.

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

*Interpretation*

1.2 In these terms and conditions unless the contrary intention appears:

- (a) a reference to these terms and conditions is a reference to these terms and conditions as modified, supplemented or replaced by the Pricing Supplement;
- (b) a reference to Australian Dollars, A\$ or dollars is a reference to the lawful currency of the Commonwealth of Australia;
- (c) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (d) a reference to a document (including these Terms and Conditions) includes any variation or replacement of it;
- (e) the singular includes the plural and vice versa;
- (f) the word *person* includes a firm, body corporate, an unincorporated association or an authority;
- (g) a reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including, without limitation, persons taking by novation) and assigns; and
- (h) a reference to any thing (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.
- (h) 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.

*Headings*

1.3 Headings are inserted for convenience and do not affect the interpretation of these terms and conditions.

**2 Form, denomination and title**

*Constitution*

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- 2.1 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.

*Independent obligations*

- 2.2 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.

*Currency*

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

*Denomination*

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

*Register conclusive*

- 2.5 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.

*Holder absolutely entitled*

- 2.6 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 TD 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.

*Location of Register*

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

*Certificates*

- 2.8 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

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Issuer determines that certificates should be made available or it is required to do so pursuant to any applicable law or regulation.

*Acknowledgment*

- 2.9 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**

*Limit on transfer*

- 3.1 TDs may only be transferred in whole.
- 3.2 Unless otherwise specified in the Pricing Supplement, TDs may only be transferred within Australia if:
- (a) 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 Part 6D.2 of the Corporations Act; and
  - (b) the transfer is in compliance with the laws of the jurisdiction in which the transfer takes place.

*Transfer procedures*

- 3.3 Unless TDs are lodged in the Austraclear System, application for the transfer of TDs must be made by the lodgement 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.

*Registration of transfer*

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- 3.4 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.

*No charge on transfer*

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

*Estates*

- 3.6 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.

*Unincorporated associations*

- 3.7 A transfer to an unincorporated association is not permitted.

*Transfer of unidentified TDs*

- 3.8 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.

*Australian Stock Exchange*

- 3.9 TDs which are listed on the Australian Stock Exchange will not be transferred through or registered on, the Clearing House Electronic Subregister System operated by the Australian Stock Exchange and are not “Approved Financial Products” (as defined for the purposes of that system).

#### **4 Status and negative pledge**

*Status*

- 4.1 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 (Commonwealth) ranking *pari passu* amongst themselves and with all other deposit liabilities of the Issuer;

- (b) rank at least pari passu with all other unsecured and unsubordinated obligations of the Issuer except liabilities mandatorily preferred by law

*Section 13A(3) of the Banking Act 1959 of Australia provides that, in the event of an authorised deposit-taking institution (“ADI”) becoming unable to meet its obligations or suspending payment, the assets of the ADI in Australia shall be available to meet its deposit liabilities in Australia in priority to all other liabilities of the ADI. Section 86 of the Reserve Bank Act 1959 of Australia provides that debts due to the Reserve Bank of Australia by an ADI specified under the Banking Act 1959 of Australia (of which the Issuer is one) shall, in a winding up, but subject to the aforesaid Section 13A(3) of the Banking Act 1959 of Australia, have priority over all other debts of such ADI other than debts due to the Commonwealth of Australia.*

*Section 16 of the Banking Act 1959 of Australia provides that in a winding up of an ADI the costs (including costs in the nature of remuneration and expenses) of the Australian Prudential Regulatory Authority of being in control of the ADI or of having an administrator in control of the ADI’s business will, subject to the aforesaid Section 13A(3) of the Banking Act 1959 of Australia have priority over all other unsecured debts.*

*Negative pledge*

- 4.2 Subject to clause 4.3, so long as any of the TDs remain Outstanding, the Issuer will not, and will ensure that none of its Subsidiaries will, create or permit to subsist any Security Interest upon the whole or any part of its present or future assets or revenues as security for any Debt Instruments (as defined below) or any Guarantee given in respect of any Debt Instruments unless, in the case of the creation of a Security Interest, prior to or simultaneously therewith, and in any other case, promptly, the Issuer either :
- (a) grants or procures to be granted a Security Interest or Security Interests securing its obligations under the TDs equally and rateably in all respects so as to rank *pari passu* with the relevant Debt Instruments or Guarantee; or
- (b) grants or procures to be granted such other Security Interest or Security Interests in respect of its obligations under the TDs as shall be approved by an Extraordinary Resolution of the TD Holders.

**“Debt Instruments”** means any notes, bonds, certificates of deposit, loan stock, debentures, bills of exchange, transferable loan certificates or other similar instruments of indebtedness issued by, or the obligations under which have been assumed by, the Issuer or a Subsidiary of the Issuer.

- 4.3 Clause 4.2 does not apply to a TD which is a Short Term Instrument.

## 5 Interest

*General*

- 5.1 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

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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, 5.3 and 5.4 will be applicable to the TDs. Condition 5.5 will be applicable to each Tranche of interest-bearing TDs save to the extent of any inconsistency with the relevant Pricing Supplement.

*Interest - fixed rate*

- 5.2 Each TD in relation to which this Condition 5.2 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 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.

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.

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(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).

*Interest - other rates*

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

5.5 *Interest - supplemental provisions*

(a) *Interest Payment Dates*

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 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) except to the extent that there is failure in the subsequent payment thereof to the relevant TD Holders.

#### *Zero Coupon TDs*

- 5.6 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.

#### *Calculations and adjustments*

- 5.7 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).

#### *Calculation Agent*

- 5.8 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,

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the Calculation Agent will be required to:

- (c) determine the Interest Rate in respect of each Series of the TDs for the relevant Interest Accrual Period, Interest Period or Interest Payment Date;
- (d) calculate the Amortised Face Amount, 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 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

### *Redemption on maturity*

- 6.1 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.

### *Purchase of TDs*

- 6.2 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.

### *Redemption for taxation reasons*

- 6.3 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 Amount (as defined in Condition 8.6), then the Issuer may give not more than 30 nor less than 15 days' notice to the Registrar and the TD Holders in accordance with Condition 11, 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.

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Prior to publication of any such notice of redemption, the Issuer shall deliver to the Registrar a certificate signed by an authorised person of the Issuer showing that the conditions precedent to the right of the Issuer so to redeem have occurred and an opinion of legal advisers of recognised standing to the Issuer in its jurisdiction of incorporation to the effect that the Issuer would be required to pay Additional Amounts referred to in Condition 8.6 on the occasion of the next payment due in respect of the TDs of that Series.

*Early redemption at the option of the Issuer*

- 6.4 If this Condition 6.4 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 (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 not less than 15 days prior to the date fixed for redemption.

Any notice given under this Condition 6.4 is irrevocable and obliges the Issuer to redeem the TDs at the time and in the manner specified in the notice.

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*Redemption at the option of TD Holders*

- 6.5 If this Condition 6.5 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.

*Zero Coupon TDs*

- 6.6 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

*Events of Default*

- 7.1 Subject to clause 7.5, 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 or any Material Subsidiary:
    - (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

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- (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 or any Material Subsidiary,

except in any case referred to in (iii) above for the purposes of a solvent reconstruction or amalgamation the terms of which have been 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 or any Material Subsidiary, except:
- (i) in any such case for the purposes of a solvent reconstruction of amalgamation the terms of which have previously been approved by an Extraordinary Resolution of the TD Holders; or
  - (ii) in the case of a Material Subsidiary, for the purposes aforesaid whereby the undertaking and assets of the Material Subsidiary are transferred to or otherwise vested in the Issuer or another of its Subsidiaries);
- (f) an administrator is appointed to the Issuer or any Material Subsidiary by a provisional liquidator of the Issuer or that Material Subsidiary 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 any Material Subsidiary or against all or a material part of the assets of the Issuer or any Material Subsidiary and is not stayed, satisfied or discharged within 21 days;
- (h) if any present or future Security Interest on or over the assets of the Issuer or any Material Subsidiary 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;
- (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; or
- (j) if any Financial Indebtedness of the Issuer or of any of its Material Subsidiaries which in aggregate exceeds A\$2,500,000 (or its equivalent in any other currency or currencies):
- (i) is not paid when due or within any applicable grace period as originally provided (or if payable or to be discharged or honoured on demand, when demanded); or

- (ii) becomes due and repayable before its scheduled maturity by reason of a default or event of default (howsoever described),

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.

*Consequences of an Event of Default*

- 7.2 Subject to Condition 7.3, 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.

*Rectification*

- 7.3 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.

*Notification*

- 7.4 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.

*Events of Default not applicable to Short Term Instruments*

- 7.5 This clause 7 is not applicable to a TD which is a Short Term Instrument.

## **8 Payments**

*Record Date*

- 8.1 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.

*Joint holders*

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

*Method of payments*

- 8.3 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.

*Business Days*

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

*Payment subject to fiscal laws*

- 8.5 Payments (whether in respect of principal, redemption amount, interest or otherwise) in respect of the TDs are subject in all cases to applicable provisions of fiscal and other laws, regulations and directives.

*Taxation*

- 8.6 Unless this Condition 8.6 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 deduction of 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 the Commonwealth of Australia or any political subdivision therein or thereof unless such withholding or deduction is required by law. In that event 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) 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;

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- (b) 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 cause for exemption to any tax authority in the place where payment under the TD is made;
  - (c) 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;
  - (d) 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;
  - (e) to, or to a third party on behalf of an Australian resident TD Holder, if that person has not supplied an Australian business number, a tax file number or exemption details as may be necessary to enable the payment to be made without such withholding or deduction; or
  - (f) in such other circumstances as may be specified in the Pricing Supplement.

*Currency indemnity*

8.7 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.

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**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***To the Issuer, and the Registrar*

11.1 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.

*To TD Holders*

11.2 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.

*Effective on receipt*

11.3 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.

*Proof of receipt*

11.4 Subject to Condition 11.3, 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.

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## 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

### *To cure ambiguities*

- 13.1 The Terms and Conditions and the form of the Pricing Supplement may be amended by the Issuer, and the Registry Services Agreement may be amended by the parties to each 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.

### *Approval by TD Holders*

- 13.2 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

### *Role of the Registrar*

- 14.1 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.

### *Change of Registrar*

- 14.2 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.

### *Appointment of replacement Registrar*

- 14.3 If the then current Registrar ceases to be Registrar (whether as a result of termination under Condition 14.2, resignation as a result of the TDs ceasing to be

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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**

### *Governing law*

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

### *Jurisdiction*

- 16.2 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.

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## Form of Pricing Supplement for Term Instruments

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*The Pricing Supplement that will be issued in respect of each Tranche will be substantially in the form set out below.*

Series No.: [            ]

Tranche No.: [            ]

### **Bank of Queensland Limited**

(ACN 009 656 740)

(ABN 32 009 656 740)

**A\$[2,000,000,000]**

### **Debt Instrument Programme**

Issue of

***[Aggregate Principal Amount of Tranche]***

***[Title of Instruments]***

The date of this Pricing Supplement is [    ]

This Pricing Supplement (as referred to in the Information Memorandum in relation to the above Programme) relates to the Tranche of Term Instruments referred to above. It is supplementary to, and should be read in conjunction with the [Note Deed Poll/TD Deed Poll] dated 26 May 2000 as amended and restated on 8 November 2005 made by the Issuer.

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 or the distribution of this Pricing Supplement in any jurisdiction where such action is required.

The particulars to be specified in relation to the Tranche of Term Instruments referred to above are as follows:

- |          |                                    |   |   |
|----------|------------------------------------|---|---|
| <b>1</b> | <b>Issuer</b>                      | : | Bank of Queensland Limited  |
| <b>2</b> | <b>Type of Term Instrument</b>     | : | [TD/Note] [specify if Subordinated Note]  |
| <b>3</b> | <b>Type of Issue</b>               | : | [Non-Private Placement/Private Placement] [Retail/Wholesale]  |
| <b>4</b> | <b>Public Offer Test Compliant</b> | : | It [is/is not] the Issuer's intention that this issue of Instruments will be issued in a manner which will seek to satisfy the Public Offer Test. |
| <b>5</b> | <b>IWT Notice</b>                  | : | The Tax gross-up in respect of the Commonwealth of Australia specified in Condition 8.6 of the Instruments is                                     |

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			[applicable/not applicable] to this Tranche with effect from the Issue Date.
6	<b>Relevant Dealer(s)</b>	:	[Name]
7	<b>Lead Manager(s)</b>	:	[Name(s)]
8	<b>Registrar</b>	:	[Name and address]
9	<b>Calculation Agent</b>	:	[Name and address]
10	<b>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</b>	:	[Specify]
11	<b>Aggregate Principal Amount of Tranche</b>	:	[Specify]
12	<b>If interchangeable with existing Series</b>	:	[Specify]
13	<b>Issue Date</b>	:	[Specify]
14	<b>Purchase Price</b>	:	[Specify]
15	<b>Denomination(s)</b>	:	[Specify amount and currency]
16	<b>Interest Type</b>	:	[Fixed Rate Instruments/ Floating Rate Instruments/Zero Coupon Instruments/Amortising/Other]
17	<b>If interest-bearing, specify which of Conditions 5.2 (fixed rate), 5.3 (floating rate) or 5.4 (other rates) is applicable, and then specify the matters required for the relevant Condition, namely</b>	:	[       ]
18	<b>Condition 5.2 for Fixed Rate Instruments</b>	:	Applicable [Yes/No]
	<b>(a) Fixed Coupon Amount</b>	:	[       ]
	<b>(b) Interest Rate(s)</b>	:	[       ]
	<b>(c) Interest Commencement Date, if not Issue Date</b>	:	[       ]
	<b>(d) Interest Payment Dates</b>	:	[       ]
	<b>(e) Day Count Fraction</b>	:	[       ] (if none specified, the Day Count Fraction will be [Actual/365 (Fixed)] <b>[Discuss]</b> (as defined in the Terms and Conditions)).

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- (f) **Initial Broken Amount** : [ ]
- (g) **Final Broken Amount** : [ ]
- 19 **Condition 5.3 for Floating Rate Instruments** : Applicable [Yes/No]
- (a) **Interest Commencement Date, if not Issue Date** : [ ]
- (b) **Interest Rate** : [ ]
- (c) **Interest Payment Dates** : [ ]
- (d) **Business Day Convention** : [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
- 20 **Condition 5.4 for other rates** : Applicable: [Yes/No]  
[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) regarding accrual of interest: [ ]
- 22 **Amortisation Yield** : In the case of Zero Coupon Instruments, specify the Amortisation Yield (Condition 5.6): [ ]
- 23 **Maturity Date** : [ ] [In the case of an amortising Instrument, insert the date on which the last instalment of principal is payable].
- 24 **Maturity Redemption Amount** : [ ] [If Maturity Redemption Amount is not the outstanding principal amount of the Term Instruments, insert amount or full calculation provisions.]
- 25 **Early Redemption Amount (Tax)**
- (a) **If Early Redemption Amount (Tax) is not the outstanding principal amount together with accrued interest (if any)**

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- thereon of the Term Instruments, insert amount or full calculation provisions : [ ]
- (b) Specify if Term Instrumentholders are not to receive accrued interest on early redemption for tax reasons : [ ]
- 26 Early Redemption Amount (Call)
- (a) Specify if Condition 6.4 is applicable : Applicable [Yes/No]
- (b) Specify minimum notice period for the exercise of the call option : [ ]
- (c) Specify maximum notice period for the exercise of the call option : [ ]
- (d) Specify any relevant conditions to exercise of option : [ ]
- (e) Specify whether redemption at Issuer's option is permitted in respect of some only of the Term Instruments and, if so, any minimum aggregate principal amount and the means by which Term Instruments will be selected for redemption : [ ]
- (f) Specify if Term Instrumentholders are not to receive accrued interest on early redemption at their option : [ ]
- 27 Early Redemption Amount (Put)
- (a) Specify if Condition 6.5 is applicable : Applicable: [Yes/No]
- (b) Specify minimum notice period for exercise of put option : [ ]
- (c) Specify any relevant conditions to exercise of option : [ ]
- (d) Specify if Term Instrumentholders are not to receive accrued interest on early redemption at Issuer's option : [ ]
- 28 Early Redemption Amount (Default) : [ ]
- (a) If Early Redemption Amount (Default) is not the outstanding principal amount of the Instruments, insert amount or full calculation provisions : [ ]

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- (b) Specify if Term Instrumentholders are not to receive accrued interest on early redemption on default : [       ]
- 29 Redemption of Zero Coupon Notes : Specify any change to Condition 6.6
- 30 Taxation : Specify the additional circumstances in which an exception to the gross up obligation are to apply pursuant to Condition 8.6.
- 31 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.
- 32 Other selling restrictions : Specify any variation to the selling restrictions
- 33 Listing : [       ]
- 34 Events of Default : Specify any additional (or modifications to) Events of Default
- 35 Additional or alternate newspapers : Specify any additional or alternate newspapers for the purposes of Condition 11.2(b).
- 36 Status - Subordinated Notes : Specify if Subordinated Notes are to be issued on terms other than those contained in Condition 4.
- 37 ISIN Code : [       ]
- Common Code : [       ]
- 38 Clearing System : Austraclear System

[On admission to the Austraclear System, interests in the Instruments may be held through Euroclear Bank S.A./N.V. as operator of the Euroclear System (“Euroclear”) or Clearstream Banking, société anonyme (“Clearstream, Luxembourg”). In these circumstances, entitlements in respect of holdings of interests in the Instruments in Euroclear would be held in the Austraclear System by [Westpac Custodian Nominees Limited] as a nominee of Euroclear while entitlements in respect of holdings of

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interests in the Instruments in Clearstream, Luxembourg would be held in the Austraclear System by [ANZ Nominees Limited] as nominee of Clearstream, Luxembourg.

The rights of a holder of interests in 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 nominee and the rules and regulations of the Austraclear System.]

**CONFIRMED**

**For and on behalf of  
Bank of Queensland Limited**

By: .....  
[Name] Authorised Officer

Date: .....

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## Australian Taxation

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*The following is a summary of the Australian taxation treatment under the Income Tax Assessment Acts of 1936 and 1997 of Australia (together, “**Australian Tax Act**”), 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 matters. It is not exhaustive and, in particular, does not deal with the position of certain classes of holders of Instruments (including, dealers in securities, custodians or other third parties who hold Instruments on behalf of other persons).*

*The following is a general guide and should be treated with appropriate caution. Prospective holders of Instruments who are in any doubt as to their tax position should consult their professional advisers on the tax implications of an investment in the Instruments for their particular circumstances.*

### 1. Interest withholding tax

An exemption from Australian interest withholding tax imposed under Division 11A of Part III of the Australian Tax Act (“**IWT**”) is available, in respect of the Instruments, issued by the Issuer under section 128F of the Australian Tax Act if the following conditions are met:

- (a) the Issuer is a resident of Australia 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; and
- (b) the Instruments are issued in a manner which satisfies the public offer test. There are five principal methods of satisfying the public offer test, the purpose of which is to ensure that lenders in overseas capital markets are aware that the Issuer is offering the Instruments for issue. In summary, the five methods are:
  - offers to 10 or more unrelated financiers or securities dealers;
  - offers to 100 or more investors;
  - offers of listed Instruments;
  - offers via publicly available information sources; and
  - offers to the Dealers (or to a manager or underwriter) who offer to sell the Instruments within 30 days by one of the preceding methods.

In addition, the issue of any of the Instruments (whether in global form or otherwise) and the offering of interests in any of the Instruments by one of these methods should satisfy the public offer test; and

- (c) the Issuer does not know, or have reasonable grounds to suspect, at the time of issue, that 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.

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*Associates*

An “associate” of the Issuer for the purposes of section 128F of the Australian Tax Act includes (i) a person or entity which holds more than 50% of the voting shares in, or otherwise controls, the Issuer; (ii) an entity in which more than 50% of the voting shares are held by, or which is otherwise controlled by, the Issuer; (iii) a trustee of a trust where the Issuer is capable of benefiting (whether directly or indirectly) under that trust; and (iv) a person or entity which is an “associate” of another person or company which is an “associate” of the Issuer under any of the foregoing.

However, for the purposes of section 128F(5) and (6), a permitted “associate” includes:

- (A) onshore associates (ie Australian resident associates who do not hold the Instruments in the course of carrying on business at or through a permanent establishment outside Australia and non-resident associates who hold the Instruments in the course of carrying on business at or through a permanent establishment in Australia); or
- (B) offshore associates (ie Australian resident associates who hold the Instruments in the course of carrying on business at or through a permanent establishment outside Australia and non-resident associates who do not hold the Instruments in the course of carrying on business at or through a permanent establishment in Australia) who are 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; 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.

*Compliance with section 128F of the Australian Tax Act*

The Issuer intends to issue the Instruments in a manner which will satisfy the requirements of section 128F of the Australian Tax Act if the issue is specified as Public Offer Test Compliant in the relevant Pricing Supplement.

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### ***US and UK Resident holders of Instruments***

The Australian government has signed a number of new or amended double tax conventions (“**New Treaties**”) with the Specified Countries. The New Treaties apply to interest derived by a resident of a Specified Country.

The New Treaties effectively prevent IWT applying to interest derived by:

- the government of the relevant Specified Country and certain governmental authorities and agencies in the Specified Country; and
- certain unrelated (1) banks, and (2) other financial institutions which substantially derive their profits by carrying on a business of raising and providing finance, which are resident in the Specified Country,

by reducing the IWT rate to zero. Under the New Treaties back-to-back loans and economically equivalent arrangements will not obtain the benefit of the reduction in IWT mentioned above and the anti-avoidance provisions in the Australian Tax Act can apply.

**Specified Countries** means the United States and the United Kingdom. The New Treaty for the United States applies to any interest paid on or after 1 July 2003. The New Treaty for the United Kingdom applies to any interest paid on or after 1 July 2004.

### ***Payment of additional amounts***

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 compelled or authorised by law to deduct or withhold an amount in respect of any Australian withholding taxes imposed or levied 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 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) *income tax - offshore holders of Instruments* - assuming the requirements of section 128F of the Australian Tax Act are satisfied with respect to the Instruments, payment of principal and interest to a holder of an Instrument, who is a non-resident of Australia and who, during the taxable year, has not held the Instruments in the course of carrying on business at or through a permanent establishment in Australia, will not be subject to Australian income taxes;

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- (B) *income tax - Australian holders of Instruments* - Australian residents or non-Australian residents who hold the Instruments in the course of carrying on business at or through a permanent establishment in Australia (“**Australian Holders**”), will be assessable for Australian tax purposes on income either received or accrued due to them in respect of the Instruments. Whether income will be recognised on a cash receipts or accruals basis will depend upon the tax status of the particular Instrument holder and the terms and conditions of the Instruments. Special rules apply to the taxation of Australian residents who hold the Instruments in the course of carrying on business at or through a permanent establishment outside Australia which vary depending on the country in which that permanent establishment is located; and
- (C) *gains on disposal of Instruments - offshore holders of Instruments* - a holder of the Instruments, who is a non-resident of Australia and who, during the taxable year, has not held the Instruments in the course of carrying on business at or through a permanent establishment in Australia, will not be subject to Australian income tax on gains realised during that year on sale or redemption of the Instruments, provided such gains do not have an Australian source. A gain arising on the sale of Instruments by a non-Australian resident holder to another non-Australian resident where the Instruments are sold outside Australia and all negotiations are conducted, and documentation executed, outside Australia would not be regarded as having an Australian source;
- (D) *gains on disposal of Instruments - Australian holders of Instruments* - Australian Holders will be required to include any gain or loss on disposal of the Instruments in their taxable income. Special rules apply to the taxation of Australian residents who hold the Instruments in the course of carrying on business at or through a permanent establishment outside Australia which vary depending on the country in which that permanent establishment is located; and
- (E) *deemed interest* - there are specific rules that can apply to treat a portion of the purchase price of Instruments as interest for IWT purposes when certain Instruments originally issued at a discount or with a maturity premium or which do not pay interest at least annually are sold to an Australian resident (who does not acquire them in the course of carrying on business at or through a permanent establishment outside Australia) or a non-resident who acquires them in the course of carrying on business at or through a permanent establishment in Australia.
- If the Instruments are not issued at a discount and do not have a maturity premium, these rules should not apply to the Instruments. These rules also do not apply in circumstances where the deemed interest would have been exempt under section 128F of the Australian Tax Act if the Instruments had been held to maturity by a non-resident;
- (F) *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; and
- (G) *stamp duty and other taxes* - no ad valorem stamp, issue, registration or similar taxes are payable in Australia on the issue of any Instruments or the transfer of any Instruments; and

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- (H) *other withholding taxes on payments in respect of Instruments* - section 12-140 of Schedule 1 to the Taxation Administration Act 1953 of Australia (“**Taxation Administration Act**”) imposes a type of withholding tax at the rate of (currently) 48.5% 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 the requirements of section 12-140 do not apply to payments to a holder of Instruments in registered form who is not a resident of Australia and not holding those Instruments in the course of carrying on business at or through a permanent establishment in Australia. Payments to other classes of holders of Instruments in registered form may be subject to a withholding where the holder of those Instruments does not quote a TFN, ABN or provide proof of an appropriate exemption (as appropriate); and

- (I) *supply withholding tax* - payments in respect of the Instruments can be made free and clear of the “supply withholding tax” imposed under section 12-190 of Schedule 1 to the Taxation Administration Act; and
- (J) *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) a GST-free supply. Furthermore, neither the payment of principal or interest by the Issuer, nor the disposal of the Instruments, would give rise to any GST liability in Australia; and
- (K) *debt/equity rules* - Division 974 of the Australian Tax Act, which applies from 1 July 2001, contains tests for characterising debt (for all entities) and equity (for companies) for Australian tax purposes, including for the purposes of dividend withholding tax and IWT. 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. Accordingly, Division 974 is unlikely to affect the Australian tax treatment of holders of Instruments. However, if specified in any relevant Pricing Supplement, any Subordinated Notes issued by the Issuer may include a call right which permits the Issuer to redeem those Subordinated Notes early where the Issuer determines that interest payable under those Subordinated Notes may not be allowed as a tax deduction for Australian income tax purposes; and

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- (L) *additional withholdings from certain payments to non-residents* - section 12-315 of Schedule 1 to the Taxation Administration Act gives the Governor-General power to make regulations requiring withholding from certain payments to non-residents on or after 1 July 2003.

However, section 12-315 expressly provides that the regulations will not apply to interest and other payments which are already subject to the current IWT rules or specifically exempt from those rules. Further, regulations may only be made if the responsible minister is satisfied the specified payments are of a kind that could reasonably relate to assessable income of foreign residents. The regulations promulgated prior to the date of this Information Memorandum are not relevant to any payments in respect of the Instruments. Any further regulations should also not apply to repayments of principal under the Instruments as, in the absence of any issue discount, such amounts will generally not be reasonably related to assessable income. The possible application of any future regulations to the proceeds of any sale of the Instruments will need to be monitored; and

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## Selling Restrictions

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### Australia

No prospectus or other disclosure document in relation to the Programme or the Instruments has been or will be lodged with the Australian Securities and Investments Commission (“ASIC”). Each Dealer has represented and agreed that, unless the relevant Pricing Supplement 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 at least A\$500,000 (or its Australian Dollar Equivalent) (disregarding moneys lent by the offeror or its associates) or the offer otherwise does not require disclosure to investors under Part 6D.2 of the Corporations Act; (ii) such action complies with all applicable laws and regulations; and (iii) such action does not require any document to be lodged with ASIC.

### The United Kingdom

Each Dealer has represented and agreed that:

- (a) in relation to the Term Instruments, it has not offered or sold and, before the expiry of a period of six months from the issue date of those Term Instruments, will not offer or sell those Term Instruments to persons in the United Kingdom, except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995 (as amended);
- (b) 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; and
  - (ii) it has not offered or sold and will not offer or sell any Short Term Instruments other than to persons:
    - (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,

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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;

- (c) 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
- (d) 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.

### **The United States of America**

The Instruments have not been and will not be registered under the Securities Act of 1933 (“Securities Act”).

Terms used in the following five paragraphs have the meanings given to them by Regulation S under the Securities Act.

The Instruments may not be offered, sold, delivered or transferred within the United States of America, its territories or possessions or to, or for the account or benefit of, U.S. Persons except in accordance with Regulation S or in transactions exempt from the registration requirements of the Securities Act.

Each Dealer has represented and agreed that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver the Instruments:

- (a) as part of their distribution at any time; and
- (b) otherwise until 40 days after completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Instruments on a syndicated basis, the Lead Manager,

within the United States of America or to, or for the account or benefit of, U.S. Persons.

Each Dealer who has purchased Instruments must determine and certify to the Issuer and, in the case of an issue of Instruments on a syndicated basis, the Lead Manager, when it has completed the distribution of those Instruments. In the case of an issue of Instruments on a syndicated basis, the Lead Manager must certify when the distribution of all the Instruments has been completed.

Each Dealer has further represented and agreed that it will have sent to each distributor to which it sells Instruments during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Instruments within the United States of America or to, or for the account or benefit of, U.S. Persons.

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.

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## Hong Kong

Each Dealer has represented and agreed that:

- (a) it has not offered or sold, and will not offer or sell, in Hong Kong, by means of any document, any Instruments other than (i) to persons whose ordinary business is to buy or sell shares or debentures (whether as principal or agent) or (ii) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance, or (iii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance (Cap 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (b) it has not issued, or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the 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 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” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

## Japan

The Instruments have not been and will not be registered under the Securities and Exchange Law of Japan (“**Securities and Exchange Law**”) and, accordingly, each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it will not offer or sell any Instruments directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to a Japanese Person, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law and any other applicable laws and regulations of Japan. For the purposes of this paragraph, “Japanese Person” means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

## Singapore

The following selling restriction applies prior to the coming into force of the amendments to Part XIII of the Securities and Futures Act (to be amended by the Securities and Futures (Amendment) Act 2005).

The Information Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed that the Information Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Debt Instruments has not been and will not be circulated or distributed, nor have the Debt Instruments been, nor will the Debt Instruments be, offered or sold by it, or be made the subject of an invitation for subscription or purchase by it, whether directly or indirectly, to the public or any member of the public in Singapore other than (i) to an institutional investor specified in Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), (ii) to a sophisticated investor, and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

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The following selling restriction applies subsequent to the coming into force of the amendments to Part XIII of the Securities and Futures Act (as amended by the Securities and Futures (Amendment) Act 2005).

The Information Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed that the Information Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Debt Instruments has not been and will not be circulated or distributed by it nor have the Debt Instruments been, nor will the Debt Instruments be, offered or sold by it, or be made the subject of an invitation for subscription or purchase by it, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

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## Directory

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**ISSUER****Bank of Queensland Limited**

Level 17  
259 Queen Street  
Brisbane QLD 4000

Telex: AA 41565  
Telephone: (617) 3212 3366  
Facsimile: (617) 3212 3418  
Attention: Head of Treasury

**CO-ARRANGERS****UBS AG, Australia Branch**

Level 25  
Governor Phillip Tower  
1 Farrer Place  
Sydney NSW 2000

Telephone: (612) 9324 2222  
Facsimile: (612) 9324 2898  
Attention: Head of Debt Capital Markets

**Westpac Banking Corporation**

Level 5  
255 Elizabeth Street  
Sydney NSW 2000

Telephone: (612) 9284 8534  
Facsimile: (612) 9283 1841  
Attention: Associate Director, Syndicate

**DEALERS****UBS AG, Australia Branch**

Level 25  
Governor Phillip Tower  
1 Farrer Place  
Sydney NSW 2000

Telephone: (612) 9324 2222  
Facsimile: (612) 9324 2898  
Attention: Head of Debt Capital Markets

**Westpac Banking Corporation**

Level 5  
255 Elizabeth Street  
Sydney NSW 2000

Telephone: (612) 9284 8534  
Facsimile: (612) 9283 1841  
Attention: Associate Director, Syndicate

**ABN AMRO Bank N.V., Australian Branch**

Level 5  
ABN AMRO Tower  
Cnr Phillip & Bent Streets  
Sydney NSW 2000

Telephone: +61 2 8259 6129  
Facsimile: +61 2 8259 5439  
Attention: Peter Block

**Macquarie Bank Limited**

Level 1  
1 Martin Place  
Sydney NSW 2000

Telephone: +61 2 8232 9992  
Facsimile: +61 2 8232 8344  
Attention: Angus Cameron

**REGISTRAR**

**CIS (Debt Securities) Pty Ltd**

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**c/o Computershare Investor Services Pty  
Limited**

GPO Box 2867  
Melbourne VIC 3001

Telephone: (61 3) 9415 5000

Facsimile: (61 3) 9473 2500

Attention: Chantal Sant