Macquarie Group Limited

ABN 94 122 169 279

Macquarie Bank Limited

ABN 46 008 583 542

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ASX/Media Release

MACQUARIE GROUP AND MACQUARIE BANK CLEANSING NOTICE – SUBORDINATED NOTES

SYDNEY, 18 November 2026 - Attached is a notice lodged by each of Macquarie Group Limited ("MGL") (ASX: MQG) and Macquarie Bank Limited ("MBL") in respect of the issue of €500 million of subordinated notes by MBL.

The notice is given by MGL and MBL under section 708A(12H)(e) of the *Corporations Act 2001* (Cth) (as inserted by ASIC Corporations (Regulatory Capital Securities) Instrument 2026/88).

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This document has been authorised for release to the ASX by Sam Dobson, Head of Investor Relations.

IMPORTANT NOTICE

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO U.S. PERSONS

NOTHING IN THIS DOCUMENT CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION. THE OFFER OF THE SUBORDINATED NOTES HAS CLOSED.

THE OFFER AND SALE OF THE SUBORDINATED NOTES AND THE MGL ORDINARY SHARES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION AND THE SUBORDINATED NOTES MAY NOT BE OFFERED OR SOLD IN THE U.S. OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THIS DOCUMENT IS GIVEN TO ASX JOINTLY BY MACQUARIE BANK LIMITED ("WE", "US", "OUR", THE "BANK" OR "MBL") AND MACQUARIE GROUP LIMITED ("MGL") IN ACCORDANCE WITH THE REQUIREMENTS OF ASIC CORPORATIONS (REGULATORY CAPITAL SECURITIES) INSTRUMENT 2026/88, WHICH PROVIDES RELIEF SO THAT MGL ORDINARY SHARES ISSUED ON EXCHANGE OF THE SUBORDINATED NOTES MAY BE ON-SOLD TO RETAIL INVESTORS WITHOUT FURTHER DISCLOSURE IF A NOTICE CONTAINING DISCLOSURE REQUIRED BY SECTION 708A(12I) OF THE AUSTRALIAN CORPORATIONS ACT (AS INSERTED BY ASIC CORPORATIONS (REGULATORY CAPITAL SECURITIES) INSTRUMENT 2026/88) IS RELEASED IN CONNECTION WITH THE ISSUE OF SUBORDINATED NOTES.



Macquarie Bank Limited

(ABN 46 008 583 542)

EUR 500,000,000 FIXED RATE RESET SUBORDINATED DEBT INSTRUMENTS DUE 18 NOVEMBER 2036

(SUBJECT TO EXCHANGE UPON A NON-VIABILITY EVENT FOR FULLY PAID ORDINARY SHARES OF MACQUARIE GROUP LIMITED (ABN 94 122 169 279))

(the "**Subordinated Notes**" or the "**Subordinated Debt Instruments**")

under the

A$10,000,000,000 SUBORDINATED TIER 2 DEBT INSTRUMENT PROGRAMME

EFFECT OF THE SUBORDINATED NOTES ON MBL AND MGL

The Subordinated Notes will be debt obligations of the Bank and are intended to constitute regulatory capital of MBL which satisfies APRA's regulatory capital requirements for Tier 2 Capital. The aggregate principal amount of the Subordinated Notes to be issued is EUR 500,000,000. The effect of the issue on MBL will be to increase the total liabilities and Tier 2 Capital by that amount. The effect of the issue on the Macquarie Group will be to increase the total liabilities by that amount.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

MGL is a "disclosing entity" for the purposes of the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules.

Copies of documents regarding MGL lodged with ASIC or ASX may be obtained from, or inspected at, any ASIC office or the ASX, respectively. Some of this information can also be accessed via the ASX website and at macquarie.com.

In addition, copies of:

- MGL's annual and half-year reports most recently lodged with ASIC (being MGL's 2027 Interim Financial Report, which includes the consolidated financial statements of MGL and its subsidiaries for the half financial year ended 30 September 2026 and 2026 Annual Report, which includes the most recent audited consolidated financial statements of MGL and its subsidiaries for the financial year ended 31 March 2026 and MGL's sustainability report most recently lodged with ASIC (being MGL's 2026 Sustainability Report); and

- any other notice lodged with ASX under the continuous disclosure provisions of the ASX Listing Rules and the Corporations Act given by MGL after the lodgment of MGL's 2026 Annual Report with ASIC and before lodgment of this document with ASX,

may be obtained from MGL free of charge at its registered office at Level 1, 1 Elizabeth Street, Sydney, New South Wales, Australia. These materials are also available electronically on the website of ASX, at www.asx.com.au.

DESCRIPTIONS OF THE SUBORDINATED NOTES & MGL ORDINARY SHARES

This notice includes:

- in Schedule 1, a description of the commercial particulars of the Subordinated Debt Instruments, extracted from the pricing supplement for the Subordinated Debt Instruments dated 16 November 2026;

- in Schedule 2, a description of the rights and liabilities attaching to the Subordinated Notes, extracted from the Offering Circular dated 5 June 2026 relating to the A$10,000,000,000 Subordinated Tier 2 Debt Instrument Programme; and

- in Schedule 3, a description of the rights and liabilities attaching to MGL Ordinary Shares.

CERTAIN DEFINITIONS

In this document, unless otherwise specified or the context otherwise requires:

- references to *"A$"* and *"Australian Dollars"* are to the lawful currency of the Commonwealth of Australia;
- *"APRA"* means the Australian Prudential Regulation Authority (ABN 79 635 582 658) or any successor body responsible for prudential regulation of MBL;
- *"ASIC"* means the Australian Securities and Investments Commission;
- *"ASX"* means ASX Limited (ABN 98 008 624 691) or the securities market operated by it, as the context requires;
- *"ASX Listing Rules"* means the listing rules of ASX as amended, varied or waived (whether in respect of MGL or generally) from time to time;
- *"Conditions"* means the terms and conditions applicable to the Subordinated Notes, as set out in Section 4 of the Offering Circular, as amended, supplemented or varied in accordance with the relevant Pricing Supplement, and as also set out in the section of this document titled 'Description of the Rights and Liabilities Attaching to Subordinated Notes';
- *"Control"* has the meaning given in the Corporations Act;
- *"Corporations Act"* means the *Corporations Act 2001* (Cth);
- *"Exchange"* means, in respect of a Subordinated Debt Instrument and a Non-Viability Date, the automatic transfer of the holder's rights in relation to that Subordinated Debt Instrument in connection with the allotment and issue of MGL Ordinary Shares in accordance with Condition 7 and Condition 8 and the performance of Related Exchange Steps (as defined in the Conditions), and "*Exchanged*" has a corresponding meaning;
- *"Holder"* means a person registered as the holder of a Subordinated Note;
- *"Loss Absorption"* means any exchange for or conversion into ordinary shares or Writing-Off in respect of any Relevant Securities in accordance with their terms or by operation of law on the occurrence of a Non-Viability Event (including an Exchange or Write-Off of Subordinated Notes);
- *"Macquarie Group"* means MGL and each entity it Controls;
- *"MBL"* means Macquarie Bank Limited (ABN 46 008 583 542);
- *"MGL"* means Macquarie Group Limited (ABN 94 122 169 279);
- *"MGL Ordinary Share"* means a fully paid ordinary share in the capital of MGL;
- *"MGL's 2026 Annual Report"* means MGL's 2026 annual report, which is available on ASX's website at www.asx.com.au;
- "*MGL's 2026 Sustainability Report*" means MGL's 2026 sustainability report, which is included in MGL's 2026 Annual Report;
- A *"Non-Viability Event"* will occur when APRA: (a) issues a written notice to MBL that it is necessary that Relevant Securities (including the Subordinated Notes) be subject to Loss Absorption because, without such Loss Absorption, APRA considers that MBL would become non-viable; or (b) notifies MBL in writing that it has determined that without a public sector injection of capital or equivalent support, MBL would become non-viable;
- "*Offering Circular*" means the offering circular for the issue of Subordinated Tier 2 Debt Instruments issued by MBL dated 5 June 2026;
- *"Relevant Securities"* means the Relevant Tier 1 Securities (as defined in the Conditions) and the Relevant Tier 2 Securities (as defined in the Conditions);
- *"Tier 2 Capital"* means "Tier 2 Capital" as defined by APRA from time to time; and

- *"Written-Off"* means that, in respect of a Subordinated Note, the rights of the relevant Subordinated Note Holder (including to payment of interest, principal or otherwise, both in the future and as accrued but unpaid and to be issued with MGL Ordinary Shares) in relation to such Subordinated Note are immediately and irrevocably terminated for no consideration with effect on and from the Non-Viability Date; and "*Write-Off*" and "*Writing-Off*" have corresponding meanings.

* * * * * *

SCHEDULE 1 – DESCRIPTION OF THE COMMERCIAL PARTICULARS OF THE SUBORDINATED DEBT INSTRUMENTS

The following is extracted from the pricing supplement for the Subordinated Debt Instruments.

1	Issuer:		Macquarie Bank Limited (LEI: 4ZHCHI4KYZG2WVRT8631)
2	(i)	Fungible with existing Series:	Not Applicable
	(ii)	Series Number:	12
	(iii)	Tranche Number:	1
3	Specified Currency:		Euro ("**EUR**")
4	Aggregate nominal amount:		
	(i)	Series:	EUR 500,000,000
	(ii)	Tranche:	EUR 500,000,000
5	Issue Price:		100 per cent. of the aggregate nominal amount
6	Specified Denominations:		EUR 100,000 and integral multiples of EUR 1,000 in excess thereof up to and including EUR 199,000. No Subordinated Debt Instruments in definitive form will be issued with a denomination above EUR 199,000
7	(i)	Issue Date:	18 November 2026
	(ii)	Trade Date:	10 November 2026
	(iii)	Interest Commencement Date:	Issue Date
8	Maturity Date:		18 November 2036
9	Interest Basis:		4.811 per cent. fixed rate from (and including) the Issue Date to (but excluding) the Optional Redemption Date ("**Initial Period**") A fixed rate per annum equal to the Reset Interest Rate (as defined in paragraph 13(i)) from (and including) the Optional Redemption Date to (but excluding) the Maturity Date ("**Reset Period**") (further particulars specified below)
10	Redemption Basis:		Redemption at par
11	Australian Domestic Note:		Not Applicable
12	Public Offer Test Compliant:		It is the Issuer's intention that the Subordinated Debt Instruments will be issued in a manner which will seek to satisfy the public offer test in accordance with

section 128F of the Income Tax Assessment Act 1936 (Cth)

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13	**Fixed Rate Subordinated Debt Instrument Provisions:**	Applicable
	(i) Interest Rate(s):	4.811 per cent. per annum during the Initial Period and a fixed rate per annum equal to the Reset Interest Rate during the Reset Period, in each case, payable annually in arrear where: "**Five-year Euro Mid-Swap Reference Rate**" means: (a) the annual mid-market euro swap rate EURIBOR basis having a five year maturity appearing on Reuters page "ICESWAP2" (or such other page as may replace such page on Reuters, or such other information service as may be nominated or authorised by the person providing or sponsoring the information appearing on such page for the purposes of displaying comparable rates) (the "**Relevant Screen Page**") at approximately 11:00 a.m. (Frankfurt time) on the Reset Determination Date; or (b) if the Relevant Screen Page is not available or such swap rate does not appear on the Relevant Screen Page at such time on the Reset Determination Date, the Reset Reference Bank Rate. "**Five-year Mid-Swap Rate Quotations**" means the arithmetic mean of the bid and offer rates for the annual fixed leg (calculated on a 30/360 day count basis) of a fixed-for-floating Euro interest rate swap transaction which: (a) has a term of five years commencing on the Optional Redemption Date; (b) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market; and (c) has a floating leg based on 6-month EURIBOR rate (or in the event that EURIBOR has been discontinued such other successor benchmark rate as the financial industry shall have

accepted as a successor or substitute rate) (calculated on an Actual/360 day count basis).

"**Reset Determination Date**" means the day which is two T2 Business Days preceding the Optional Redemption Date.

"**Reset Interest Rate**" means the rate equal to the sum of the Five-year Euro Mid-Swap Reference Rate and the Spread.

"**Reset Reference Bank Rate**" means, in relation to the Optional Redemption Date and the relevant Reset Determination Date, the rate determined by the I&P Agent on the basis of the Five-year Mid-Swap Rate Quotations provided by the Reset Reference Banks to the I&P Agent at approximately 11:00 a.m. (Frankfurt time) on the Reset Determination Date.

If at least three such Five-year Mid-Swap Rate Quotations are provided, the rate for the Optional Redemption Date will be the arithmetic mean of the quotations, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two such Five-year Mid-Swap Rate Quotations are provided, it will be the arithmetic mean of the quotations provided. If only one quotation is provided, it will be the quotation provided. If no quotations are provided, the Reset Reference Bank Rate will be the last available Five-Year Mid-Swap Rate Quotation on the Relevant Screen Page.

"**Reset Reference Banks**" means five leading swap dealers in the Euro-zone interbank market for swap transactions as agreed between the I&P Agent and the Issuer (but excluding the I&P Agent or any of its affiliates).

"**Spread**" means 1.55 per cent. per annum.

(ii)	Interest Payment Date(s):	18 November in each year, commencing on 18 November 2027
(iii)	Fixed Coupon Amount:	EUR 48.11 per EUR 1,000 in respect of the Initial Period
(iv)	Broken Amount:	Not Applicable
(v)	Day Count Fraction:	Actual/Actual-ICMA, unadjusted
(vi)	Business Day Convention:	Following Business Day Convention

	(vii)	Other terms relating to the method of calculating interest for fixed rate Subordinated Debt Instruments:	Not Applicable
14	**Floating Rate Subordinated Debt Instrument Provisions:**		Not Applicable

PROVISIONS RELATING TO REDEMPTION

15	**Redemption at Issuer's option (Call) (Condition 6.2):**		Applicable
	(i)	Optional Redemption Date(s):	18 November 2031
	(ii)	Notice period (if other than set out in the Conditions):	Not more than 60 nor less than 15 days' notice

GENERAL PROVISIONS APPLICABLE TO THE SUBORDINATED DEBT INSTRUMENTS

16	**Form of Subordinated Debt Instrument:**		
	(i)	Form:	Subordinated Registered Debt Instrument
	(ii)	Type:	Subordinated Fixed Rate Debt Instrument
17	**Additional Business Centre or other special provisions relating to Payment Dates:**		Sydney For the avoidance of doubt, "business day" for the Subordinated Debt Instruments shall include the following: (a) London; (b) Sydney; and (c) T2.
18	**Talons for future Coupons or Receipts to be attached to Subordinated Definitive Debt Instruments (and dates on which such Talons mature):**		No
19	**Other terms:**		Not Applicable
	(i)	Payments in Australian Dollars:	Not Applicable
	(ii)	Exceptions to Condition 10:	Not Applicable
	(iii)	Other currency of account:	Not Applicable
	(iv)	Place of publication of notice for Subordinated Bearer Debt Instruments:	Not Applicable
	(v)	Payment Business Day (if other than set out in the Conditions):	London, Sydney and T2

20	**ISIN:**		XS3569201042
21	**Common Code:**		356920104
22	**Clearing System(s) other than Euroclear or Clearstream**		Not Applicable
23	**Listing:**		Application is expected to be made by the Issuer for the Subordinated Debt Instruments to be listed as a debt security on the Australian Securities Exchange on or about the Issue Date.
DISTRIBUTION			
24	Method of Distribution:		Syndicated
25	(i)	If syndicated, names of relevant Dealers:	BNP PARIBAS, HSBC Bank plc, ING Bank N.V., Macquarie Bank Limited (London Branch), Macquarie Bank Europe Designated Activity Company, acting through its Paris Branch, Natixis and Société Générale
	(ii)	Date of Subscription Agreement:	16 November 2026
26	**If non-syndicated, name of relevant Dealer:**		Not Applicable
27	**Stabilisation Manager(s) (if any):**		Not Applicable
28	**Total commission and concession:**		0.40 per cent of the aggregate nominal amount of Subordinated Debt Instruments
29	**Additional selling restrictions:**		Not Applicable
30	**U.S. Selling Restrictions**		Reg S Category 2; TEFRA Not Applicable
31	**Prohibition of Sales to EEA Retail Investors:**		Applicable
32	**Prohibition of Sales to UK Retail Investors:**		Applicable
RATINGS			
33	Ratings:		The Subordinated Debt Instruments to be issued are expected to be rated: Fitch: BBB+ S&P: BBB+ Moody's: A3 subject to any Moody's ratings action as described in Section 1 ("Overview of the Programme – Credit Ratings") of the Offering Circular *A credit rating is not a recommendation to buy, sell or hold Subordinated Debt Instruments and may be*

subject to revision, suspension or withdrawal at any time by the relevant rating agency

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

OTHER INFORMATION

34	Modifications to disclosure:	Not Applicable

SCHEDULE 2 – DESCRIPTION OF THE RIGHTS AND LIABILITIES ATTACHING TO SUBORDINATED NOTES

The following is an extract from Section 4 of the Offering Circular.

1 Form and Denomination

1.1 General

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

Subordinated Debt Instruments are issued in bearer form ("**Subordinated Bearer Debt Instruments**") or registered form ("**Subordinated Registered Debt Instruments**"), as specified in the relevant Pricing Supplement. A Subordinated Registered Debt Instrument may be lodged in the Austraclear System, as specified in the relevant Pricing Supplement (for so long as such Subordinated Debt Instrument remains so lodged, a "**Subordinated Registered Debt Instrument in Austraclear**") and may be issued as an Australian Domestic Note. The relevant Pricing Supplement will specify whether a Subordinated Debt Instrument is an Australian Domestic Note. Australian Domestic Notes are issued in registered form only.

In these Conditions and unless the contrary intention appears:

(a) references to "Subordinated Debt Instruments" are to Subordinated Bearer Debt Instruments and Subordinated Registered Debt Instruments;

(b) references to "Subordinated Registered Debt Instruments" shall include Subordinated Debt Instruments in the form of Australian Domestic Notes (unless otherwise stated); and

(c) references to "Subordinated Global Debt Instruments", "Subordinated Definitive Debt Instruments" or Subordinated Debt Instruments "in definitive form" shall be taken not to include any Australian Domestic Note.

1.2 Type of Subordinated Debt Instruments

Each Subordinated Debt Instrument may be a Subordinated Fixed Rate Debt Instrument, a Subordinated Floating Rate Debt Instrument or a combination of any of the foregoing, as specified in the relevant Pricing Supplement.

1.3 Form of Subordinated Bearer Debt Instruments

Unless otherwise specified in the relevant Pricing Supplement, interest-bearing Subordinated Bearer Debt Instruments in definitive form will be serially numbered and issued with Coupons (and where appropriate, a Talon) attached. On or after the date on which all the Coupons attached to, or issued in respect of, any Subordinated Bearer Debt Instrument which was issued with a Talon have matured, a coupon sheet comprising further Coupons (other than Coupons which would be void) and, if applicable, one further Talon, will be issued against presentation

of the relevant Talon at the specified office of the I&P Agent in accordance with Condition 9.1.5.

1.4 Form of Subordinated Registered Debt Instruments

Subordinated Registered Debt Instruments (other than Australian Domestic Notes) are constituted by the Deed of Covenant. Holders of such Subordinated Registered Debt Instruments are entitled to the benefit of, are bound by, and are deemed to have notice of all the provisions of the Deed of Covenant.

Australian Domestic Notes are constituted by the Australian Note Deed Poll. Holders of Subordinated Debt Instruments in the form of Australian Domestic Notes are entitled to the benefit of, are bound by, and are deemed to have notice of all the provisions of the Australian Note Deed Poll.

Where Subordinated Debt Instruments (other than Australian Domestic Notes) are issued in registered form, no certificate or other evidence of title will be issued unless the Issuer determines that certificates should be available or the Issuer is required to do so pursuant to any applicable law or regulation. Each certificate represents a holding of one or more such Subordinated Debt Instruments by the same Subordinated Debt Instrument Holder.

No certificates will be issued to Subordinated Debt Instrument Holders in respect of Australian Domestic Notes unless the Issuer determines that certificates should be available or if certificates are required by any applicable law or directive.

1.5 Denomination and nominal amount

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

The nominal amount in respect of a Subordinated Debt Instrument ("**nominal amount**") is an amount equal to its Specified Denomination, as it may be reduced by Exchange or Write-Off as provided in these Conditions.

Subordinated Debt Instruments will be issued fully paid.

1.6 Currency of Subordinated Debt Instruments

Subject to compliance with all applicable legal and/or regulatory requirements, Subordinated Debt Instruments may be denominated in the lawful currency of the Commonwealth of Australia ("**Australian Dollars**" or "**A$**"), the lawful currency of the United States of America ("**U.S. Dollars**" or "**U.S.$**"), the lawful currency of Japan ("**Yen**"), the lawful currency of Singapore ("**Singapore Dollars**" or "**SGD**"), the lawful currency of the United Kingdom ("**Sterling**", "**GBP**" or "**£**"), the currency introduced at the third stage of European economic and monetary union pursuant to the Treaty establishing the European Communities, as amended by the Treaty on European Union ("**Euro**"), the lawful currency of New Zealand ("**New Zealand Dollars**" or "**NZD**"), the lawful currency of Hong Kong ("**Hong Kong Dollars**" or "**HKD**") or in any other currency or currencies specified in the relevant Pricing Supplement ("**Specified Currency**").

1.7 Not deposits, not guaranteed and unsecured

The Subordinated Debt Instruments do not represent protected accounts of the Issuer for the purposes of the Banking Act or any similar law of any jurisdiction and nor do they represent deposits with, or deposit liabilities of the Issuer for any other purposes of the Banking Act or the laws of any jurisdiction.

Except for a claim made on the Issuer in accordance with these Conditions, the Euro Agency Agreement, the Deed of Covenant or the Australian Note Deed Poll (as applicable), a Subordinated Debt Instrument Holder has no claim on the Issuer, MGL or any other member of the Macquarie Group for payment of any amount or the performance of any obligation in respect of any Subordinated Debt Instruments held by that Subordinated Debt Instrument Holder.

The Subordinated Debt Instruments are unsecured and are not obligations of the Australian Government or of any other government and, in particular, are not guaranteed or insured by the Commonwealth of Australia or any government, government agency or compensation scheme in any jurisdiction or by MGL or any other person.

*The Issuer is an "authorised deposit-taking institution" ("**ADI**") as that term is defined under the Banking Act. The Banking Act provides that, in the event an ADI becomes unable to meet its obligations or suspends payment, the ADI's assets in Australia are available to meet specified liabilities of the ADI in priority to all other liabilities of the ADI (including the Subordinated Debt Instruments). These specified liabilities include certain obligations of the ADI to APRA in respect of amounts payable by APRA to holders of protected accounts, other liabilities of the ADI in Australia in relation to protected accounts, debts to the RBA and certain other debts to APRA. A "**protected account**" is either (a) an account where the ADI is required to pay the account-holder, on demand or at an agreed time, the net credit balance of the account, or (b) another account or financial product prescribed by regulation. Subordinated Debt Instruments do not constitute a protected account of, or (unless expressly provided in the relevant Pricing Supplement) a deposit with, the Issuer. Changes to applicable law may extend the liabilities required to be preferred by law.*

1.8 No other rights

Except as expressly provided in these Conditions, no Subordinated Debt Instrument Holder has:

(a) any claim against the Issuer, MGL or any other member of the Macquarie Group except as expressly set out in these Conditions;

(b) any right to:

(i) subscribe for securities, or to participate in any bonus issues of securities, of the Issuer, MGL or any other member of the Macquarie Group; or

(ii) to otherwise participate in the profits or property of the Issuer, MGL or any other member of the Macquarie Group, except by receiving payments as set out in these Conditions.

1.9 No limitations on dealings with other securities

Nothing in these Conditions limits the ability of Issuer, MGL or any member of the Macquarie Group, in its absolute discretion from time to time, from:

(a) issuing shares or other securities of any kind, whether ranking equally with, in priority to or junior to, or having different rights from the Subordinated Debt Instruments; or

(b) redeeming, converting, buying back, returning or distributing capital in respect of any share capital or any other securities of any kind, whether ranking behind, equally with, or in priority to the Subordinated Debt Instruments.

1.10 Transfer restriction

Subordinated Debt Instruments may only be transferred pursuant to offers received in Australia if:

(a) the aggregate consideration payable at the time of transfer is at least A$500,000 (or its equivalent in an alternative currency) (disregarding moneys lent by the transferor or its associates) or the Subordinated Debt Instruments are otherwise transferred in a manner which does not require disclosure in accordance with Part 6D.2 (disregarding section 708(19)) or Chapter 7 of the Corporations Act; and

(b) the transfer does not constitute an offer to a "retail client" as defined for the purposes of section 761G of the Corporations Act.

Subordinated Debt Instruments may only be transferred between persons in a jurisdiction or jurisdictions outside Australia if the transfer is in compliance with the laws of the jurisdiction in which the transfer takes place and the transfer of the Subordinated Debt Instruments otherwise does not require disclosure to investors in accordance with the laws of the jurisdiction in which the transfer takes place.

1.11 Australian Registrar

In the case of any Subordinated Registered Debt Instruments in Austraclear, each person in whose Security Record (as defined in the Austraclear Regulations) a Subordinated Registered Debt Instrument in Austraclear is recorded is deemed to acknowledge in favour of the Australian Registrar, the Issuer and Austraclear that:

(a) the Australian Registrar's decision to act as the Australian Registrar in respect of that Subordinated Debt Instrument is not a recommendation or endorsement by the Australian Registrar or Austraclear in relation to that Subordinated Debt Instrument, but only indicates that the Australian Registrar considers that the holding of the Subordinated Debt Instrument is compatible with the performance by it of its obligations as Australian Registrar under the Australian Registry Agreement; and

(b) the holder does not rely on any fact, matter or circumstance contrary to Condition 1.11(a).

2 Title

2.1 Title to Subordinated Bearer Debt Instruments, Coupons and Talons

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

2.2 Title to Subordinated Registered Debt Instruments

Subject to Condition 2.4 in the case of Australian Domestic Notes, title to Subordinated Registered Debt Instruments passes by registration in the relevant Register which the Issuer shall procure to be kept by the relevant Registrar in accordance with the provisions of the Euro Agency Agreement or the Australian Registry Agreement (as the case may be).

2.3 Title – general

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

(a) (in relation to a Subordinated Bearer Debt Instrument, Coupon or Talon) the bearer of any Subordinated Bearer Debt Instrument, Coupon or Talon (as the case may be);

(b) the person in whose name a Subordinated Registered Debt Instrument is registered, as the case may be, subject to paragraph (c) in the case of a Subordinated Registered Debt Instrument in Austraclear; or

(c) in the case of a Subordinated Registered Debt Instrument in Austraclear, for the purposes of determining the person entitled to be issued MGL Ordinary Shares (or, where Condition 8.10 applies, the net proceeds of sale of such shares) and the amount of their entitlements, the person who is the "Austraclear Participant" (as defined in the Austraclear Regulations) to whose security account in Austraclear the Subordinated Registered Debt Instrument in Austraclear is credited.

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

2.4 Title to Australian Domestic Notes

In respect of Australian Domestic Notes, each entry in the Australian Register in respect of a Subordinated Debt Instrument constitutes:

(a) an irrevocable undertaking by the Issuer to the Subordinated Debt Instrument Holder to:

  (i) pay principal, (if applicable) interest and any other amount in accordance with these Conditions; and

  (ii) comply with the other Conditions of the Subordinated Debt Instrument; and

(b) an entitlement to the other benefits given to Subordinated Debt Instrument Holders in respect of the Subordinated Debt Instrument under these Conditions.

Entries in the Australian Register in relation to an Australian Domestic Note constitute conclusive evidence that the person so entered is the absolute owner of the Subordinated Debt Instrument subject to correction for fraud or error. Where two or more persons are entered in

the Australian Register as the joint holder of an Australian Domestic Note then they are taken to hold the Subordinated Debt Instrument as joint tenants with rights of survivorship, but the Australian Registrar is not bound to register more than four persons as joint holders of a Subordinated Debt Instrument.

3 Exchanges of Subordinated Bearer Debt Instruments for Subordinated Registered Debt Instruments and transfers of Subordinated Registered Debt Instruments

3.1 Exchange of Subordinated Bearer Debt Instruments

Subject to Condition 3.8, Subordinated Bearer Debt Instruments may, if so specified in the relevant Pricing Supplement, be exchanged for the same aggregate nominal amount of Subordinated Registered Debt Instruments at the request in writing of the relevant Subordinated Debt Instrument Holders and upon surrender of the Subordinated Bearer Debt Instrument to be exchanged together with all unmatured Coupons and Talons relating to it (if any) at the specified office of the Euro Registrar or the specified office of the Transfer Agent. Without limiting the previous sentence, the relevant Pricing Supplement may specify that Subordinated Bearer Debt Instruments may be exchanged for Subordinated Registered Debt Instruments only with the prior written approval of the Issuer or such other or additional persons as are specified in such Pricing Supplement. Where, however, a Subordinated Bearer Debt Instrument is surrendered for exchange after the Record Date (as defined in Condition 9.2.2) for any payment of interest, the Coupon in respect of that payment of interest need not be surrendered with it. Subordinated Registered Debt Instruments may not be exchanged for Subordinated Bearer Debt Instruments.

3.2 Transfer of Subordinated Registered Debt Instruments other than Australian Domestic Notes

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

This Condition 3.2 does not limit Exchange in accordance with Conditions 7 and 8.

3.3 Transfer of Australian Domestic Notes

Subject to Condition 1.4, Australian Domestic Notes are uncertificated and references in these Conditions to the issue, surrender or delivery of certificates do not apply to Australian Domestic Notes.

If Australian Domestic Notes are Subordinated Registered Debt Instruments in Austraclear, they may be transferred only in accordance with the Austraclear Regulations.

If Australian Domestic Notes are not Subordinated Registered Debt Instruments in Austraclear, application for the transfer of Australian Domestic Notes must be made by the lodgement of a transfer form with the Australian Registrar. Transfer forms are available from the Australian Registrar. Each form must be duly stamped (if applicable) and accompanied by such evidence (if any) as the Australian Registrar may require to prove the title of the transferor or the

transferor's right to transfer the Australian Domestic Notes and be signed by both the transferor and the transferee.

This Condition 3.3 does not limit Exchange in accordance with Conditions 7 and 8.

3.4 Information Requirements

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

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

3.5 Partial redemption or exercise of options in respect of Subordinated Registered Debt Instruments

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

3.6 Delivery of new certificates representing Subordinated Registered Debt Instruments

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

3.7 Exchange free of charge

Registration of Subordinated Debt Instruments on exchange of Subordinated Bearer Debt Instruments for Subordinated Registered Debt Instruments or transfer of Subordinated Registered Debt Instruments will be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agent (other than any insurance charges or any expenses of delivery (if applicable) by other than regular mail), but upon payment of (or the giving of such indemnity

as the Registrar or the Transfer Agent may require in respect of) any tax or other governmental charges which may be imposed in relation to it.

3.8 Closed periods

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

(a) during the period of 15 days ending on the due date for any payment of principal on that Subordinated Debt Instrument;

(b) during the period of 15 days before any drawing of Subordinated Debt Instruments for redemption under Condition 6.2; or

(c) after any such Subordinated Debt Instrument has been drawn for redemption in whole or in part.

4 Status and subordination

4.1 Ranking

Subordinated Debt Instruments will rank in a Winding-Up of the Issuer:

(a) senior to Junior Ranking Obligations;

(b) pari passu with Equal Ranking Obligations; and

(c) subordinate to all claims of Senior Creditors, as provided under Condition 4.2.

4.2 Subordination

The rights and claims of Subordinated Debt Instrument Holders, in the event of a Winding-Up of the Issuer, are expressly subject to the conditions, and subordinated on the basis, set out in this Condition 4.

(a) Prior to the commencement of a Winding-Up of the Issuer:

(i) the Issuer's obligation to make payment of any amount (whether principal, interest or otherwise) in respect of the Subordinated Debt Instruments is conditional upon the Issuer being solvent at the time the payment falls due; and

(ii) no payment of any amount (whether principal, interest or otherwise) shall be made in respect of the Subordinated Debt Instruments, except to the extent that the Issuer may make such payment and still be solvent immediately thereafter,

(the "**Solvency Condition**").

Any amount not paid on account of the Solvency Condition remains a debt owing to the Subordinated Debt Instrument Holder by the Issuer until it is paid and will be payable on the first date on which payment can be made in compliance with the Solvency Condition.

(b) In the Issuer's Winding-Up, the rights of a Subordinated Debt Instrument Holder against the Issuer to recover any amount (whether principal, interest or otherwise) in respect of a Subordinated Debt Instrument:

(i) shall be subordinate and junior in right of payment to the Issuer's obligations to Senior Creditors, to the extent that all claims in respect of such obligations to Senior Creditors shall be entitled to be paid in full before any payment shall be paid on account of any amount owing in respect of a Subordinated Debt Instrument;

(ii) shall rank pari passu and rateably (as to its due proportion only) with the Issuer's other subordinated creditors in respect of Equal Ranking Obligations; and

(iii) shall be senior and rank ahead in right of payment to the Issuer's obligations in respect of Junior Ranking Obligations.

(c) In the Issuer's Winding-Up, Subordinated Debt Instrument Holders shall only be entitled to prove for any amount in respect of their Subordinated Debt Instruments as a debt which is subject to and contingent upon prior payment in full of the Senior Creditors. Subordinated Debt Instrument Holders waive to the fullest extent permitted by law any right to prove in any such Winding-Up as a creditor ranking for payment in any other manner.

4.3 No set-off

Neither the Issuer nor any Subordinated Debt Instrument Holder shall be entitled to:

(a) set-off against any amounts owing in respect of a Subordinated Debt Instrument held by such holder any amount held by the holder to the Issuer's credit whether in any account, in cash or otherwise, or any of its deposits, advances or debts, or any other amount owing by a holder to the Issuer on any account whatsoever; or

(b) effect any reduction of the amount owing to such holder in respect of a Subordinated Debt Instrument by merger of accounts or lien or the exercise of any other rights the effect of which is or may be to reduce the amount due in respect of such Subordinated Debt Instruments.

4.4 Further acknowledgements in relation to subordination

(a) Any payment whether voluntary or in any other circumstances received by a Subordinated Debt Instrument Holder from or on the Issuer's account (including by way of credit, set-off by operation of law or otherwise) or from any liquidator, receiver, manager or statutory manager in breach of the terms hereof, will be held by such holder in trust for and to the order of the Senior Creditors. Such trust shall be for a term expiring on the earlier of the date on which all Senior Creditors have been paid in full or eighty years from the date of the issue of the Subordinated Debt Instruments.

(b) Each Subordinated Debt Instrument Holder by its purchase or holding of an interest in such Subordinated Debt Instruments is taken to have irrevocably acknowledged and agreed that:

(i) this Condition 4 constitutes a debt subordination for the purposes of section 563C of the Corporations Act;

(ii) the Issuer's obligations in respect of the Subordinated Debt Instruments are subordinated in the manner provided in Condition 4; and

(iii) the debt subordination effected by this Condition 4 is not affected by any act or omission of the Issuer or a Senior Creditor which might otherwise affect it at law or in equity.

5 Interest

5.1 General

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

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

5.2 Interest – fixed rate

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

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

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

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

5.3 Interest – floating rate

(a) Accrual of interest

Subordinated Debt Instruments in relation to which this Condition 5.3 is specified in the relevant Pricing Supplement as being applicable ("**Subordinated Floating Rate**

Debt Instruments") will bear interest in respect of each Interest Period at the rate or rates per annum specified in the relevant Pricing Supplement determined in accordance with this Condition 5.3.

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

(b) Interest Rate

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

(i) Screen Rate Determination for Subordinated Floating Rate Debt Instruments not referencing SONIA or SOFR

Where the Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Interest Rate is to be determined and unless the Reference Rate in respect of the relevant Series of Subordinated Floating Rate Debt Instruments is specified in the relevant Pricing Supplement as being "Compounded Daily SONIA", "SONIA Index Determination", "Average SONIA", "SOFR Arithmetic Mean", "SOFR Delay Compound", "SOFR Index Compound", "SOFR Lockout Compound", "SOFR Lookback Compound" or "SOFR Shift Compound", the Interest Rate for each Interest Period will, subject as provided below, be either:

(A) the offered quotation; or

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

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

(A) If (A) applies and no offered quotation appears on the Relevant Screen Page at the Relevant Time in the Relevant Financial Centre on the Interest Determination Date or if (B) applies and fewer than two

offered quotations appear on the Relevant Screen Page at the Relevant Time in the Relevant Financial Centre on the Interest Determination Date, subject as provided below, the Interest Rate shall be the arithmetic mean of the Reference Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date, as determined by the Calculation Agent.

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

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

(ii) Screen Rate Determination for Subordinated Floating Rate Debt Instruments referencing SONIA

(A) Where "Screen Rate Determination" is specified in the relevant Pricing Supplement as the manner in which the Interest Rate is to be determined and the Reference Rate is specified in the relevant Pricing Supplement as being "Compounded Daily SONIA", the Interest Rate for a SONIA Interest Accrual Period (as defined below) will, subject as provided below, be the Compounded Daily SONIA Formula Rate with respect to such SONIA Interest Accrual Period plus or minus (as indicated in the relevant Pricing Supplement) the Margin (if any).

In these Conditions:

"**Compounded Daily SONIA Formula Rate**" means, with respect to a SONIA Interest Accrual Period, the rate of return of a daily compound interest investment in Sterling (with the Sterling Overnight Index Average as the reference rate for the calculation of interest) as

calculated by the Calculation Agent on the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded if necessary to the fourth decimal place, with 0.00005 being rounded upwards):

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{SONIA_i \times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

where:

"**d**" is the number of calendar days in:

(a) where "Lag" is specified as the Observation Method in the relevant Pricing Supplement, the relevant SONIA Interest Accrual Period; or

(b) where "Observation Shift" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Observation Period;

"$\mathbf{d_o}$" is the number of London Banking Days in:

(a) where "Lag" is specified as the Observation Method in the relevant Pricing Supplement, the relevant SONIA Interest Accrual Period; or

(b) where "Observation Shift" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Observation Period;

"**i**" is a series of whole numbers from one to d_o, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in:

(a) where "Lag" is specified as the Observation Method in the relevant Pricing Supplement, the relevant SONIA Interest Accrual Period; or

(b) where "Observation Shift" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Observation Period;

"**London Banking Day**" means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

"$\mathbf{n_i}$", for any London Banking Day "**i**", means the number of calendar days from (and including) such London Banking Day "i" up to (but excluding) the following London Banking Day;

"**Observation Period**" means, in respect of a SONIA Interest Accrual Period, the period from (and including) the date falling "*p*" London Banking Days prior to the first day of the relevant SONIA Interest

Accrual Period to (but excluding) the date falling "*p*" London Banking Days prior to (A) (in the case of an Interest Period) the Interest Payment Date for such Interest Period or (B) (in the case of any other SONIA Interest Accrual Period) the date on which the relevant payment of interest falls due;

"**p**" means:

(a) where "Lag" is specified as the Observation Method in the relevant Pricing Supplement, the number of London Banking Days included in the "Lag Lookback Period (p)" in the relevant Pricing Supplement (or, if no such number is so specified, five London Banking Days); or

(b) where "Observation Shift" is specified as the Observation Method in the relevant Pricing Supplement, the number of London Banking Days included in the "Observation Shift Period" in the relevant Pricing Supplement (or, if no such number is so specified, five London Banking Days);

"**SONIA reference rate**" means, in respect of any London Banking Day, is a reference rate equal to the daily Sterling Overnight Index Average ("**SONIA**") rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page (or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors) on the London Banking Day immediately following such London Banking Day; and

"**$SONIA_i$**" means, in respect of any London Banking Day "i":

(a) where "Lag" is specified as the Observation Method in the relevant Pricing Supplement, the SONIA reference rate in respect of the London Banking Day falling "p" London Banking Days prior to the relevant London Banking Day "i"; or

(b) where "Observation Shift" is specified as the Observation Method in the relevant Pricing Supplement, the SONIA reference rate in respect of the relevant London Banking Day "i".

(B) Where "Screen Rate Determination" is specified in the relevant Pricing Supplement as the manner in which the Interest Rate is to be determined, and the Reference Rate is specified in the relevant Pricing Supplement as being "SONIA Index Determination", the Interest Rate for a SONIA Interest Accrual Period will, subject as provided below, be the SONIA Compounded Index Rate with respect to such SONIA Interest Accrual Period plus or minus (as indicated in the relevant Pricing Supplement) the Margin (if any).

"**SONIA Compounded Index Rate**" means, with respect to a SONIA Interest Accrual Period, the rate of return of a daily compound interest

investment as calculated by the Calculation Agent on the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the nearest fourth decimal place, with 0.00005 being rounded upwards):

where:

"**d**" is the number of calendar days from (and including) the day in relation to which "SONIA Compounded IndexStart" is determined to (but excluding) the day in relation to which "SONIA Compounded IndexEnd" is determined (being the number of calendar days in the applicable reference period);

"**London Banking Day**" has the meaning set out in Condition 5.3(b)(ii)(A);

"**Relevant Number**" is as specified in the relevant Pricing Supplement;

"**SONIA Compounded Index$_{End}$**" means the SONIA Compounded Index value relating to the London Banking Day falling the Relevant Number of London Banking Days prior to (A) (in the case of an Interest Period) the Interest Payment Date for such Interest Period or (B) (in the case of any other SONIA Interest Accrual Period) the date on which the relevant payment of interest falls due;

"**SONIA Compounded Index$_{Start}$**" means the SONIA Compounded Index value relating to the London Banking Day falling the Relevant Number of London Banking Days prior to the first day of the relevant SONIA Interest Accrual Period; and

"**SONIA Compounded Index**" means, with respect to any London Banking Day, the value of the SONIA Compounded Index that is provided by the administrator of the SONIA reference rate to authorised distributors and as then published on the Relevant Screen Page (or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors) in respect of such London Banking Day.

If the relevant SONIA Compounded Index is not published or displayed by the administrator of the SONIA reference rate or other information service at the Relevant Time specified in the relevant Pricing Supplement on the relevant Interest Determination Date, the SONIA Compounded Index Rate for the applicable Interest Period for which the SONIA Compounded Index is not available shall be the "Compounded Daily SONIA Formula Rate" determined in accordance with the foregoing as if the Reference Rate specified in the relevant Pricing Supplement were "Compounded Daily SONIA Formula" (and not "SONIA Index Determination"), and for these purposes: (i) the "Observation Method" shall be deemed to be "Observation Shift", and (ii) the "Observation Shift Period" shall be deemed to be equal to the Relevant Number of London Banking Days,

as if those alternative elections had been made in the relevant Pricing Supplement.

(C) Where "Screen Rate Determination" is specified in the relevant Pricing Supplement as the manner in which the Interest Rate is to be determined, and the Reference Rate is specified in the relevant Pricing Supplement as being "Average SONIA", the Interest Rate for a SONIA Interest Accrual Period will, subject as provided below, be the Average SONIA Rate with respect to such SONIA Interest Accrual Period plus or minus (as indicated in the relevant Pricing Supplement) the Margin (if any).

"**Average SONIA Rate**" means, with respect to a SONIA Interest Accrual Period, the arithmetic mean of the SONIA reference rate in effect during such SONIA Interest Accrual Period as calculated by the Calculation Agent on the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded if necessary to the fourth decimal place, with 0.00005 being rounded upwards):

$$\frac{\sum_{i=1}^{d_o} SONIA_i \times n_i}{d}$$

where "$\mathbf{d_o}$", "**i**", "**SONIA reference rate**", "$\mathbf{SONIA_i}$", "$\mathbf{n_i}$" and "**d**" have the meanings set out in Condition 5.3(b)(ii)(A).

(D) For the purposes of Conditions 5.3(b)(ii)(A) and 5.3(b)(ii)(C) above, if, in respect of any London Banking Day in the relevant Observation Period or the relevant SONIA Interest Accrual Period, as applicable, the Calculation Agent determines that the applicable SONIA reference rate has not been made available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, then the Calculation Agent shall determine the SONIA reference rate in respect of such London Banking Day as being:

(1) (a) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at 5.00 p.m. (or, if earlier, close of business) on such London Banking Day; plus (b) the mean of the spread of the SONIA reference rate to the Bank Rate over the previous five London Banking Days in respect of which the SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and the lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate; or

(2) if the Bank Rate under (1)(a) above is not available at the relevant time, either (a) the SONIA reference rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding London Banking Day in respect of which the SONIA reference rate was published on the Relevant Screen Page (or

otherwise published by the relevant authorised distributors) or (b) if this is more recent, the latest rate determined under (1)(a) above,

and in each case "**SONIA reference rate**" shall be interpreted accordingly.

(E) In the event that the Interest Rate cannot be determined in accordance with the foregoing provisions, the Interest Rate shall be:

(1) that determined as at the last preceding Interest Determination Date; or

(2) if there is no such preceding Interest Determination Date, the initial Interest Rate which would have been applicable to such Series of Subordinated Debt Instruments for the first scheduled Interest Period had the Subordinated Debt Instruments been in issue for a period equal in duration to the first scheduled Interest Period but ending on (and excluding) the Interest Commencement Date.

(F) As used herein, an "**SONIA Interest Accrual Period**" means (i) each Interest Period and (ii) any other period (if any) in respect of which interest is to be calculated, being the period from (and including) the first day of such period to (but excluding) the day on which the relevant payment of interest falls due (which, if the relevant Series of Subordinated Debt Instruments becomes due and payable in accordance with Condition 11, shall be the date on which such Subordinated Debt Instruments become due and payable).

(G) If the relevant Series of Subordinated Debt Instruments becomes due and payable in accordance with Condition 11, the final Interest Rate shall be calculated for the SONIA Interest Accrual Period to (but excluding) the date on which the Subordinated Debt Instruments become so due and payable, and such Interest Rate shall continue to apply to the Subordinated Debt Instruments for so long as interest continues to accrue thereon as provided in Condition 5.3(a).

(iii) Screen Rate Determination for Subordinated Floating Rate Debt Instruments referencing SOFR

(A) Where "Screen Rate Determination" is specified in the relevant Pricing Supplement as the manner in which the Interest Rate is to be determined, and the Reference Rate is specified in the relevant Pricing Supplement as being "SOFR Arithmetic Mean", the Interest Rate for a SOFR Interest Accrual Period will, subject as provided below, be the SOFR Arithmetic Mean with respect to such SOFR Interest Accrual Period plus or minus (as indicated in the relevant Pricing Supplement) the Margin (if any).

"**SOFR Arithmetic Mean**" means, with respect to a SOFR Interest Accrual Period, the arithmetic mean of the SOFR rates for each day during such SOFR Interest Accrual Period as calculated by the

Calculation Agent on the relevant Interest Determination Date, where the SOFR rate on the SOFR Rate Cut-Off Date shall be used for the days in the period from (and including) the SOFR Rate Cut-Off Date to (but excluding) (A) (in the case of an Interest Period) the Interest Payment Date for such Interest Period or (B) (in the case of any other SOFR Interest Accrual Period) the date on which the relevant payment of interest falls due.

(B) Where "Screen Rate Determination" is specified in the relevant Pricing Supplement as the manner in which the Interest Rate is to be determined, and the Reference Rate is specified in the relevant Pricing Supplement as being "SOFR Delay Compound", the Interest Rate for a SOFR Interest Accrual Period will, subject as provided below, be the SOFR-DELAY-COMPOUND plus or minus (as indicated in the relevant Pricing Supplement) the Margin (if any).

"**SOFR-DELAY-COMPOUND**" means, with respect to a SOFR Interest Accrual Period, the rate of return of a daily compounded interest investment calculated by the Calculation Agent on each SOFR Interest Payment Determination Date, as follows:

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{SOFR_i \, x \, n_i}{360}\right)-1\right] x \, \frac{360}{d}$$

where:

"**d**" means the number of calendar days in the relevant SOFR Interest Accrual Period;

"**d_0**", for any SOFR Interest Accrual Period, means the number of U.S. Government Securities Business Days in the relevant SOFR Interest Accrual Period;

"**i**" means a series of whole numbers from one to d_0, each representing the relevant U.S. Government Securities Business Days in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant SOFR Interest Accrual Period;

"**SOFR Interest Accrual Period End Dates**" means the dates specified in the relevant Pricing Supplement, ending on the Maturity Date or, if the Subordinated Debt Instruments are elected to be redeemed on any earlier redemption date, the redemption date;

"**SOFR Interest Payment Determination Date**" means the SOFR Interest Accrual Period End Date at the end of each SOFR Interest Accrual Period; provided that the SOFR Interest Payment Determination Date with respect to the final SOFR Interest Accrual Period will be the SOFR Rate Cut-Off Date;

"**n_i**", for any U.S. Government Securities Business Day "i" in the relevant SOFR Interest Accrual Period, is the number of calendar days from, and including, such U.S. Government Securities Business Day

"i" to, but excluding, the following U.S. Government Securities Business Day ("i+1"); and

"**SOFR**$_i$" means, for any U.S. Government Securities Business Day "i" in the relevant SOFR Interest Accrual Period, SOFR in respect of that day "i"; provided that, for purposes of calculating compounded SOFR with respect to the final SOFR Interest Accrual Period, the level of SOFR for each U.S. Government Securities Business Day in the period from and including the SOFR Rate Cut-Off Date to, but excluding, the maturity date or any earlier redemption date, as applicable, shall be the level of SOFR in respect of such SOFR Rate Cut-Off Date.

(C) Where "Screen Rate Determination" is specified in the relevant Pricing Supplement as the manner in which the Interest Rate is to be determined, and the Reference Rate is specified in the relevant Pricing Supplement as being "SOFR Index Compound", the Interest Rate for a SOFR Interest Accrual Period will, subject as provided below, be the SOFR-INDEX-COMPOUND plus or minus (as indicated in the relevant Pricing Supplement) the Margin (if any).

"**SOFR-INDEX-COMPOUND**" means, with respect to a SOFR Interest Accrual Period, the rate calculated by the Calculation Agent on each SOFR Index Determination Date, as follows:

$$\left(\frac{\text{SOFR Index}_{\text{End}}}{\text{SOFR Index}_{\text{Start}}} - 1\right) \times \left(\frac{360}{d_c}\right)$$

where:

"**d_c**" means the number of calendar days from and including the SOFR Index$_{\text{Start}}$ date to but excluding the SOFR Index$_{\text{End}}$ date;

"**p**" means in relation to any SOFR Interest Accrual Period, the number of U.S. Government Securities Business Days specified in the relevant Pricing Supplement;

"**SOFR Index$_{\text{End}}$**" means the SOFR Index value on the day which is "p" U.S. Government Securities Business Days preceding (A) (in the case of an Interest Period) the Interest Payment Date for such Interest Period or (B) (in the case of any other SOFR Interest Accrual Period) the date on which the relevant payment of interest falls due (each, a "**SOFR Index Determination Date**"); and

"**SOFR Index$_{\text{Start}}$**" means the SOFR Index value on the day which is "p" U.S. Government Securities Business Days preceding the first date of the relevant SOFR Interest Accrual Period.

(D) Where "Screen Rate Determination" is specified in the relevant Pricing Supplement as the manner in which the Interest Rate is to be determined, and the Reference Rate is specified in the relevant Pricing Supplement as being "SOFR Lockout Compound", the Interest Rate for a SOFR Interest Accrual Period will, subject as provided below,

be the SOFR-LOCKOUT-COMPOUND plus or minus (as indicated in the relevant Pricing Supplement) the Margin (if any).

"**SOFR-LOCKOUT-COMPOUND**" means, with respect to a SOFR Interest Accrual Period, the rate of return of a daily compounded interest investment calculated by the Calculation Agent on each SOFR Rate Cut-Off Date, as follows:

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{SOFR_i \times n_i}{360}\right)-1\right]\times\frac{360}{d}$$

where:

"**d**" means the number of calendar days in the relevant SOFR Interest Accrual Period;

"**d_0**", for any SOFR Interest Accrual Period, means the number of U.S. Government Securities Business Days in the relevant SOFR Interest Accrual Period;

"**i**" means a series of whole numbers from one to d_0, each representing the relevant U.S. Government Securities Business Days in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant SOFR Interest Accrual Period;

"**n_i**" for any U.S. Government Securities Business Day "i" in the relevant interest period means the number of calendar days from, and including, such U.S. Government Securities Business Day "i" to, but excluding, the following U.S. Government Securities Business Day ("i+1");

"**$SOFR_i$**" means, for any U.S. Government Securities Business Day "i" that is a SOFR Interest Reset Date, SOFR in respect of such SOFR Interest Reset Date; provided, however, that the SOFR with respect to each SOFR Interest Reset Date in the period from and including, the SOFR Rate Cut-Off Date to, but excluding, the corresponding interest payment date of an interest period, will be the SOFR with respect to the SOFR Rate Cut-Off Date for such interest period; and

"**SOFR Interest Reset Date**" means each U.S. Government Securities Business Day in the relevant SOFR Interest Accrual Period.

(E) Where "Screen Rate Determination" is specified in the relevant Pricing Supplement as the manner in which the Interest Rate is to be determined, and the Reference Rate is specified in the relevant Pricing Supplement as being "SOFR Lookback Compound", the Interest Rate for a SOFR Interest Accrual Period will, subject as provided below, be the SOFR-LOOKBACK-COMPOUND plus or minus (as indicated in the relevant Pricing Supplement) the Margin (if any).

"**SOFR-LOOKBACK-COMPOUND**" means, with respect to a SOFR Interest Accrual Period, the rate of return of a daily

compounded interest investment calculated by the Calculation Agent on each SOFR Interest Determination Date, as follows:

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{SOFR_{i\text{-}pUSGSBD}\times n_i}{360}\right)-1\right]\times\frac{360}{d}$$

where:

"**d**" means the number of calendar days in the relevant SOFR Interest Accrual Period;

"**d_0**", for any interest period, means the number of U.S. Government Securities Business Days in the relevant SOFR Interest Accrual Period;

"**i**" means a series of whole numbers from one to d_0, each representing the relevant U.S. Government Securities Business Days in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant SOFR Interest Accrual Period;

"**SOFR Interest Determination Date**" means, the date "p" U.S. Government Securities Business Days before (A) (in the case of each Interest Period) the Interest Payment Date for such Interest Period or (B) (in the case of any other SOFR Interest Accrual Period) the date on which the relevant payment of interest falls due;

"**n_i**" for any U.S. Government Securities Business Day "i" in the relevant SOFR Interest Accrual Period means the number of calendar days from, and including, such U.S. Government Securities Business Day "i" to, but excluding, the following U.S. Government Securities Business Day ("i+1");

"**p**" means the number of U.S. Government Securities Business Days specified in the relevant Pricing Supplement; and

"**$SOFR_{i\text{-}pUSGSBD}$**" means, for any U.S. Government Securities Business Day "i" in the relevant SOFR Interest Accrual Period, the SOFR in respect of the U.S. Government Securities Business Day falling "p" U.S. Government Securities Business Days prior to that day "i".

(F) Where "Screen Rate Determination" is specified in the relevant Pricing Supplement as the manner in which the Interest Rate is to be determined, and the Reference Rate is specified in the relevant Pricing Supplement as being "SOFR Shift Compound", the Interest Rate for a SOFR Interest Accrual Period will, subject as provided below, be the SOFR-SHIFT-COMPOUND plus or minus (as indicated in the relevant Pricing Supplement) the Margin (if any).

"**SOFR-SHIFT-COMPOUND**" means, with respect to a SOFR Interest Accrual Period, the rate of return of a daily compounded

interest investment calculated by the Calculation Agent on each SOFR Interest Determination Date, as follows:

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{SOFR_i \times n_i}{360}\right)-1\right]\times\frac{360}{d}$$

where:

"**d**" means the number of calendar days in the relevant Observation Period;

"**d_0**", for any Observation Period, means the number of U.S. Government Securities Business Days in the relevant Observation Period;

"**i**" means a series of whole numbers from one to d_0, each representing the relevant U.S. Government Securities Business Days in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant Observation Period;

"**SOFR Interest Determination Date**" means, the date "p" U.S. Government Securities Business Days before (A) (in the case of each Interest Period) the Interest Payment Date for such Interest Period or (B) (in the case of any other SOFR Interest Accrual Period) the date on which the relevant payment of interest falls due;

"**n_i**" for any U.S. Government Securities Business Day "i" in the relevant Observation Period means the number of calendar days from, and including, such U.S. Government Securities Business Day "i" to, but excluding, the following U.S. Government Securities Business Day ("i+1");

"**$SOFR_i$**" means, for any U.S. Government Securities Business Day "i" in the relevant Observation Period, SOFR in respect of that day "i";

"**Observation Period**" means, the period from, and including, the date "p" U.S. Government Securities Business Days preceding the first date in each SOFR Interest Accrual Period to, but excluding, the date "p" U.S. Government Securities Business Days preceding (A) (in the case of each Interest Period) the Interest Payment Date for such Interest Period or (B) (in the case of any other SOFR Interest Accrual Period) the date on which the relevant payment of interest falls due; and

"**p**" means the number of U.S. Government Securities Business Days specified in the relevant Pricing Supplement.

(G) Notwithstanding any other provisions in these Conditions, if: (i) the Benchmark is SOFR or SOFR Index; and (ii) any Interest Rate (or any component part thereof) remains to be determined by reference to the Benchmark, then the following provisions of this Condition

5.3(b)(iii)(G) shall apply, subject to the prior written approval of APRA:

(1) If the Determining Person, after consulting with the Issuer, determines on or prior to the relevant Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the then current Benchmark, the Benchmark Replacement will replace the then current Benchmark for all purposes relating to the Subordinated Debt Instruments in respect of all determinations on such date and for all determinations on all subsequent dates.

(2) In connection with the implementation of a Benchmark Replacement, the Determining Person, after consulting with the Issuer, will have the right to make Benchmark Replacement Conforming Changes from time to time.

(3) If a Benchmark Transition Event and its related Benchmark Replacement Date have occurred, any determination, decision or election that may be made by the Determining Person, after consulting with the Issuer, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection: (i) will be conclusive and binding absent manifest error; (ii) will be made by the Determining Person, in its sole discretion; and (iii) notwithstanding anything to the contrary in the documentation relating to the Subordinated Debt Instruments, shall become effective without consent from the Subordinated Debt Instrument Holders or any other party.

Subordinated Debt Instrument Holders should note that APRA's approval may not be given for any Benchmark Replacement, Benchmark Replacement Adjustment, Benchmark Replacement Conforming Changes it considers to have the effect of increasing the Interest Rate contrary to applicable prudential standards.

For the purposes of this Condition 5.3(b)(iii):

"**Benchmark**" means, initially, SOFR or SOFR Index, as applicable; provided that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to SOFR or SOFR Index, as applicable, or the then current Benchmark, then "Benchmark" means the applicable Benchmark Replacement.

"**Benchmark Replacement**" means the first alternative set forth in the order below that can be determined by the Determining Person, after consulting with the Issuer, of the Benchmark Replacement Date:

(a) the sum of: (i) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for

the then current Benchmark and (ii) the Benchmark Replacement Adjustment; or

(b) the sum of: (i) the alternate rate of interest that has been selected by the Determining Person, after consulting with the Issuer, as the replacement for the then current Benchmark giving due consideration to any industry-accepted rate of interest as a replacement for the then current Benchmark for U.S. dollar-denominated floating rate notes at such time and (ii) the Benchmark Replacement Adjustment.

"**Benchmark Replacement Adjustment**" means the first alternative set forth in the order below that can be determined by the Determining Person, after consulting with the Issuer, as of the Benchmark Replacement Date:

(a) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement; or

(b) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Determining Person, after consulting with the Issuer, giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate notes at such time.

"**Benchmark Replacement Conforming Changes**" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the interest period, timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters (including changes to the fallback provisions)) that the Determining Person, after consulting with the Issuer, decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Determining Person, after consulting with the Issuer, decides that adoption of any portion of such market practice is not administratively feasible or if the Determining Person, after consulting with the Issuer, determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Determining Person, after consulting with the Issuer, determines is reasonably necessary).

"**Benchmark Replacement Date**" means the earliest to occur of the following events with respect to the then current Benchmark (including the daily published component used in the calculation thereof):

(a) in the case of clause (a) or (b) of the definition of "Benchmark Transition Event", the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or

(b) in the case of clause (c) of the definition of "Benchmark Transition Event", the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination.

"**Benchmark Transition Event**" means the occurrence of one or more of the following events with respect to the then current Benchmark (including any daily published component used in the calculation thereof):

(a) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component);

(b) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

(c) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative.

"**Determining Person**" means the Issuer, an affiliate of the Issuer, an alternative calculation agent (other than the Calculation Agent) or an independent financial institution appointed by the Issuer.

"**Reference Time**" with respect to any determination of the Benchmark means (i) if the Benchmark is SOFR or SOFR Index, the relevant SOFR Determination Time, and (ii) if the Benchmark is neither SOFR nor SOFR Index, the time determined by the Determining Person, after consulting with the Issuer, after giving effect to the Benchmark Replacement Conforming Changes.

"**Relevant Governmental Body**" means the Board of Governors of the Federal Reserve System and/or the New York Federal Reserve, or a committee

officially endorsed or convened by the Board of Governors of the Federal Reserve System and/or the New York Federal Reserve or any successor thereto.

"**SOFR**" means, with respect to any U.S. Government Securities Business Day:

(a) the Secured Overnight Financing Rate in respect of such U.S. Government Securities Business Day as published by the New York Federal Reserve, as the administrator of such rate (or a successor administrator), on the New York Federal Reserve's Website (or such successor administrator's website) on or about 3:00 p.m., New York City time, on the immediately following U.S. Government Securities Business Day (the "**SOFR Determination Time**"); or

(b) if the Secured Overnight Financing Rate in respect of such U.S. Government Securities Business Day does not appear as specified in clause (a) above, unless both a Benchmark Transition Event and its related Benchmark Replacement Date have occurred, the Secured Overnight Financing Rate in respect of the first preceding U.S. Government Securities Business Day for which such rate was published on the New York Federal Reserve's Website (or such successor administrator's website); or

(c) if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred, the Benchmark Replacement.

"**SOFR Index**" means, with respect to any U.S. Government Securities Business Day:

(a) the value as published by the New York Federal Reserve, as the administrator of such index (or a successor administrator), on the New York Federal Reserve's Website (or such successor administrator's website) on or about 3:00 p.m., New York City time, on such U.S. Government Securities Business Day; or

(b) if such value in respect of such U.S. Government Securities Business Day does not appear as specified in clause (a) above, unless both a Benchmark Transition Event and its related Benchmark Replacement Date have occurred, SOFR-INDEX-COMPOUND shall be the rate determined pursuant to the SOFR Index Unavailable Provision; or

(c) if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred, the Benchmark Replacement.

"**SOFR Index Unavailable Provision**" means if a SOFR $\text{Index}_{\text{Start}}$ or SOFR $\text{Index}_{\text{End}}$ is not published on the associated SOFR Index Determination Date and a Benchmark Transition Event and its related Benchmark Replacement Date have not occurred with respect to SOFR Index, SOFR-INDEX-COMPOUND means, for the applicable interest period for which SOFR Index is not available, the rate of return on a daily compounded interest investment calculated in accordance with the formula for "SOFR Averages", and definitions required for such formula, published on the New York Federal

Reserve's Website. For the purposes of this provision, references in the SOFR Averages compounding formula and related definitions to "calculation period" shall be replaced with "Observation Period" and the words "that is, 30-, 90-, or 180- calendar days" shall be removed. If the daily SOFR ("**$SOFR_i$**") does not so appear for any day, "i" in the Observation Period, $SOFR_i$ for such day "i" shall be SOFR published in respect of the first preceding U.S. Government Securities Business Day for which SOFR was published on the New York Federal Reserve's Website.

"**SOFR Interest Accrual Period**" means (i) each Interest Period and (ii) any other period (if any) in respect of which interest is to be calculated, being the period from (and including) the first day of such period to (but excluding) the day on which the relevant payment of interest falls due (which, if the relevant Series of Subordinated Debt Instruments becomes due and payable in accordance with Condition 11, shall be the date on which such Subordinated Debt Instruments become due and payable).

"**SOFR Rate Cut-Off Date**" means the date that is the second U.S. Government Securities Business Day prior (A) (in the case of an Interest Period) the Interest Payment Date for such Interest Period, or (B) (in the case of any other SOFR Interest Accrual Period) the date on which the relevant payment of interest falls due, or such other date specified in the relevant Pricing Supplement.

"**Unadjusted Benchmark Replacement**" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

"**U.S. Government Securities Business Day**" means any day except for a Saturday, a Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

(iv) Benchmark Rate Determination for Subordinated Floating Rate Debt Instruments

(A) Where "BBSW Rate Determination" or "AONIA Rate Determination" is specified in the relevant Pricing Supplement as the manner in which the Interest Rate is to be determined for each Interest Period, the Interest Rate applicable to the Subordinated Floating Rate Debt Instruments for each such Interest Period is the sum of the Margin and either (x) the BBSW Rate or (y) the AONIA Rate as specified in the relevant Pricing Supplement.

(B) Each Subordinated Debt Instrument Holder shall be deemed to acknowledge, accept and agree to be bound by, and consents to, the determination of, substitution for and any adjustments made to the BBSW Rate or the AONIA Rate, as applicable, in each case as described in this Condition 5.3(b)(iv) (in all cases without the need for any Subordinated Debt Instrument Holder consent). Any determination, decision or election (including a decision to take or refrain from taking any action or as to the occurrence or non-

occurrence of any event or circumstance), and any substitution for and adjustments made to, the BBSW Rate or the AONIA Rate, as applicable, and in each case made in accordance with this Condition 5.3(b)(iv), will, in the absence of manifest or proven error, be conclusive and binding on the Issuer, the relevant Subordinated Debt Instrument Holder and each Agent and, notwithstanding anything to the contrary in these Conditions or other documentation relating to the Subordinated Debt Instruments, shall become effective without the consent of any person.

(C) If the Calculation Agent is unwilling or unable to determine a necessary rate, adjustment, quantum, formula, methodology or other variable in order to calculate the applicable Interest Rate, such rate, adjustment, quantum, formula, methodology or other variable will be determined by the Issuer (acting in good faith and in a commercially reasonable manner) or, an alternate financial institution (acting in good faith and in a commercially reasonable manner) appointed by the Issuer (in its sole discretion) to so determine.

(D) All rates determined pursuant to this Condition 5.3(b)(iv) shall be expressed as a percentage rate per annum and the resulting percentage will be rounded if necessary to the fourth decimal place (i.e., to the nearest one ten-thousandth of a percentage point) with 0.00005 being rounded upwards.

(E) If:

(1) a Temporary Disruption Trigger has occurred; or

(2) a Permanent Discontinuation Trigger has occurred,

then (subject, in the case of a Permanent Discontinuation Trigger only, to APRA's prior written approval) the Benchmark Rate for an Interest Period, whilst such Temporary Disruption Trigger is continuing or after a Permanent Discontinuation Trigger has occurred, means (in the following order of application and precedence):

(i) where BBSW Rate is the Applicable Benchmark Rate, if a Temporary Disruption Trigger has occurred with respect to the BBSW Rate, in the following order of precedence:

(1) first, the Administrator Recommended Rate;

(2) then, the Supervisor Recommended Rate; and

(3) lastly, the Final Fallback Rate;

(ii) where the AONIA Rate is the Applicable Benchmark Rate or a determination of the AONIA Rate is required for the purposes of paragraph (i) above, if a Temporary Disruption Trigger has occurred with respect to AONIA, the rate for any day for which AONIA is required will be the last provided or published level of AONIA;

(iii) where a determination of the RBA Recommended Rate is required for the purposes of paragraph (i) or (ii) above, if a Temporary Disruption Trigger has occurred with respect to the RBA Recommended Rate, the rate for any day for which the RBA Recommended Rate is required will be the last rate provided or published by the Administrator of the RBA Recommended Rate (or if no such rate has been so provided or published, the last provided or published level of AONIA);

(iv) where BBSW Rate is the Applicable Benchmark Rate, if a Permanent Discontinuation Trigger has occurred with respect to the BBSW Rate, the rate for any day for which the BBSW Rate is required on or after the Permanent Fallback Effective Date will be the first rate available in the following order of precedence:

(1) first, if at the time of the BBSW Rate Permanent Fallback Effective Date, no AONIA Permanent Fallback Effective Date has occurred, the AONIA Rate;

(2) then, if at the time of the BBSW Rate Permanent Fallback Effective Date, an AONIA Permanent Fallback Effective Date has occurred, an RBA Recommended Rate has been created but no RBA Recommended Rate Permanent Fallback Effective Date has occurred, the RBA Recommended Fallback Rate; and

(3) lastly, if neither paragraph (1) nor paragraph (2) above apply, the Final Fallback Rate;

(v) where the AONIA Rate is the Applicable Benchmark Rate or a determination of the AONIA Rate is required for the purposes of paragraph (iv)(A) above, if a Permanent Discontinuation Trigger has occurred with respect to AONIA, the rate for any day for which AONIA is required on or after the AONIA Permanent Fallback Effective Date will be the first rate available in the following order of precedence:

(1) first, if at the time of the AONIA Permanent Fallback Effective Date, an RBA Recommended Rate has been created but no RBA Recommended Rate Permanent Fallback Effective Date has occurred, the RBA Recommended Rate; and

(2) lastly, if paragraph (1) above does not apply, the Final Fallback Rate; and

(vi) where a determination of the RBA Recommended Rate is required for the purposes of paragraph (iv) or (v) above, respectively, if a Permanent Discontinuation Trigger has occurred with respect to the RBA Recommended Rate, the

rate for any day for which the RBA Recommended Rate is required on or after that Permanent Fallback Effective Date will be the Final Fallback Rate.

When calculating an amount of interest in circumstances where a Fallback Rate other than the Final Fallback Rate applies, that interest will be calculated as if references to the BBSW Rate or AONIA Rate (as applicable) were references to that Fallback Rate. When calculating interest in circumstances where the Final Fallback Rate applies, the amount of interest will be calculated on the same basis as if the Applicable Benchmark Rate in effect immediately prior to the application of that Final Fallback Rate remained in effect but with necessary adjustments to substitute all references to that Applicable Benchmark Rate with corresponding references to the Final Fallback Rate.

Subordinated Debt Instrument Holders should note that APRA's approval may not be given for any Fallback Rate it considers to have the effect of increasing the Interest Rate contrary to applicable prudential standards.

For the purposes of Condition 5.3(b)(iv):

"**Adjustment Spread**" means the adjustment spread as at the Adjustment Spread Fixing Date (which may be a positive or negative value or zero and determined pursuant to a formula or methodology) that is:

(a) determined as the median of the historical differences between the BBSW Rate and AONIA over a five calendar year period prior to the Adjustment Spread Fixing Date using practices based on those used for the determination of the Bloomberg Adjustment Spread as at 1 December 2022, provided that for so long as the Bloomberg Adjustment Spread is published and determined based on the five year median of the historical differences between the BBSW Rate and AONIA, that adjustment spread will be deemed to be acceptable for the purposes of this paragraph (a); or

(b) if no such median can be determined in accordance with paragraph (a), set using the method for calculating or determining such adjustment spread determined by the Calculation Agent (after consultation with the Issuer where practicable) to be appropriate.

"**Adjustment Spread Fixing Date**" means the first date on which a Permanent Discontinuation Trigger occurs with respect to the BBSW Rate.

"**Administrator**" means:

(a) in respect of the BBSW Rate, ASX Benchmarks Pty Limited (ABN 38 616 075 417);

(b) in respect of AONIA (or where AONIA is used to determine an Applicable Benchmark Rate), the Reserve Bank of Australia; and

(c) in respect of any other Applicable Benchmark Rate, the administrator for that rate or benchmark or, if there is no administrator, the provider of that rate or benchmark,

and, in each case, any successor administrator or, as applicable, any successor administrator or provider.

"**Administrator Recommended Rate**" means the rate formally recommended for use as the temporary replacement for the BBSW Rate by the Administrator of the BBSW Rate.

"**AONIA**" means the Australian dollar interbank overnight cash rate (known as AONIA).

"**AONIA Rate**" means, for an Interest Period and in respect of an Interest Determination Date, the rate determined by the Calculation Agent to be Compounded Daily AONIA for that Interest Period and Interest Determination Date plus, if determining the AONIA Rate for the purposes of a fallback from the BBSW Rate, the Adjustment Spread.

"**Applicable Benchmark Rate**" means the Benchmark Rate specified in the relevant Pricing Supplement and, if a Permanent Fallback Effective Date has occurred with respect to the BBSW Rate, AONIA or the RBA Recommended Rate, then the rate determined in accordance with Condition 5.3(b)(iv)(c)(E).

"**BBSW Rate**" means, for an Interest Period, the rate for prime bank eligible securities having a tenor closest to the Interest Period which is designated as the "AVG MID" on the 'Refinitiv Screen ASX29 Page' or the 'Bloomberg Screen BBSW Page' (or any designation which replaces that designation on the applicable page, or any replacement page) at the Publication Time on the first Business Day of that Interest Period.

"**Benchmark Rate**" means, in respect of a Subordinated Debt Instrument, for an Interest Period, either the BBSW Rate or the AONIA Rate as specified in the relevant Pricing Supplement.

"**Bloomberg Adjustment Spread**" means the term adjusted AONIA spread relating to the BBSW Rate provided by Bloomberg Index Services Limited (or a successor provider as approved and/or appointed by ISDA from time to time as the provider of term adjusted AONIA and the spread) ("BISL") on the Fallback Rate (AONIA) Screen (or by other means), or provided to, and published by, authorised distributors where Fallback Rate (AONIA) Screen means the Bloomberg Screen corresponding to the Bloomberg ticker for the fallback for the BBSW Rate accessed via the Bloomberg Screen <FBAK> <GO> Page (or, if applicable, accessed via the Bloomberg Screen <HP> <GO>) or any other published source designated by BISL.

"**Compounded Daily AONIA**" means, with respect to an Interest Period, the rate of return of a daily compound interest investment as calculated by the Calculation Agent on the Interest Determination Date as follows:

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{AONIA_{i-5\ SBD}\times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

where:

$\boldsymbol{AONIA_{i-5SBD}}$ means the per annum rate expressed as a decimal which is the level of AONIA provided by the Administrator and published as of the Publication Time for the Sydney Business Day falling five Sydney Business Days prior to such Sydney Business Day "i";

$\boldsymbol{d}$ is the number of calendar days in the relevant Interest Period;

$\boldsymbol{d_0}$ is the number of Sydney Business Days in the relevant Interest Period;

$\boldsymbol{i}$ is a series of whole numbers from 1 to $\boldsymbol{d_0}$, each representing the relevant Sydney Business Day in chronological order from (and including) the first Sydney Business Day in the relevant Interest Period to (and including) the last Sydney Business Day in such Interest Period;

$\boldsymbol{n_i}$ for any Sydney Business Day "i", means the number of calendar days from (and including) such Sydney Business Day "i" up to (but excluding) the following Sydney Business Day; and

Sydney Business Day or $\boldsymbol{SBD}$ means any day on which commercial banks are open for general business in Sydney.

If, for any reason, Compounded Daily AONIA needs to be determined for a period other than an Interest Period, Compounded Daily AONIA is to be determined as if that period were an Interest Period starting on (and including) the first day of that period and ending on (but excluding) the last day of that period.

"**Fallback Rate**" means, where a Permanent Discontinuation Trigger for an Applicable Benchmark Rate has occurred, the rate that applies to replace that Applicable Benchmark Rate in accordance with Condition (c)(E).

"**Final Fallback Rate**" means, in respect of an Applicable Benchmark Rate, the rate:

(a) determined by the Calculation Agent as a commercially reasonable alternative for the Applicable Benchmark Rate taking into account all available information that, in good faith, it considers relevant, provided that any rate (inclusive of any spreads or adjustments) implemented by central counterparties and / or futures exchanges with representative trade volumes in derivatives or futures referencing the Applicable Benchmark Rate will be deemed to be acceptable for the purposes of this paragraph (a), together with (without double counting) such adjustment spread (which may be a positive or negative value or zero) that is customarily applied to the relevant successor rate or alternative rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for Benchmark Rate-linked floating rate notes at such time (together with such other adjustments to the Business Day Convention, interest

determination dates and related provisions and definitions, in each case that are consistent with accepted market practice for the use of such successor rate or alternative rate for Benchmark Rate-linked floating rate notes at such time), or, if no such industry standard is recognised or acknowledged, the method for calculating or determining such adjustment spread determined by the Calculation Agent (in consultation with the Issuer) to be appropriate; provided that

(b) if and for so long as no such successor rate or alternative rate can be determined in accordance with paragraph (a), the Final Fallback Rate will be the last provided or published level of that Applicable Benchmark Rate.

"**Interest Determination Date**" means, in respect of an Interest Period:

(a) where the BBSW Rate applies or the Final Fallback Rate applies under paragraph 5.3(b)(iv)(E)(iv)(3), the first day of that Interest Period; and

(b) otherwise, the fifth Business Day prior to the last day of that Interest Period.

"**Non-Representative**" means, in respect of an Applicable Benchmark Rate, that the Supervisor of that Applicable Benchmark Rate if the Applicable Benchmark Rate is the BBSW Rate, or the Administrator of the Applicable Benchmark Rate if the Applicable Benchmark Rate is the AONIA Rate or the RBA Recommended Rate:

(a) has determined that such Applicable Benchmark Rate is no longer, or as of a specified future date will no longer be, representative of the underlying market and economic reality that such Applicable Benchmark Rate is intended to measure and that representativeness will not be restored; and

(b) is aware that such determination will engage certain contractual triggers for fallbacks activated by pre-cessation announcements by such Supervisor (howsoever described) in contracts.

"**Permanent Discontinuation Trigger**" means, in respect of an Applicable Benchmark Rate:

(a) a public statement or publication of information by or on behalf of the Administrator of the Applicable Benchmark Rate announcing that it has ceased or that it will cease to provide the Applicable Benchmark Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator or provider, as applicable, that will continue to provide the Applicable Benchmark Rate and, in the case of the BBSW Rate, a public statement or publication of information by or on behalf of the Supervisor of the BBSW Rate has confirmed that cessation;

(b) a public statement or publication of information by the Supervisor of the Applicable Benchmark Rate, the Reserve Bank of Australia (or any successor central bank for Australian dollars), an insolvency

official or resolution authority with jurisdiction over the Administrator of the Applicable Benchmark Rate or a court or an entity with similar insolvency or resolution authority over the Administrator of the Applicable Benchmark Rate which states that the Administrator of the Applicable Benchmark Rate has ceased or will cease to provide the Applicable Benchmark Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator or provider that will continue to provide the Applicable Benchmark Rate and, in the case of the BBSW Rate and a public statement or publication of information other than by the Supervisor, a public statement or publication of information by or on behalf of the Supervisor of the BBSW Rate has confirmed that cessation;

(c) a public statement by the Supervisor of the Applicable Benchmark Rate if the Applicable Benchmark Rate is the BBSW Rate, or the Administrator of the Applicable Benchmark Rate if the Applicable Benchmark Rate is the AONIA Rate or the RBA Recommended Rate, as a consequence of which the Applicable Benchmark Rate will be prohibited from being used either generally, or in respect of the Subordinated Debt Instruments, or that its use will be subject to restrictions or adverse consequences to the Issuer or a Subordinated Debt Instrument Holder;

(d) as a consequence of a change in law or directive arising after the Issue Date of the first Tranche of Subordinated Debt Instruments of a Series, it has become unlawful for the Calculation Agent, the Issuer or any other party responsible for calculations of interest under the Conditions to calculate any payments due to be made to any Subordinated Debt Instrument Holder using the Applicable Benchmark Rate;

(e) a public statement or publication of information by the Supervisor of the Applicable Benchmark Rate if the Applicable Benchmark Rate is the BBSW Rate, or the Administrator of the Applicable Benchmark Rate if the Applicable Benchmark Rate is the AONIA Rate or the RBA Recommended Rate, stating that the Applicable Benchmark Rate is Non-Representative; or

(f) the Applicable Benchmark Rate has otherwise ceased to exist or be administered on a permanent or indefinite basis.

"**Permanent Fallback Effective Date**" means, in respect of a Permanent Discontinuation Trigger for an Applicable Benchmark Rate:

(a) in the case of paragraphs (a) and (b) of the definition of "Permanent Discontinuation Trigger", the first date on which the Applicable Benchmark Rate would ordinarily have been published or provided and is no longer published or provided;

(b) in the case of paragraphs (c) and (d) of the definition of "Permanent Discontinuation Trigger", the date from which use of the Applicable Benchmark Rate is prohibited or becomes subject to restrictions or

adverse consequences or the calculation becomes unlawful (as applicable);

(c) in the case of paragraph (e) of the definition of "Permanent Discontinuation Trigger", the first date on which the Applicable Benchmark Rate would ordinarily have been published or provided but is Non-Representative by reference to the most recent statement or publication contemplated in that paragraph and even if such Applicable Benchmark Rates continues to be published or provided on such date; or

(d) in the case of paragraph (f) of the definition of "Permanent Discontinuation Trigger", the date that event occurs.

"**Publication Time**" means:

(a) in respect of the BBSW Rate, 12.00noon (Sydney time) or any amended publication time for the final intraday refix of such rate specified by the Administrator for the BBSW Rate in its benchmark methodology; and

(b) in respect of AONIA, 4.00pm (Sydney time) or any amended publication time for the final intraday refix of such rate specified by the Administrator for AONIA in its benchmark methodology.

"**RBA Recommended Fallback Rate**" has the same meaning given to AONIA Rate but with necessary adjustments to substitute all references to AONIA with corresponding references to the RBA Recommended Rate.

"**RBA Recommended Rate**" means, in respect of any relevant day (including any day "i"), the rate (inclusive of any spreads or adjustments) recommended as the replacement for AONIA by the Reserve Bank of Australia (which rate may be produced by the Reserve Bank of Australia or another administrator) and as provided by the Administrator of that rate or, if that rate is not provided by the Administrator thereof, published by an authorised distributor in respect of that day.

"**Supervisor**" means, in respect of an Applicable Benchmark Rate, the supervisor or competent authority that is responsible for supervising that Applicable Benchmark Rate or the Administrator of that Applicable Benchmark Rate, or any committee officially endorsed or convened by any such supervisor or competent authority that is responsible for supervising that Applicable Benchmark Rate or the Administrator of that Applicable Benchmark Rate.

"**Supervisor Recommended Rate**" means the rate formally recommended for use as the temporary replacement for the BBSW Rate by the Supervisor of the BBSW Rate.

"**Temporary Disruption Trigger**" means, in respect of any Applicable Benchmark Rate which is required for any determination:

(a) the Applicable Benchmark Rate has not been published by the applicable Administrator or an authorised distributor and is not otherwise provided by the Administrator, in respect of, on, for or by the time and date on which that Applicable Benchmark Rate is required; or

(b) the Applicable Benchmark Rate is published or provided but the Calculation Agent determines that there is an obvious or proven error in that rate.

(v) BKBM Determination for Subordinated Floating Rate Debt Instruments

Where "BKBM Determination" is specified in the relevant Pricing Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate for each Interest Period will, subject as provided below, be the "Bank Bill Benchmark Rate (FRA)" (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) administered by the New Zealand Financial Benchmark Facility (NZFBF) (or any other person that takes over the administration of that rate), having a tenor closest to the relevant Interest Period (the "BKBM Rate"), as set forth on the display page designated on the BKBM Page at or about the BKBM Publication Time in the Relevant Financial Centre on the Interest Determination Date in question plus or minus (as indicated in the relevant Pricing Supplement) the Margin (if any), all as determined by the Determining Person.

If the BKBM Page is not available, or if the BKBM Rate does not appear on the BKBM Page by 11.00 a.m. in the Relevant Financial Centre (or such other time that is 15 minutes after the then prevailing BKBM Publication Time in the Relevant Financial Centre), then the Interest Rate shall be the equivalent rate provided by the NZFBF (or any person that takes over the administration of that rate) (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) at or around 11.00 a.m. in the Relevant Financial Centre (or such other time that is 15 minutes after the then prevailing BKBM Publication Time in the Relevant Financial Centre) on the Interest Determination Date in question plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any) as determined by the Issuer. Any such Interest Rate shall be notified to the Calculation Agent by the Issuer as soon as practicable after its determination.

If the Issuer does not notify the Calculation Agent of the Interest Rate in accordance with the preceding paragraph, the Interest Rate shall be that determined by the Determining Person as at the last preceding Interest Determination Date.

In this Condition 5.3(b)(v):

"**BKBM Page**" means Bloomberg BKBM Page "GDCO 2805 1", or such other page as may replace such page for the purpose of displaying the New Zealand Bank Bill Benchmark Rate;

"**BKBM Publication Time**" means 10.45 a.m. (or such other time at which the BKBM Rate customarily appears on the BKBM Page);

"**Determining Person**" means the Issuer, an affiliate of the Issuer, an alternative calculation agent (other than the Calculation Agent) or an independent financial institution appointed by the Issuer.

"**Interest Determination Date**" shall mean the date specified as such in the relevant Pricing Supplement or if none is so specified, the first day of each Interest Period.

(c) Fallback Interest Rate

(i) Notwithstanding any other provision, except in the case where "BBSW Rate Determination" or "AONIA Rate Determination" is specified in the relevant Pricing Supplement as the manner in which the Interest Rate is to be determined, if the Issuer (acting in good faith and in a commercially reasonable manner) determines that a Benchmark Disruption Event has occurred when any Interest Rate calculated in accordance with Condition 5.3(b)(i) (or the relevant component part thereof) remains to be determined by reference to such Reference Rate affected by the Benchmark Disruption Event, then, subject to the prior written approval of APRA, the following provisions shall apply:

(A) if there is a Successor Rate, then the Calculation Agent shall use such Successor Rate in place of the Reference Rate;

(B) if there is no Successor Rate, but an Alternative Rate has been determined, the Calculation Agent shall use such Alternative Rate in place of the Reference Rate; and

(C) the Calculation Agent may:

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

(2) in respect of a Successor Rate, where no such Adjustment Spread is formally recommended or provided as an option by any Relevant Nominating Body or, in respect of an Alternative Rate, the Independent Adviser or the Issuer (as the case may be), acting in good faith and in a commercially reasonable manner and by reference to such source as it deems appropriate, determines that there is an Adjustment

Spread in customary market usage in the international debt capital markets for transactions which reference the Reference Rate, where such Reference Rate has been replaced by the Successor Rate or Alternative Rate (as the case may be), in accordance with the Issuer's written instructions, apply such Adjustment Spread to the Successor Rate or Alternative Rate (as the case may be) for each subsequent determination of a relevant Interest Rate (or a component part thereof) by reference to such Successor Rate or Alternative Rate; and

(D) the Independent Adviser or the Issuer (as the case may be) may determine (acting in good faith and in a commercially reasonable manner) in its sole discretion, after consulting any source it deems reasonable, the Business Day Convention, the definitions of Business Day, Day Count Fraction, Relevant Screen Page, Relevant Time, Reference Rate and Interest Determination Date and any other relevant methodology for calculating such Successor Rate or Alternative Rate, including any adjustment factor it determines is needed to make such Successor Rate or Alternative Rate comparable to the relevant Reference Rate, in a manner that is consistent with industry-accepted practices for such Successor Rate or Alternative Rate and shall notify the Calculation Agent of such determination.

(ii) Unless otherwise specified in the relevant Pricing Supplement, if:

(A) the Calculation Agent is unable to determine a rate (or, as the case may be, the arithmetic mean of rates); or

(B) the Calculation Agent is unable to use a Successor Rate; or

(C) the Independent Adviser or the Issuer is unable to (or in the case of the Issuer, elects not to) determine the Alternative Rate,

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

(iii) The Issuer may make the necessary modifications to these Conditions to give effect to this Condition 5.3(c) without any requirement for the consent or approval of the Subordinated Debt Instrument Holders or Couponholders (if any) (a "**Benchmark Amendment**").

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

Subordinated Debt Instrument Holders should note that APRA's approval may not be given for any Successor Rate, Alternative Rate, Adjustment Spread or Benchmark Amendment it considers to have the effect of increasing the Interest Rate contrary to applicable prudential standards.

For the purposes of this Condition 5.3(c):

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

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

(a) determined at the request of the Issuer by the Independent Adviser (acting in good faith and in a commercially reasonable manner) in its sole discretion; or

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

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

(i) the most comparable alternative rate to the relevant Reference Rate; and

(ii) used in place of the Reference Rate in customary market usage in the international debt capital markets,

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

"**Benchmark Disruption Event**" means:

(a) the relevant Reference Rate specified in the Pricing Supplement has ceased to be published on the Relevant Screen Page as a result of such benchmark ceasing to be calculated or administered; or

(b) the Issuer determines after consulting with the Independent Adviser (if so appointed) that, a change in the generally accepted market practice in the international debt capital markets to refer to a Reference Rate is endorsed in a public statement or publication of information by a Relevant Nominating Body despite the continued existence of the applicable Reference Rate.

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

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

(a) the central bank for the currency to which the Reference Rate relates, or any central bank or other supervisory authority which is responsible for administering or supervising the administrator of the Reference Rate; or

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

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

(d) Rounding

For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of Yen, which shall be rounded down to the nearest Yen. For these purposes "unit" means the lowest amount of such currency that is available as legal tender in the country of such currency.

(e) Determination of the Interest Rate and 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 (or other Interest Accrual Period) in respect of the nominal amount of each denomination of such Subordinated Debt Instruments. The amount of interest payable will be calculated by multiplying the product of the Interest Rate for such Interest Period and the outstanding nominal amount by the applicable Day Count Fraction and rounding the resultant figure to the nearest unit of the currency in which the relevant Subordinated Debt Instruments are denominated or, as the case may be, in which such interest is payable (an amount equal to or above one half of any such unit being rounded upwards).

5.4 Interest – other rates

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

5.5 Interest – supplemental provisions

(a) Interest Payment Dates and Interest Periods

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

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

Except where the Reference Rate is specified in the relevant Pricing Supplement as being "Compounded Daily SONIA", "SONIA Index Determination", "Average SONIA", "SOFR Arithmetic Mean", "SOFR Delay Compound", "SOFR Index Compound", "SOFR Lockout Compound", "SOFR Lookback Compound" or "SOFR Shift Compound", the Calculation Agent will cause each Interest Rate, the amount of interest payable, (in respect of Condition 5.3(c)) the fallback interest rate or any relevant adjustments and each other amount, item or date, as the case may be, determined or calculated by it to be notified to the Issuer and, in the case of Subordinated Bearer Debt Instruments, the I&P Agent or, in the case of Subordinated Registered Debt Instruments, the relevant Registrar, or where Subordinated Debt Instruments are listed on a stock exchange, the relevant listing authority (to the extent required by, and in accordance with the rules of, the relevant listing authority) and to be notified to Subordinated Debt Instrument Holders in accordance with Condition 19 as soon as practicable after such determination or calculation but in any event not later than the fourth Banking Day in the Relevant Financial Centre 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.

Where the Reference Rate is specified in the relevant Pricing Supplement as being "Compounded Daily SONIA", "SONIA Index Determination", "Average SONIA", "SOFR Arithmetic Mean", "SOFR Delay Compound", "SOFR Index Compound", "SOFR Lockout Compound", "SOFR Lookback Compound" or "SOFR Shift Compound", the Calculation Agent, will cause the Interest Rate and each Interest Amount for each SONIA Interest Accrual Period or SOFR Interest Accrual Period (as applicable) and the relevant Interest Payment Date to be notified to (i) the Issuer, and (ii) to any Relevant Securities Exchange, in each case, to be published in accordance with Condition 19 as soon as possible after their determination but in no event later than the second (a) (where the Reference Rate is specified in the relevant Pricing Supplement as being "Compounded Daily SONIA", "SONIA Index Determination" or "Average SONIA") London Banking Day (as defined in Condition 5.3(b)(ii) above); or (b) (where the Reference Rate is specified in the relevant Pricing Supplement as

being "SOFR Arithmetic Mean", "SOFR Delay Compound", "SOFR Index Compound", "SOFR Lockout Compound", "SOFR Lookback Compound" or "SOFR Shift Compound") U.S. Government Securities Business Day (as defined in Condition 5.3(b)(iii) above), thereafter. Each Interest Rate, Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the relevant SONIA Interest Accrual Period or SOFR Interest Accrual Period (as applicable). Any such amendment or alternative arrangements will promptly be notified by the Calculation Agent to the Issuer and to any Relevant Securities Exchange and to the Subordinated Debt Instrument Holders in accordance with Condition 19.

(c) Determination final

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

(d) Accrual of interest

Interest shall accrue on the outstanding nominal amount of each Subordinated Debt Instrument or as otherwise specified in the relevant Pricing Supplement. Interest will cease to accrue as from the due date for redemption of a Subordinated Debt Instrument unless (except in the case of any payment where presentation and/or surrender of the relevant Subordinated Debt Instrument is not required as a precondition of payment) upon due presentation and/or surrender of the relevant Subordinated Debt Instrument, the relevant payment is not made in which case interest will continue to accrue thereon (after as well as before any demand or judgment) at the rate then applicable to the outstanding nominal amount of the Subordinated Debt Instruments or such other default rate (if any) as may be specified in the relevant Pricing Supplement until the date on which, upon (except in the case where presentation and/or surrender of the relevant Subordinated Debt Instrument is not required as a precondition of payment) due presentation and/or surrender of the relevant Subordinated Debt Instrument, the relevant payment is made or, if earlier (except in the case where presentation and/or surrender of the relevant Subordinated Debt Instrument is not required as a precondition of payment), the seventh day after the date on which, the I&P Agent or, as the case may be, the relevant Registrar having received the funds required to make such payment, notice of that circumstance is given to the Subordinated Debt Instrument Holder in accordance with Condition 19 (except to the extent that there is failure in the subsequent payment thereof to the relevant Subordinated Debt Instrument Holder).

(e) Business Day Convention

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

(i) the "**Floating Rate Convention**", such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event:

(A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day; and

(B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the number of months or other period specified as the Interest Period in the relevant Pricing Supplement after the preceding applicable Interest Payment Date occurred; or

(ii) the "**Following Business Day Convention**", such Interest Payment Date shall be postponed to the next day which is a Business Day; or

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

(iv) the "**Preceding Business Day Convention**", such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

(v) "**No Adjustment**", such Interest Payment Date shall not be adjusted in accordance with any Business Day Convention.

(f) Day Count Fraction

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

(i) if "**Actual/365**" or "**Actual/Actual**" is specified in the relevant Pricing Supplement, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(ii) if "**Actual/365 (Fixed)**" is specified in the relevant Pricing Supplement, the actual number of days in the Interest Period divided by 365;

(iii) if "**Actual/360**" is specified in the relevant Pricing Supplement, the actual number of days in the Interest Period divided by 360;

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

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

where:

"Y_1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

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

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

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D2 will be 30;

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

(A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366; and

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

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

(A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (A) the number of days in such Determination Period and (B) the number of Determination Periods normally ending in any year; and

(B) if the Calculation Period is longer than one Determination Period, the sum of:

(1) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (aa) the number of days in such Determination Period and (ab) the number of Determination Periods normally ending in any year; and

(2) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (aa) the number of days in such Determination Period and (ab) the number of Determination Periods normally ending in any year,

where:

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

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

6 Redemption and Purchase

6.1 Redemption

Unless previously redeemed in full, Exchanged in full, Written-Off in full or otherwise cancelled in full, each Subordinated Debt Instrument will be redeemed on its maturity date as specified in the relevant Pricing Supplement ("**Maturity Date**") at its Redemption Amount. The Maturity Date shall be no earlier than the fifth anniversary of the Issue Date.

6.2 Redemption at the option of the Issuer

Unless previously redeemed in full, Exchanged in full, Written-Off in full or otherwise cancelled in full, with the prior written approval of APRA, the Issuer may 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 Subordinated Debt Instrument Holders in accordance with Condition 19 (which notice must comply with the following paragraph) (an "**Early Redemption Notice**") redeem all or some of the Subordinated Debt Instruments:

(a) on the date or dates (if any) specified in the relevant Pricing Supplement for the purposes of this paragraph (each, an "**Optional Redemption Date**"); or

(b) following the occurrence of a Tax Event or a Regulatory Event,

in each case, at their Redemption Amount. An Optional Redemption Date shall be no earlier than the fifth anniversary of the Issue Date.

The Early Redemption Notice shall specify:

(c) the Series of Subordinated Debt Instruments subject to redemption;

(d) whether such Series is to be redeemed in whole or in part only and, if in part only, the aggregate nominal amount of the Subordinated Debt Instruments of the relevant Series which are to be redeemed;

(e) the due date for redemption (the "**Early Redemption Date**");

(f) the Redemption Amount; and

(g) where redemption is on account of the occurrence of a Tax Event or a Regulatory Event, the facts constituting the Tax Event or a Regulatory Event to which the Redemption Amount relates.

In the case of a partial redemption of Subordinated Debt Instruments (other than Australian Domestic Notes), the Subordinated Debt Instruments to be redeemed will be selected by the I&P Agent (or in the case of a Tranche represented wholly by Subordinated Registered Debt Instruments, the Euro Registrar), as directed by the Issuer, and in the case of a partial redemption of Australian Domestic Notes, the Australian Domestic Notes to be so redeemed will be selected by the Issuer in a fair and reasonable manner as determined by the Issuer and in compliance with any law, directive or requirement of any clearing system in which the Subordinated Debt Instruments are held. In each case, notice of the Subordinated Debt Instruments called for redemption (together with the serial numbers thereof, where applicable) will be published in accordance with Condition 19 not less than 15 days prior to the date fixed for redemption.

6.3 Effect of an Early Redemption notice

Subject to Condition 7.11, an Early Redemption Notice is irrevocable and obliges the Issuer, subject to the Solvency Condition, to redeem the aggregate nominal amount of Subordinated Debt Instruments specified in the Early Redemption Notice on the Early Redemption Date, by payment of the Redemption Amount in respect of each Subordinated Debt Instrument to be redeemed.

6.4 No early redemption at the option of Subordinated Debt Instrument Holders

A Subordinated Debt Instrument Holder cannot require the Issuer to redeem all or some of the Subordinated Debt Instruments held by that Subordinated Debt Instrument Holder before their Maturity Date.

6.5 Effect of redemption

Upon payment of the Redemption Amount in respect of a redemption of a Subordinated Debt Instrument, all of the Subordinated Debt Instrument Holder's rights in relation to that Subordinated Debt Instrument will be immediately and irrevocably terminated.

6.6 Purchases

Subject to APRA's prior written approval, the Issuer or any of its Related Entities may at any time purchase Subordinated Debt Instruments, Coupons or Talons (provided that, in the case of interest-bearing Subordinated Bearer Debt Instruments, all unmatured Coupons and unexchanged Talons appertaining thereto are attached or surrendered therewith) at any price in the open market or otherwise. Such Subordinated Debt Instruments may be held, reissued, resold or, at the option of the Issuer, or in the case of Subordinated Debt Instruments which are not in the form of Australian Domestic Notes, surrendered to the I&P Agent for cancellation.

6.7 Cancellation

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

In the case of Australian Domestic Notes, Subordinated Debt Instruments redeemed or purchased by or on behalf of the Issuer will be cancelled without any further action being required.

6.8 Early redemption and repurchase restrictions

The Issuer may only elect to redeem Subordinated Debt Instruments under Condition 6.2, and the Issuer or any of its Related Entities may only elect to purchase Subordinated Debt Instruments under Condition 6.6, if either:

(a) the Subordinated Debt Instruments to be redeemed or repurchased are replaced (concurrently with the redemption or repurchase or beforehand) with a capital instrument of the same or better quality, and the replacement or repurchase of those Subordinated Debt Instruments is done under conditions which are sustainable for the income capacity of the Issuer Level 1 Group and the Issuer Level 2 Group; or

(b) the Issuer obtains confirmation from APRA that APRA is satisfied that the capital positions of the Issuer Level 1 Group and the Issuer Level 2 Group are sufficient after the Subordinated Debt Instruments are redeemed or repurchased.

Subordinated Debt Instrument Holders should not expect that APRA's approval will be given for any early redemption or purchase of Subordinated Debt Instruments under these Conditions.

7 Exchange on Non-Viability Event

7.1 Non-Viability Event

(a) A "**Non-Viability Event**" will occur when APRA:

(i) issues a written notice to the Issuer that it is necessary that Relevant Securities (including the Subordinated Debt Instruments) be subject to Loss Absorption because, without such Loss Absorption, APRA considers that the Issuer would become non-viable; or

(ii) notifies the Issuer in writing that it has determined that without a public sector injection of capital, or equivalent support, the Issuer would become non-viable.

(b) If a Non-Viability Event occurs, on the date (whether or not a Business Day) on which a Non-Viability Event occurs ("**Non-Viability Date**") such aggregate nominal amount of the Subordinated Debt Instruments shall be immediately Exchanged as is equal (following or together with any Loss Absorption in respect of other Relevant Securities) to:

(i) the aggregate nominal amount of Relevant Securities that APRA has notified the Issuer must be subject to Loss Absorption to satisfy APRA that the Issuer will not become non-viable; or

(ii) if APRA has not so notified the Issuer, such aggregate nominal amount of Subordinated Debt Instruments determined by the Issuer in accordance with Condition 7.2 as would satisfy APRA that the Issuer will not become non-viable,

provided, however, that in the case of a Non-Viability Event described in Condition 7.1(a)(ii), the aggregate outstanding nominal amount of all Subordinated Debt Instruments shall be Exchanged in full. No Subordinated Debt Instrument or portion thereof can, or will, be Exchanged at the option of a Subordinated Debt Instrument Holder.

7.2 Consequences of a Non-Viability Event

(a) If a Non-Viability Event occurs and only some Subordinated Debt Instruments are required to be Exchanged, the Issuer will determine the aggregate nominal amount of Subordinated Debt Instruments which must be Exchanged in accordance with Condition 7.1 in accordance with the following:

(i) first, all Relevant Tier 1 Securities shall be subject to Loss Absorption; and

(ii) secondly, if such Loss Absorption in respect of all Relevant Tier 1 Securities is not sufficient to satisfy the requirements of Condition 7.1(a)(i) and provided that, as a result of that Loss Absorption, APRA has not withdrawn its determination in connection with the Non-Viability Event:

(A) the Issuer shall Exchange an aggregate outstanding nominal amount of Subordinated Debt Instruments; and

(B) other Relevant Tier 2 Securities shall be subject to Loss Absorption,

on an approximately proportionate basis (unless the terms of any such Relevant Tier 2 Security provide for any Loss Absorption to occur other than on a proportionate basis) or on such other basis as the Issuer considers fair and reasonable, provided, however, that such determination must not impede or delay the immediate Exchange of the relevant aggregate nominal amount of Subordinated Debt Instruments.

(b) If a Non-Viability Event occurs, the Issuer shall determine the Subordinated Debt Instruments or portions thereof as to which Exchange is to take effect and in making that determination may make any decisions with respect to the identity of the Subordinated Debt Instrument Holders at that time as may be necessary or desirable to ensure Exchange occurs in an orderly manner, including disregarding any transfers of Subordinated Debt Instruments that have not been settled or registered at that time.

(c) If only some Subordinated Debt Instruments are to be Exchanged, the Issuer will endeavour to treat Subordinated Debt Instrument Holders on an approximately proportionate basis or on such other basis as the Issuer considers fair and reasonable, but may discriminate to take account of the effect of marketable parcels, whole numbers of MGL Ordinary Shares and authorised denominations of any Subordinated Debt Instruments or other Relevant Securities remaining on issue and other similar considerations and the need to effect the Exchange immediately.

(d) For the purposes of the foregoing subsections, where the specified currency of the nominal amount of Relevant Tier 2 Securities is not the same for all Relevant Tier 2 Securities, the Issuer may treat them as if converted into a single currency of the Issuer's choice at such rate of exchange as the Issuer in good faith considers reasonable.

7.3 Non-Viability Notice

The Issuer must give notice of its determination pursuant to Condition 7.2(a) (a "**Non-Viability Notice**") as soon as practicable to Subordinated Debt Instrument Holders, which must specify:

(a) the Non-Viability Date;

(b) the aggregate nominal amount of the Subordinated Debt Instruments that have been, or are to be, Exchanged; and

(c) the relevant number or nominal amount of other Relevant Securities that have been, or are to be subject to Loss Absorption.

7.4 Write-Off

Notwithstanding any other provisions of this Condition 7, if for any reason an Exchange has not occurred in respect of any Subordinated Debt Instrument within 5 Business Days of a Non-Viability Date, then such Exchange will not occur and each Subordinated Debt Instrument which, but for Condition 7.4, would be required to be Exchanged, will be Written-Off. The Issuer must give notice to holders of affected Subordinated Debt Instruments if an Exchange has not occurred by operation of this Condition (a "**Write-Off Notice**"), but failure to give that notice shall not affect the operation of this subsection.

7.5 Subordinated Debt Instrument Holder acknowledgements

(a) Nothing shall prevent, impede or delay any Exchange or Write-Off of Subordinated Debt Instruments as required by Conditions 7.1, 7.2 or 7.4, including, without limitation, the following events:

(i) any failure or delay in any Loss Absorption in respect of any other Relevant Securities;

(ii) any failure or delay in giving a Non-Viability Notice or Write-Off Notice;

(iii) any failure or delay in quotation of the MGL Ordinary Shares to be issued on or arising from the Exchange;

(iv) any requirement to select or adjust the aggregate outstanding nominal amount of Subordinated Debt Instruments to be Exchanged or Written-Off in accordance with Conditions 7.1, 7.2 or 7.4;

(v) any failure or delay by a Subordinated Debt Instrument Holder or any other party to comply with the provisions of Condition 7.7; and

(vi) any obligation of the Issuer to treat Subordinated Debt Instrument Holders proportionately or any right to make determinations or adjustments in accordance with Condition 7.2(c).

(b) Each Subordinated Debt Instrument Holder, by its purchase or holding of an interest in such Subordinated Debt Instruments irrevocably acknowledges and agrees that:

(i) the Issuer intends that the Subordinated Debt Instruments constitute Tier 2 Capital and that they shall be able to absorb losses at the point of non-viability as described in APRA's prudential standards and guidelines and that the Subordinated Debt Instruments are subject to Exchange or Write-Off in accordance with this Condition 7, which is a fundamental term of these Conditions;

(ii) Loss Absorption must occur immediately on the Non-Viability Date and that may result in disruption or failures in trading or dealings in the Subordinated Debt Instruments;

(iii) no conditions or events will affect the operation of this Condition 7 and Subordinated Debt Instrument Holders will not have any rights to vote in respect of any Subordinated Debt Instruments or portions thereof that are Exchanged or Written-Off under this Condition 7;

(iv) any failure or delay in the completion of any procedure, formality or other matter connected with the Exchange or Writing-Off of a Subordinated Debt Instrument held by the Subordinated Debt Instrument Holder pursuant to this Condition 7 shall not prevent, impede or delay the Write-Off of such Subordinated Debt Instrument (which shall be deemed to have occurred immediately with effect on and from the Non-Viability Date, notwithstanding such failure or delay);

(v) it consents to becoming a member of MGL and agrees to be bound by the constitution of MGL upon an Exchange;

(vi) it agrees to the application of payments and issue of MGL Ordinary Shares as provided by this Condition 7 and Condition 8 hereto in respect of its Subordinated Debt Instruments upon an Exchange, notwithstanding anything which might otherwise affect the Exchange including, without limitation:

(A) any change in the financial position of the Issuer, MGL or the Macquarie Group since the Issue Date;

(B) any disruption to the market or potential market for the MGL Ordinary Shares or to capital markets generally;

(C) it being impossible or impracticable to list the MGL Ordinary Shares on ASX; or

(D) it being impossible or impracticable to sell or otherwise dispose of the MGL Ordinary Shares;

(vii) if an Exchange does not occur in the circumstances contemplated in Condition 7.4, each Subordinated Debt Instrument subject to such Exchange will be Written-Off;

(viii) it will provide the Issuer and MGL with (i) its name and address (or the name and address of any person in whose name it directs the MGL Ordinary Shares to be issued) for entry into any register of title and receipt of any certificate or holding statement in respect of any MGL Ordinary Shares (ii) the Subordinated Debt Instrument Holder's security account details in CHESS or such other account to which the MGL Ordinary Shares may be credited and (iii) such other information as is reasonably requested by the Issuer for the purposes of enabling it to issue the Exchange Number of MGL Ordinary Shares to the Subordinated Debt Instrument Holder. Neither the Issuer nor MGL has any duty to seek or obtain such information;

(ix) it has no right to request an Exchange of or payment in respect of the Exchange of a Subordinated Debt Instrument or to determine whether (or in what circumstances) the Subordinated Debt Instruments it holds are Exchanged;

(x) it has no remedies on account of a failure by MGL or any Related Body Corporate:

(A) to make any payment in respect of an Exchange;

(B) to issue MGL Ordinary Shares as required in respect of an Exchange other than (and subject always to Condition 7.4) to seek specific performance of the obligation to issue the MGL Ordinary Shares; or

(C) to perform any of the Related Exchange Steps;

(xi) prior to an Exchange, a Subordinated Debt Instrument does not create or confer any voting rights in respect of any member of the Macquarie Group; and

(xii) subject to applicable law, it is not entitled to be provided with copies of any notices of general meetings of the Issuer or MGL or any other documents (including annual reports and financial statements) sent by the Issuer or MGL to holders of ordinary shares or other securities (if any) in the Issuer or MGL.

7.6 Power of attorney

Each Subordinated Debt Instrument Holder, by its purchase or holding of an interest in such Subordinated Debt Instruments irrevocably:

(a) appoints each of MGL, the Issuer, any Sale Agent, their respective duly authorised officers and any liquidator, administrator, statutory manager or other similar official of MGL or the Issuer (each an "**Appointed Person**") severally to be the attorneys of the Subordinated Debt Instrument Holder and the agents of the Subordinated Debt Instrument Holder, with the power in the name and on behalf of the Subordinated Debt Instrument Holder to:

(i) do all such acts and things (including, without limitation, signing all documents, instruments or transfers or instructing CHESS) as may, in the opinion of the Appointed Person, be necessary or desirable to be done in order to give effect to, record or perfect an Exchange or Write-Off (as applicable) in accordance with this Condition 7 and Condition 8;

(ii) do all other things which an Appointed Person reasonably believes to be necessary or desirable to give effect to the Conditions; and

(iii) appoint in turn its own agent or delegate; and

(b) authorises and directs the Issuer and/or the relevant Registrar to make such entries in the relevant Register, including amendments and additions to the relevant Register, which the Issuer and/or the relevant Registrar may consider necessary or desirable to record an Exchange or Write-Off (as applicable).

The power of attorney given in this Condition 7.6 is given for valuable consideration and to secure the performance by the Subordinated Debt Instrument Holder of the holder's obligations under the Conditions, is irrevocable and shall survive and not be affected by the subsequent disability or incapacity of the holder (or, if such holder is an entity, by its dissolution or termination). An Appointed Person shall have no liability in respect of any acts duly performed in accordance with power of attorney given in this Condition 7.6.

7.7 Partial Exchange or Write-Off

For any Subordinated Debt Instrument which is to be Exchanged or Written-Off only in part:

(a) for the purposes of the transfer of that portion of that Subordinated Debt Instrument to MGL in accordance with Condition 8.1(a), the nominal amount of that Subordinated Debt Instrument to be Exchanged (the "**Exchanged Portion**") and the nominal amount of that Subordinated Debt Instrument that is not to be Exchanged (the "**Remaining Portion**") shall each be deemed to be a separate Subordinated Debt Instrument, with a nominal amount:

(i) in the case of the Subordinated Debt Instrument referable to the Exchanged Portion, equal to the nominal amount required to be Exchanged; and

(ii) in the case of the Subordinated Debt Instrument referable to the Remaining Portion, equal to the nominal amount not required to be exchanged (such amount being the "**Reduced Nominal Amount**");

(b) the Subordinated Debt Instrument referable to the Exchanged Portion shall be Exchanged in accordance with Condition 8; and

(c) in respect of the Subordinated Debt Instrument referable to the Remaining Portion:

(i) any amount payable in respect of the Subordinated Debt Instrument (including interest, principal or otherwise and any amount provable in a Winding-Up) on a date following the Non-Viability Event Date will be reduced and calculated on the basis of the Reduced Nominal Amount (this includes, where such Subordinated Debt Instrument is a Subordinated Bearer Debt Instrument, any amount payable in respect of a Coupon presented after such date); and

(ii) the voting entitlement of that Subordinated Debt Instrument Holder in respect of that Subordinated Debt Instrument will be adjusted and calculated on the basis of the Reduced Nominal Amount of that Subordinated Debt Instrument.

7.8 Presentation and surrender of Subordinated Debt Instruments subject to Exchange or Write-Off

(a) If a Subordinated Debt Instrument to which Condition 7.7 applies is a Subordinated Bearer Debt Instrument or a certificated Subordinated Registered Debt Instrument, the Subordinated Debt Instrument Holder must:

(i) in the case of a Subordinated Bearer Debt Instrument, immediately present and surrender the Subordinated Debt Instrument at the specified office of;

(A) in the case of a Subordinated Bearer Debt Instrument in definitive form, the I&P Agent;

(B) in the case of a Subordinated Bearer Debt Instrument that is represented by a Subordinated Global Debt Instrument, the I&P Agent;

(ii) in the case of a Subordinated Debt Instrument that is a Subordinated Registered Debt Instrument in certificated form, immediately present and surrender the certificate at the specified office of the relevant Registrar; and

(b) where such Subordinated Debt Instrument is converted or Written-Off in full, the I&P Agent or the relevant Registrar (as the case may be) shall cancel or arrange for the cancellation of such Subordinated Debt Instrument; and

(c) where such Subordinated Debt Instrument is converted or Written-Off in part, the I&P Agent or the relevant Registrar (as the case may be) shall:

(i) where such Subordinated Debt Instrument is represented by a Subordinated Global Debt Instrument, endorse or arrange for the endorsement of the Subordinated Global Debt Instrument to reflect the reduction in the nominal amount to the Remaining Portion; and

(ii) where such Subordinated Debt Instrument is in definitive form, cancel or arrange for the cancellation of the Subordinated Debt Instrument and deliver or arrange for the delivery of a new Subordinated Definitive Debt Instrument reflecting the nominal amount of the Remaining Portion,

but no failure or delay in such presentation and surrender, cancellation, endorsement or issue shall prevent, impede or delay the Exchange or Write-Off of any Subordinated Debt Instruments required by Condition 7.

In this Condition 7.8, a reference to a Subordinated Bearer Debt Instrument includes a reference to any Coupons and Talons relating to that Subordinated Bearer Debt Instrument, attached or otherwise.

7.9 Obligations of MGL

MGL irrevocably undertakes for the benefit of Subordinated Debt Instrument Holders:

(a) to perform its obligations relating to an Exchange (including in connection with the issue and delivery of MGL Ordinary Shares) as provided in these Conditions;

(b) to use all reasonable endeavours to procure quotation of the MGL Ordinary Shares issued or arising from an Exchange on ASX. Each holder of Subordinated Debt Instruments so Exchanged agrees not to trade MGL Ordinary Shares issued on an Exchange (except as permitted by the Corporations Act, other applicable laws and the ASX Listing Rules) until MGL has taken such steps as are required by the Corporations Act, other applicable laws and the ASX Listing Rules for the MGL Ordinary Shares to be freely tradable without further disclosure or other action and agrees that MGL may impose a holding lock or refuse to register a transfer in respect of MGL Ordinary Shares until such time;

(c) to ensure that the MGL Ordinary Shares issued or arising from an Exchange will rank equally with all other fully paid MGL Ordinary Shares;

(d) from the applicable Non-Viability Date, subject to Conditions 7.4 and 7.5(b)(x) to treat the Subordinated Debt Instrument Holder in respect of its Subordinated Debt Instruments as the holder of the Exchange Number of MGL Ordinary Shares and will take all such steps, including updating any register, required to record the Exchange; and

(e) otherwise to comply with the Conditions.

7.10 Timing of Non-Viability Event

A Non-Viability Event takes effect, and the Issuer must perform the obligations in respect of the relevant determination, immediately on the Non-Viability Date, whether or not such day is a Business Day.

7.11 Priority of Exchange obligations

An Exchange on account of a Non-Viability Event takes place on the relevant date and in the manner required in Condition 8 notwithstanding anything in Conditions 5 or 6 (and any Early Redemption Notice in respect of the Subordinated Debt Instruments given before the Non-

Viability Date but in respect of which Redemption has not completed will be taken to be revoked and of no force or effect).

8 Exchange Mechanics

8.1 Exchange

On a Non-Viability Date, subject to Condition 7.4, each of the events described in this Condition 8.1 shall occur in respect of any Subordinated Debt Instrument to be Exchanged (including where a Subordinated Debt Instrument is to be Exchanged in part, the Subordinated Debt Instrument arising in respect of the Exchanged Portion in accordance with Condition 7.7).

(a) The rights of each Subordinated Debt Instrument Holder of each relevant Subordinated Debt Instrument (including to payment of interest, principal or otherwise) in relation to the nominal amount of that Subordinated Debt Instrument will be automatically and irrevocably transferred free from any Encumbrance to MGL or an Approved Nominee for an amount payable by MGL equal to the outstanding nominal amount of that Subordinated Debt Instrument and MGL will apply that outstanding nominal amount by way of payment for subscription for the MGL Ordinary Shares to be allotted and issued under Condition 8.1(b). Each Subordinated Debt Instrument Holder is taken to have irrevocably directed that any amount payable under this Condition 8.1(a) is to be applied as provided for in Condition 8.1(b) and no such Subordinated Debt Instrument Holder (or other person claiming through a Subordinated Debt Instrument Holder) has any right to payment in any other way.

(b) MGL will allot and issue the Exchange Number of MGL Ordinary Shares to the Subordinated Debt Instrument Holder (or as they may direct) for a subscription price equal to the outstanding nominal amount of that Subordinated Debt Instrument. The "**Exchange Number**" will be calculated by the Issuer in accordance with the following formula:

$$\text{Exchange Number} = \frac{\text{Exchange Amount}}{0.99 \times \text{Non-Viability Date VWAP}}$$

subject to the Exchange Number being no greater than the Maximum Exchange Number.

(c) The "**Maximum Exchange Number**" will be calculated by the Issuer on the Issue Date in accordance with the following formula:

$$\text{Maximum Exchange Number} = \frac{\text{Exchange Amount}}{\text{Exchange Floor Price}}$$

(d) If the total number of MGL Ordinary Shares to be allotted to a Subordinated Debt Instrument Holder in respect of their aggregate holding of Subordinated Debt Instruments or portions thereof upon Exchange includes a fraction of an MGL Ordinary Share, that fraction of an MGL Ordinary Share will be disregarded.

(e) All rights to payment of interest or any other amount owing, both in the future and as accrued but unpaid as at the Non-Viability Date, in relation to such Subordinated Debt

Instrument transferred will be immediately and irrevocably terminated for no other consideration.

(f) As agreed between, amongst others, MGL and the Issuer under the Implementation Deed, MGL, the Issuer and their Related Bodies Corporate will deal with the Subordinated Debt Instruments or portions thereof being Exchanged so that fully paid ordinary shares in the capital of the Issuer are issued to, or as directed by, MGL or to a Related Body Corporate of MGL nominated by MGL (which is a holding company of the Issuer and which itself issues ordinary shares to, or as directed by, MGL), for an aggregate Issue Price equal to the aggregate Exchange Amount and the Subordinated Debt Instruments transferred to MGL or to an Approved Nominee in accordance with this Condition 8.1 shall be redeemed and cancelled (the "**Related Exchange Steps**").

8.2 Adjustments to VWAP

For the purposes of calculating VWAP under these Conditions:

(a) where, on some or all of the ASX Trading Days in the relevant VWAP Period, MGL Ordinary Shares have been quoted on ASX as cum dividend or cum any other distribution or entitlement and the Subordinated Debt Instruments or portions thereof will be Exchanged for MGL Ordinary Shares after the date those MGL Ordinary Shares no longer carry that dividend or any other distribution or entitlement, then the VWAP on the ASX Trading Days on which those MGL Ordinary Shares have been quoted cum dividend or cum any other distribution or entitlement shall be reduced by an amount ("**Cum Value**") equal to:

(i) in case of a dividend or other distribution, the amount of that dividend or other distribution including, if the dividend or other distribution is franked, the amount that would be included in the assessable income of a recipient of the dividend or other distribution who is both a resident of Australia and a natural person under the Tax Act and eligible to receive a franked distribution;

(ii) in the case of any other entitlement that is not a dividend or other distribution under Condition 8.2(a)(i) and which is traded on ASX on any of those ASX Trading Days, the volume weighted average sale price of all such entitlements sold on ASX during the VWAP Period on the ASX Trading Days on which those entitlements were traded; or

(iii) in the case of any other entitlement which is not traded on ASX during the VWAP Period, the value of the entitlement as reasonably determined by the Issuer; and

(b) where, on some or all of the ASX Trading Days in the VWAP Period, MGL Ordinary Shares have been quoted on ASX as ex dividend or ex any other distribution or entitlement, and the Subordinated Debt Instruments or portions thereof will be Exchanged for MGL Ordinary Shares which would be entitled to receive the relevant dividend or other distribution or entitlement, the VWAP on the ASX Trading Days on which those MGL Ordinary Shares have been quoted ex dividend or ex any other distribution or entitlement shall be increased by the Cum Value.

8.3 Adjustments to VWAP for divisions and similar transactions

(a) Where during the relevant VWAP Period there is a change in the number of the MGL Ordinary Shares on issue as a result of a Reclassification, in calculating the VWAP for that VWAP Period the Daily VWAP applicable on each day in the relevant VWAP Period which falls before the date on which trading in MGL Ordinary Shares is conducted on a post Reclassification basis shall be adjusted by multiplying the VWAP by the following fraction:

$$\frac{\mathrm{A}}{\mathrm{B}}$$

where:

"**A**" means the aggregate number of MGL Ordinary Shares immediately before the Reclassification; and

"**B**" means the aggregate number of MGL Ordinary Shares immediately after the Reclassification.

(b) Any adjustment to VWAP made by the Issuer in accordance with Condition 8.2 or Condition 8.3(a) will be effective and binding on Subordinated Debt Instrument Holders and the Conditions will be construed accordingly. Any such adjustment must be notified to all Subordinated Debt Instrument Holders as soon as reasonably practicable following its determination by the Issuer.

8.4 Adjustments to Issue Date VWAP

For the purposes of determining the Issue Date VWAP, adjustments to VWAP will be made in accordance with Condition 8.2 or Condition 8.3 during the period for determining the Issue Date VWAP. On and from the Issue Date, adjustments to the Issue Date VWAP:

(a) may be made in accordance with Condition 8.5 or Condition 8.6; and

(b) if so made, will correspondingly cause an adjustment to the Maximum Exchange Number.

8.5 Adjustments to Issue Date VWAP for bonus issues

(a) Subject to Condition 8.5(b), if MGL makes a pro rata bonus issue of MGL Ordinary Shares to holders of MGL Ordinary Shares generally, the Issue Date VWAP will be adjusted immediately in accordance with the following formula:

$$V = V_0 \times \frac{\mathrm{RD}}{\mathrm{RD} + \mathrm{RN}}$$

where:

"**V**" means the Issue Date VWAP applying immediately after the application of this formula;

"**V_0**" means the Issue Date VWAP applying immediately prior to the application of this formula;

"**RN**" means the number of MGL Ordinary Shares issued pursuant to the bonus issue; and

"**RD**" means the number of MGL Ordinary Shares on issue immediately prior to the allotment of new MGL Ordinary Shares pursuant to the bonus issue.

(b) Condition 8.5(a) does not apply to MGL Ordinary Shares issued as part of a bonus share plan, employee or executive share plan, executive option plan, share top up plan, share purchase plan or a dividend reinvestment plan.

(c) For the purpose of Condition 8.5(a) an issue will be regarded as a pro rata issue notwithstanding that MGL does not make offers to some or all holders of MGL Ordinary Shares with registered addresses outside Australia, provided that in so doing MGL is not in contravention of the ASX Listing Rules.

(d) No adjustments to the Issue Date VWAP will be made under this Condition 8.5 for any offer of MGL Ordinary Shares not covered by Condition 8.5(a), including a rights issue or other essentially pro rata issue.

(e) The fact that no adjustment is made for an issue of MGL Ordinary Shares except as covered by Condition 8.5(a) shall not in any way restrict MGL from issuing MGL Ordinary Shares at any time on such terms as it sees fit nor be taken to constitute a modification or variation of rights or privileges of Subordinated Debt Instrument Holders or otherwise requiring any consent or concurrence of Subordinated Debt Instrument Holders.

8.6 Adjustment to Issue Date VWAP for divisions and similar transactions

(a) If at any time after the Issue Date there is a change in the number of MGL Ordinary Shares on issue as a result of a Reclassification, the Issuer will adjust the Issue Date VWAP by multiplying the Issue Date VWAP applicable on the Business Day immediately before the date of any such Reclassification by the following fraction:

$$\frac{A}{B}$$

where:

"**A**" means the aggregate number of MGL Ordinary Shares immediately before the Reclassification; and

"**B**" means the aggregate number of MGL Ordinary Shares immediately after the Reclassification.

(b) Each Subordinated Debt Instrument Holder acknowledges that MGL may consolidate, divide or reclassify securities so that there is a lesser or greater number of MGL Ordinary Shares at any time in its absolute discretion without any such action constituting a modification or variation of rights or privileges of Subordinated Debt Instrument Holders or otherwise requiring any consent or concurrence.

8.7 No adjustment to Issue Date VWAP in certain circumstances

Despite the provisions of Condition 8.5 or Condition 8.6, no adjustment shall be made to the Issue Date VWAP where such cumulative adjustment (rounded if applicable) would be less than 1 per cent. of the Issue Date VWAP then in effect. Any adjustment not made in accordance with this Condition 8.7 shall be carried forward and taken into account in determining whether any subsequent adjustment shall be made.

8.8 Announcement of adjustment to Issue Date VWAP

If the Issuer determines an adjustment to the Issue Date VWAP under Condition 8.5 or Condition 8.6, such an adjustment will be:

(a) determined as soon as reasonably practicable following the relevant event; and

(b) notified to Subordinated Debt Instrument Holders (an "**Adjustment Notice**") within 10 Business Days of the Issuer determining the adjustment.

The adjustment set out in the Adjustment Notice will be final and binding on Subordinated Debt Instrument Holders and the Conditions will be construed accordingly.

8.9 Failure to Exchange

(a) Subject to Condition 7.4 and Condition 8.10(h), if, in respect of an Exchange of a Subordinated Debt Instrument, MGL fails to issue the MGL Ordinary Shares to, or in accordance with the instructions of, the relevant Subordinated Debt Instrument Holder of that Subordinated Debt Instrument on the applicable Non-Viability Date or to a Sale Agent where Condition 8.10 applies, the outstanding nominal amount of that Subordinated Debt Instrument shall nonetheless be transferred and dealt with in accordance with Condition 8.1(a), Condition 8.1(e) and Condition 8.1(f) and the remedies of any Subordinated Debt Instrument Holder of that Subordinated Debt Instrument in respect of that failure are limited to seeking an order for specific performance of MGL's obligations to issue MGL Ordinary Shares.

(b) If, in respect of an Exchange of a Subordinated Debt Instrument, that Subordinated Debt Instrument is not transferred on the Non-Viability Date free from Encumbrance to MGL or its Approved Nominee, MGL shall issue the Exchange Number of MGL Ordinary Shares to the Subordinated Debt Instrument Holder in respect of that Subordinated Debt Instrument and all rights of the relevant Subordinated Debt Instrument Holder (and any person claiming through the Subordinated Debt Instrument Holder) in such Subordinated Debt Instrument are taken to have ceased and that Subordinated Debt Instrument shall be cancelled.

(c) This Condition 8.9 does not affect the obligation of MGL to deliver the MGL Ordinary Shares or of the relevant Subordinated Debt Instrument Holder to transfer that Subordinated Debt Instrument when required in accordance with these terms.

8.10 Subordinated Debt Instruments Holders whose MGL Ordinary Shares are to be sold

Subject to Condition 7.4, if any Subordinated Debt Instrument is required to be Exchanged and if:

(a) the Subordinated Debt Instrument Holder of that Subordinated Debt Instrument has notified the Issuer that it does not wish to receive MGL Ordinary Shares as a result of the Exchange (whether entirely or to the extent specified in the notice), which notice may be given at any time on or after the Issue Date and no less than 15 Business Days prior to the Non-Viability Date;

(b) the Subordinated Debt Instrument Holder of that Subordinated Debt Instrument is a Foreign Holder;

(c) the Subordinated Debt Instrument Holder of that Subordinated Debt Instrument is a Clearing System Holder;

(d) for any reason (whether or not due to the fault of the Subordinated Debt Instrument Holder):

(i) the Issuer or MGL does not receive any information required by it in accordance with the terms of that Subordinated Debt Instrument so as to impede MGL from issuing the MGL Ordinary Shares to the Subordinated Debt Instrument Holder of that Subordinated Debt Instrument on the Non-Viability Date; or

(ii) a FATCA Withholding is required to be made in respect of any MGL Ordinary Shares to be delivered as a result of that Exchange; or

(e) MGL is of the opinion that under an Applicable Shareholding Law, the Subordinated Debt Instrument Holder of that Subordinated Debt Instrument is prohibited from acquiring some or all of the Exchange Number of MGL Ordinary Shares on the Non-Viability Date;

then, subject to Condition 8.10(f), the Issuer will use reasonable endeavours to appoint one or more parties (in each case, other than the Issuer or any Related Entity of the Issuer) as a Sale Agent on such terms as the Issuer considers reasonable, who will act in accordance with Condition 8.10(g) where the Issuer, MGL and each Sale Agent can be satisfied that the obligation in Condition 8.10(g) may be performed in respect of the relevant Subordinated Debt Instrument and the relevant MGL Ordinary Shares in accordance with all applicable laws and without the Issuer, MGL or any Sale Agent having to take steps which any of them regard as unacceptable or onerous.

On the Non-Viability Date:

(f) where Condition 8.10(a), Condition 8.10(b), Condition 8.10(d)(ii) or Condition 8.10(e) applies, MGL will issue the Exchange Number of MGL Ordinary Shares to the Subordinated Debt Instrument Holder of that Subordinated Debt Instrument only to the extent (if at all) that:

(i) where Condition 8.10(a) applies, the Subordinated Debt Instrument Holder's notice referred to in Condition 8.10(a) indicates the Subordinated Debt Instrument Holder wishes to receive them;

(ii) where Condition 8.10(b) applies, the Foreign Holder has notified the Issuer that it wishes to receive MGL Ordinary Shares as a result of the Exchange (whether entirely or to the extent specified in the notice), which notice may be given at any time on or after the Issue Date and no less than 15 Business Days

prior to the Non-Viability Date, and MGL is satisfied that the laws of both Australia and the Foreign Holder's country of residence permit the issue of the Exchange Number of MGL Ordinary Shares to the Foreign Holder as contemplated by this Condition 8.10 (but as to which MGL is not bound to enquire), either unconditionally or after compliance with conditions which MGL, in its absolute discretion, regards as acceptable and not unduly onerous;

(iii) where Condition 8.10(d)(ii) applies, MGL, in its absolute discretion, considers that it can do so in accordance with the requirements applicable to the relevant FATCA Withholding without it having to take steps which it regards as unacceptable or onerous; or

(iv) where Condition 8.10(e) applies, the issue would, in MGL's opinion, result in the Subordinated Debt Instrument Holder receiving the maximum number of MGL Ordinary Shares the Subordinated Debt Instrument Holder is permitted to acquire in compliance with Applicable Shareholding Law as at the Non-Viability Date;

(g) otherwise, subject to Conditions 8.10(h) and 8.10(i) and Condition 7.4, MGL will issue the balance (or where Condition 8.10(d)(i) applies, all) of the Exchange Number of MGL Ordinary Shares in respect of that Subordinated Debt Instrument Holder to a Sale Agent (or its nominee) on the terms that, at the first reasonable opportunity to sell the MGL Ordinary Shares, the Sale Agent will arrange for their sale and pay to the Subordinated Debt Instrument Holder of the relevant Subordinated Debt Instrument on a date determined by the Sale Agent a cash amount equal to the Attributable Proceeds of the Subordinated Debt Instrument Holder of that Subordinated Debt Instrument (and, where a FATCA Withholding has been required to be made, will remit the cash amount referable to the FATCA Withholding to, or as directed by, the relevant authority or agency). The issue of MGL Ordinary Shares to a Sale Agent will satisfy all obligations of MGL and its Related Bodies Corporate in connection with the Exchange, that Subordinated Debt Instrument will be deemed Exchanged and will be dealt with in accordance with Condition 8.1 and, on and from the issue of MGL Ordinary Shares, the rights of the Subordinated Debt Instrument Holder of that Subordinated Debt Instrument the subject of this Condition 8.10 are limited to its rights in respect of the MGL Ordinary Shares or the Attributable Proceeds as provided in this Condition 8.10;

(h) where Condition 8.10(c) applies, MGL will issue the relevant aggregate Exchange Number of MGL Ordinary Shares required to be issued to such holder to a Sale Agent (or its nominee) in accordance with this Condition 8 for no additional consideration to hold for the benefit of the participants in, or members of, the relevant Clearing System who held interests in the corresponding Subordinated Debt Instruments through the relevant Clearing System immediately prior to Exchange ("**Clearing System Participants**"); and each such Clearing System Participant will, in respect of its entitlement to an interest in that Subordinated Debt Instrument, be entitled to receive MGL Ordinary Shares (or the proceeds of the sale of MGL Ordinary Shares) from the Sale Agent in accordance with this Condition 8 as though references to the "holder" of any Subordinated Debt Instrument are to the Clearing System Participant and references to MGL issuing MGL Ordinary Shares to the holder are to the Sale Agent delivering to the Clearing System Participant the MGL Ordinary Shares issued to the Sale Agent under Condition 8.10(g);

(i) where Condition 8.10(g) applies in respect of a Subordinated Debt Instrument Holder and a Sale Agent is unable to be appointed, or any of the Issuer, MGL or a Sale Agent is of the opinion that the issue of MGL Ordinary Shares to the Sale Agent and subsequent delivery or sale in accordance with Condition 8.10(g) cannot be undertaken in accordance with Applicable Shareholding Law or other applicable law (or can be undertaken in accordance with Applicable Shareholding Law or applicable law only after MGL or the Sale Agent take steps which any of the Issuer, MGL or the Sale Agent regard as onerous) then, without in any way limiting Condition 7.4, if either or both of MGL and the Sale Agent is of the opinion that the issue of MGL Ordinary Shares cannot be undertaken within 5 Business Days of the Non-Viability Date to the Sale Agent in accordance with Condition 8.10(g) or otherwise to the Subordinated Debt Instrument Holder of that Subordinated Debt Instrument in accordance with Condition 8.10, then that Subordinated Debt Instrument will be Written-Off;

(j) nothing in this Condition 8.10 shall affect the Exchange of any Subordinated Debt Instrument to any Subordinated Debt Instrument Holder of that Subordinated Debt Instrument which is not a person to which any of Condition 8.10(a) to Condition 8.10(g) applies; and

(k) for the purpose of this Condition 8.10, none of the Issuer, MGL, any Sale Agent or any other person owes any obligations or duties to the Subordinated Debt Instrument Holders in relation to the price at which MGL Ordinary Shares are sold or has any liability for any loss suffered by a Subordinated Debt Instrument Holder as a result of the sale of MGL Ordinary Shares.

9 Payments

9.1 Payments - Subordinated Bearer Debt Instruments

9.1.1 Payment of amounts other than interest

Payment of amounts (other than interest) due in respect of Subordinated Bearer Debt Instruments will be made against presentation and surrender of the Subordinated Debt Instrument, at the specified office of the I&P Agent.

9.1.2 Payment of amounts in respect of interest on Subordinated Bearer Debt Instruments

Payment of amounts due in respect of interest on Subordinated Bearer Debt Instruments will be made:

(a) in the case of a Subordinated Debt Instrument without Coupons attached thereto at the time of its initial delivery, against presentation of the relevant Subordinated Debt Instrument at the specified office of the I&P Agent outside (unless Condition 9.1.3 applies) the United States; and

(b) in the case of a Subordinated Debt Instrument delivered with Coupons attached thereto at the time of its initial delivery, against presentation and surrender of the relevant Coupon or, in the case of interest due otherwise than on a scheduled Interest Payment Date, against presentation of the relevant Subordinated Bearer Debt Instrument, in either case at the specified office of the I&P Agent outside (unless Condition 9.1.3 applies) the United States.

9.1.3 Payment at specified office in the United States

Except as provided below, payment of amounts due in respect of interest on Subordinated Bearer Debt Instruments and exchanges of Talons for Coupon sheets in accordance with Condition 9.1.4 will not be made at any specified office of the I&P Agent in the United States. Notwithstanding the foregoing, if any amount of principal and/or interest in respect of this Subordinated Debt Instrument is payable in U.S. Dollars, such U.S. Dollar payments of principal and/or interest in respect of this Subordinated Debt Instrument will be made at the specified office of the I&P Agent in the United States if:

(a) the Issuer has appointed an I&P Agent with specified offices outside the United States with the reasonable expectation that such agent would be able to make payment in U.S. Dollars at such specified offices outside the United States of the full amount of principal and interest on the Subordinated Debt Instruments in the manner provided above when due;

(b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. Dollars; and

(c) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

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

9.1.4 Unmatured Coupons and unexchanged Talons

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

(a) in the case of Subordinated Bearer Debt Instruments which are Subordinated Fixed Rate Debt Instruments (and unless otherwise specified in the relevant Pricing Supplement), the amount of any missing unmatured Coupons (excluding, for this purpose, but without prejudice to paragraph (c) below, Talons) will be deducted from the amount otherwise payable on such final redemption. The amount so deducted will be paid against surrender of the relevant Coupon at the specified office of the I&P Agent at any time within five years of the Relevant Date applicable to payment of such final redemption amount. The "**Relevant Date**" is the earlier of:

(i) the date on which all amounts due in respect of the Subordinated Debt Instrument have been paid; and

(ii) the date on which the full amount of the moneys payable has been received by the I&P Agent, in the case of a Subordinated Bearer Debt Instrument, or the Registrar, in the case of a Subordinated Registered Debt Instrument, and notice to that effect has been given to the Subordinated Debt Instrument Holders in accordance with Condition 19;

(b) in the case of Subordinated Bearer Debt Instruments which are Subordinated Floating Rate Debt Instruments (or otherwise where specified in the relevant Pricing Supplement), all unmatured Coupons (excluding, for this purpose, but without prejudice to paragraph (c) below, Talons) relating to such Subordinated Bearer Debt

Instruments (whether or not attached) shall become void and no payment shall be made thereafter in respect of them;

(c) in the case of Subordinated Bearer Debt Instruments initially delivered with Talons attached thereto, all unmatured Talons (whether or not surrendered therewith) shall become void and no exchange for Coupons shall be made thereafter in respect of them; and

(d) in the case of Subordinated Bearer Debt Instruments which bear interest at a floating rate or rates, or where such a Subordinated Bearer Debt Instrument is presented for redemption without all unmatured Coupons and any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

The provisions of paragraph (a) of this Condition 9.1.4 notwithstanding, if any Subordinated Bearer Debt Instruments are issued with a Maturity Date and a fixed rate or fixed rates of interest such that on the presentation for payment of any such Subordinated Bearer Debt Instrument without any unmatured Coupons attached thereto or surrendered therewith, the amount required by paragraph (a) to be deducted would be greater than the amount otherwise due for payment, then, upon the due date for redemption of any such Subordinated Bearer Debt Instrument, such unmatured Coupons (whether or not attached) shall become void (and no payment shall be made in respect thereof) as shall be required so that, upon application of the provisions of paragraph (a) in respect of such Coupons as have not so become void, the amount required by paragraph (a) to be deducted would not be greater than the amount otherwise due for payment. Where the application of the foregoing sentence requires some but not all of the unmatured Coupons relating to a Subordinated Bearer Debt Instrument to become void, the I&P Agent shall determine which unmatured Coupons are to become void, and shall select for such purpose Coupons maturing on later dates in preference to Coupons maturing on earlier dates.

9.1.5 Exchange of Talons

In relation to Subordinated Bearer Debt Instruments initially delivered with Talons attached thereto, on or after the due date for the payment of interest on which the final Coupon comprised in any Coupon sheet matures, the Talon comprised in the Coupon sheet may be surrendered at the specified office of the I&P Agent outside (unless Condition 9.1.3 applies) the United States in exchange for a further Coupon sheet (including any appropriate further Talon), subject to the provisions of Condition 12 below. Each Talon shall, for the purpose of these Conditions, be deemed to mature on the due date for payment of interest on which the final Coupon comprised in the relative Coupon sheet matures.

9.2 Payments - Subordinated Registered Debt Instruments

9.2.1 Payment of principal in respect of Subordinated Registered Debt Instruments

Subject to Condition 9.2.4 in the case of Australian Domestic Notes, payment of principal (which for this purpose shall include any final redemption amount) due in respect of Subordinated Registered Debt Instruments will be made to the Subordinated Debt Instrument Holder (or, in the case of joint Subordinated Debt Instrument Holders, the first named) as appearing in the Register as at opening of business (local time in the place of the specified office of the Registrar or the specified office of the Transfer Agent) on the fifteenth (eighth, if the specified office of the Registrar or the specified office of the Transfer Agent is located in Sydney or Melbourne) Relevant Banking Day before the due date for such payment and (if in certificated form) against presentation and, save in the case of partial payment of the amount

due upon final redemption by reason of insufficiency of funds, surrender of the relevant certificate at the specified office of the Registrar or the specified office of the Transfer Agent.

9.2.2 Payment of interest in respect of Subordinated Registered Debt Instruments

Subject to Condition 9.2.4 in the case of Australian Domestic Notes, payment of interest due in respect of Subordinated Registered Debt Instruments will be paid to the Subordinated Debt Instrument Holder (or, in the case of joint Subordinated Debt Instrument Holders, the first named) as appearing in the Register as at opening of business (local time in the place of the specified office of the Registrar or the specified office of the Transfer Agent) on the fifteenth (eighth, if the specified office of the Registrar or the specified office of the Transfer Agent is located in Sydney or Melbourne) Relevant Banking Day before the due date for such payment ("**Record Date**"), provided that, for so long as the Subordinated Registered Debt Instruments are represented by a Subordinated Global Debt Instrument, the "**Record Date**" shall be the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment where "**Clearing System Business Day**" means a day on which the relevant clearing system is open for business.

9.2.3 Manner of payments pursuant to Condition 9.2.2

Notwithstanding the provisions of Condition 9.4 but subject to Condition 9.2.4 in the case of Australian Domestic Notes, payments in respect of Subordinated Registered Debt Instruments pursuant to Condition 9.2.2 will be made by cheque and posted to the address (as recorded in the Register) of the Subordinated Debt Instrument Holder (or, in the case of joint Subordinated Debt Instrument Holders, the first-named) on the relevant due date for payment unless prior to the relevant Record Date the Subordinated Debt Instrument Holder (or, in the case of joint Subordinated Debt Instrument Holders, the first-named) has applied to the Registrar and the Registrar has acknowledged such application for payment to be made to a designated account in the relevant currency.

9.2.4 Payments in respect of Australian Domestic Notes

Monies payable by the Issuer in respect of an Australian Domestic Note shall be paid:

(a) in the case of a payment of interest, to the holder appearing in the Australian Register at the close of business on the Record Date; and

(b) in the case of a payment of principal, to the holder appearing in the Australian Register at 10.00 a.m. (Sydney time) on the date which is fixed for payment.

In the case of Australian Domestic Notes that are Subordinated Registered Debt Instruments in Austraclear, subject to all applicable fiscal or other laws and regulations, payments in respect of each such Subordinated Debt Instrument will be made by crediting on the relevant payment date the amount then due to the account of the holder in respect of that such Subordinated Debt Instrument in accordance with the Austraclear Regulations.

In the case of Australian Domestic Notes that are not held in the Austraclear System, payments in respect of each Subordinated Debt Instrument will be made by crediting on the relevant payment date the amount then due to an account previously notified to the Issuer and the Australian Registrar by the holder in respect of that Subordinated Debt Instrument. If the holder has not notified the Issuer and the Australian Registrar of such an account by the time specified in paragraph (a) or (b) above (as the case may be), payments in respect of the relevant Subordinated Debt Instrument will be made by cheque dispatched by post on the relevant

payment date at the risk of the Subordinated Debt Instrument Holder. Cheques despatched to the nominated address of a holder will in such cases be deemed to have been received by the holder on the relevant payment date and no further amount will be payable by the Issuer in respect of the relevant Subordinated Debt Instrument as a result of payment not being received by the holder on the due date.

9.3 Payment due on a non-Payment Business Day

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

9.4 Payments - general provisions

Subject to Condition 9.2.3, payments of amounts due (whether principal, redemption amount, interest or otherwise) in respect of Subordinated Debt Instruments will be made as follows:

(a) payments in a Specified Currency other than Euro will be made by transfer to an account in the relevant Specified Currency (which, in the case of a payment in Yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with, or by a cheque in such Specified Currency drawn on, a bank (which, in the case of a payment in Yen to a non-resident of Japan, shall be an authorised foreign exchange bank) in the principal financial centre of the country of such Specified Currency, provided however that no payment may be made by transfer of funds to an account maintained in the United States or by cheque mailed to an address in the United States;

(b) payments in respect of Subordinated Definitive Debt Instruments in Euro will be made by credit or transfer to a Euro account (or any other account to which Euro may be credited or transferred) specified by the payee or at the option of the payee, by a Euro cheque.

Payments will, without prejudice to the provisions of Condition 10, be subject in all cases to any applicable fiscal or other laws, regulations and directives and the administrative practices and procedures of fiscal and other authorities in relation to tax, anti-money laundering and other requirements which may apply to payments of amounts due (whether principal, redemption amount, interest or otherwise) in respect of Subordinated Debt Instruments.

9.5 Interpretation of Principal and Interest

Any reference in these Conditions to principal in respect of the Subordinated Debt Instruments shall be deemed to include, as applicable the Redemption Amount and any Additional Amounts which may be payable with respect to principal under Condition 10.

Any reference in these Conditions to interest in respect of the Subordinated Debt Instruments shall be deemed to include, as applicable, any Additional Amounts which may be payable with respect to interest under Condition 10.

10 Taxation

All payments by the Issuer (in respect of principal, redemption amount or interest) in respect of the Subordinated Debt Instruments or Coupons will be made free and clear of and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed or levied by or on behalf of Australia or any political subdivision thereof or any authority therein or thereof having power to tax or, in the case of Subordinated Debt Instruments issued by the Issuer through its London Branch or its Singapore Branch, Taxes imposed or levied by or on behalf of the country in which such branch is located or any political subdivision thereof or any authority therein or thereof having power to tax, or Taxes imposed or levied by or on behalf of the United States or any political subdivision thereof or any authority therein or thereof having the power to tax, unless in each case such withholding or deduction 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 amounts received by the Subordinated Debt Instrument Holders and Couponholders after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in respect of the Subordinated Debt Instruments or, as the case may be, Coupons in the absence of such withholding or deduction; except that no Additional Amounts are payable in relation to any payment in respect of any Subordinated Debt Instrument or Coupon:

(a) to, or to a third party on behalf of, a Subordinated Debt Instrument Holder who is liable to such Taxes in respect of such Subordinated Debt Instrument or Coupon by reason of his having some connection with Australia or the country in which such branch is located other than the mere holding of such Subordinated Debt Instrument or Coupon or receipt of principal or interest in respect thereof or who could have lawfully avoided (but has not so avoided) such liability by providing or procuring that any third party provides the Subordinated Debt Instrument Holder's TFN and/or ABN or evidence that the Subordinated Debt Instrument Holder is not required to provide a TFN and/or ABN to the Issuer or, in the case of Subordinated Debt Instruments issued by the Issuer through its London Branch or its Singapore Branch, satisfies similar requirements or otherwise provides details of the Subordinated Debt Instrument Holder's name and address to the Issuer;

(b) to, or to a third party on behalf of, a Subordinated Debt Instrument Holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the Subordinated Debt Instrument is presented for payment;

(c) where the Subordinated Debt Instrument or Coupon is presented for payment more than 30 days after the Tax Relevant Date except to the extent that a Subordinated Debt Instrument Holder would have been entitled to Additional Amounts on presenting the same for payment on the last day of the period of 30 days assuming, whether or not such is in fact the case, that day to have been a Business Day;

(d) to, or to a third party on behalf of, a Subordinated Debt Instrument Holder who is liable to the Taxes in respect of the Subordinated Debt Instrument or Coupon by reason of the Subordinated Debt Instrument Holder being an associate of the Issuer for the purposes of section 128F(9) of the Australian Tax Act;

(e) in a case where the Issuer receives a notice or direction under section 260-5 of Schedule 1 to the Taxation Administration Act 1953 (Cth) of Australia, section 255 of the Australian Tax Act or any analogous provisions, any amounts paid or deducted from sums payable to a Subordinated Debt Instrument Holder by the Issuer in compliance with such notice or direction on account of any Taxes or charges payable by the Issuer;

(f) where such withholding or deduction is due to Taxes imposed or levied by, or on behalf of, the United States, or any political subdivision thereof or any authority therein or thereof having power to tax under the United States;

(g) any combination of paragraphs (a) through (f) above; or

(h) in such other circumstances as may be specified in the relevant Pricing Supplement.

Notwithstanding any other provision herein, any amounts to be paid in respect of the Subordinated Debt Instruments or Coupons will be paid net of any FATCA Withholding. Neither the Issuer nor any other person will be required to pay any Additional Amounts in respect of FATCA Withholding.

11 Events of Default

11.1 Events of Default

An "Event of Default" occurs in relation to a Subordinated Debt Instrument if:

(a) either:

(i) the Issuer fails to pay any part of the Redemption Amount in respect of the Subordinated Debt Instrument of that Series within 14 days of the relevant due date; or

(ii) the Issuer fails to pay any amount of interest in respect of the Subordinated Debt Instruments of that Series within 30 days of the relevant due date,

provided that, if the Solvency Condition is not satisfied then the Issuer is under no obligation to make any payment and accordingly no amount is due and the Event of Default described in this Condition 11.1(a) cannot occur (a "**Payment Default**"); or

(b) either:

(i) an order is made by a court of competent jurisdiction in Australia (other than an order successfully appealed or permanently stayed within 60 days); or

(ii) an effective resolution is passed,

for the Winding-Up of the Issuer in Australia, in each case other than in connection with a scheme of amalgamation or reconstruction not involving the bankruptcy or insolvency of the Issuer (a "**Winding-Up Default**").

11.2 Notification

If an Event of Default occurs in relation to a Subordinated Debt Instrument, the Issuer must promptly after becoming aware of it notify the Subordinated Debt Instrument Holders of the

occurrence of the Event of Default, specifying whether it is a Payment Default or a Winding-Up Default.

11.3 Enforcement

If an Event of Default occurs and is continuing:

(a) in the case of a Payment Default, any Subordinated Debt Instrument Holder may bring Proceedings:

(i) to recover any amount then due and payable but unpaid on that Subordinated Debt Instrument (subject to the Issuer being able to make the payment and remain solvent);

(ii) to obtain an order for specific performance of any other obligation in respect of that Subordinated Debt Instrument; or

(iii) for the Winding-Up of the Issuer in Australia; and

(b) in the case of a Winding-Up Default, in addition to taking any of the actions specified in Condition 11.3(a)(i) or (ii), a Subordinated Debt Instrument Holder may declare by notice to the Issuer that the nominal amount of that Subordinated Debt Instrument is payable on a date specified in the notice and, subject to Condition 4, may prove in the Winding-Up of the Issuer for that amount.

11.4 No other remedies

No Subordinated Debt Instrument Holder may exercise any other remedies against the Issuer or MGL (including any right to sue for damages which has the same economic effect as acceleration) as a consequence of an Event of Default or other default except as specified in this Condition 11 or as otherwise expressly provided in these Conditions (but this does not affect the Subordinated Debt Instrument Holders' rights, subject to these Conditions and the Deed of Covenant and the Australian Note Deed Poll (as applicable), to seek an injunction or order for specific performance in respect of an obligation).

12 Prescription

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

13 Replacement of Subordinated Debt Instruments, Coupons and Talons

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

14 Currency Indemnity

The Specified Currency is, unless otherwise specified in the relevant Pricing Supplement, the sole currency of account and payment for all sums payable by the Issuer in respect of the Subordinated Debt Instruments. Any amount received or recovered in a currency other than the Specified Currency (whether as a result of, or on the enforcement of, a judgment or order of a court of any jurisdiction or otherwise) by any Subordinated Debt Instrument Holder in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the amount in the Specified Currency which such Subordinated Debt Instrument Holder is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that amount is less than the amount in the Specified Currency expressed to be due to any Subordinated Debt Instrument Holder in respect of such Subordinated Debt Instrument the Issuer shall indemnify each such Subordinated Debt Instrument Holder against any cost of making such purchase which is reasonably incurred. Subject to Condition 4, these indemnities constitute a separate and independent obligation from the Issuer's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Subordinated Debt Instrument Holder and shall continue in full force and effect despite any judgment, order, claim or proof for a liquidated amount in respect of any sum due in respect of the Subordinated Debt Instruments or any judgment or order. Any such loss aforesaid shall be deemed to constitute a loss suffered by the relevant Subordinated Debt Instrument Holder and no proof or evidence of any actual loss will be required by the Issuer.

15 Further Issues

The Issuer may from time to time without the consent of the Subordinated Debt Instrument Holders (or any of them) create and issue further Subordinated Debt Instruments forming a single Series with any existing Subordinated Debt Instruments either having the same terms and conditions as such Subordinated Debt Instruments in all respects or in all respects except in connection with the Issue Date, Interest Commencement Date and the amount of the first payment of interest (if any) and so that the same shall be consolidated and form a single Series with the outstanding Subordinated Debt Instruments, provided that the requirements of APRA that the Subordinated Debt Instruments be eligible to be treated as Tier 2 Capital are met.

16 Agents

The Issuer reserves the right at any time to terminate the appointment of any Agent or to appoint additional or other Agents, provided that it will:

(a) at all times maintain an I&P Agent;

(b) if and for so long as any Subordinated Debt Instruments are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system, and the rules of the relevant listing authority, stock exchange and/or quotation system so require, at all times maintain a paying agent and a Transfer Agent (in the case of Subordinated Registered Debt Instruments) in such place as may be required by such listing authority, stock exchange and/or quotation system;

(c) if and for so long as there are any Subordinated Registered Debt Instruments outstanding, at all times maintain a Euro Registrar (in the case of Subordinated Debt

Instruments other than Australian Domestic Notes) or an Australian Registrar (in the case of Australian Domestic Notes).

Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Subordinated Debt Instrument Holders in accordance with Condition 19.

17 Exchange of Talons

In the case of Subordinated Bearer Debt Instruments, on and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the I&P Agent or any other paying agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Subordinated Debt Instrument to which it appertains) a further Talon, subject to the provisions of Condition 12. Each Talon shall, for the purposes of these Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the Coupon sheet in which that Talon was included on issue matures.

18 Modification and waiver

18.1 Meetings of Subordinated Debt Instrument Holders

The Euro Agency Agreement, the Australian Note Deed Poll and the Deed of Covenant (as applicable) contain provisions for convening meetings (including by way of conference call or by use of a videoconference platform) of the Subordinated Debt Instrument Holders to consider any matter affecting their interests, including the modification by Extraordinary Resolution of any of these Conditions or any of the provisions of the Euro Agency Agreement, the Australian Note Deed Poll, the Deed of Covenant or any undertaking given by MGL in connection with an Exchange ("**MGL Deed of Undertaking**") (as applicable). An Extraordinary Resolution passed at any meeting of the Subordinated Debt Instrument Holders will be binding on all Subordinated Debt Instrument Holders, whether or not they are present at the meeting, and on all Couponholders.

18.2 Modification and Waiver

The Issuer may, without the consent of the Subordinated Debt Instrument Holders or Couponholders, make any modification of any of these Conditions or any of the provisions of the Euro Agency Agreement, the Australian Note Deed Poll, the Deed of Covenant and any MGL Deed of Undertaking (as applicable) which is not materially prejudicial to the interests of the Subordinated Debt Instrument Holders or any modification which is of a formal, minor or technical nature or to correct a manifest error, to cure any ambiguity or defect or to comply with mandatory provisions of the law.

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

The Issuer will not make any modification to the conditions of any Subordinated Debt Instrument which impact upon the eligibility of the Subordinated Debt Instrument for inclusion

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

18.3 No variation which may affect Tier 2 Capital eligibility

The prior written approval of APRA is required in respect of any variation in respect of the Deed of Covenant, the Australian Note Deed Poll or any MGL Deed of Undertaking (as applicable) or these Conditions where such variation may affect the eligibility of the Subordinated Debt Instruments as Tier 2 Capital.

18.4 Notification

Any modification, waiver or authorisation shall be binding on the Subordinated Debt Instrument Holders and the Couponholders and any modification shall be notified by the Issuer to the Subordinated Debt Instrument Holders as soon as practicable thereafter in accordance with Condition 19.

19 Notices

19.1 Subordinated Bearer Debt Instruments

Subject to Conditions 19.3 and 19.4, all notices regarding Subordinated Bearer Debt Instruments shall be published in a leading English language daily newspaper of general circulation in the place specified in the relevant Pricing Supplement. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all the required newspapers.

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

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

19.2 Subordinated Registered Debt Instruments

Subject to Conditions 19.3, 19.4, 19.5 and 19.6, all notices regarding the Subordinated Registered Debt Instruments will be valid if sent by first class mail (or equivalent) or (if posted to an overseas address) by air mail to the Subordinated Registered Debt Instrument Holder (or, in the case of joint Subordinated Debt Instrument Holders, to the first-named in the Register) at their respective addresses as recorded in the Register, and will be deemed to have been validly given on the fourth day after the date of such mailing or, if posted from another country, on the fifth such day.

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

19.3 Listed Subordinated Debt Instruments

So long as the Subordinated Debt Instruments are listed on a stock exchange, notices shall be published in accordance with the rules of that stock exchange (and without need for publication of any such notice as required under Condition 19.1 or Condition 19.2).

19.4 Subordinated Global Debt Instruments

So long as the Subordinated Debt Instruments are represented by a Subordinated Global Debt Instrument and the Subordinated Global Debt Instrument is held on behalf of Euroclear and Clearstream (or any other clearing system), all notices regarding the Subordinated Debt Instrument may be given to Euroclear, Clearstream, or such other clearing system, as the case may be, or otherwise to the holder of the Subordinated Global Debt Instrument, without need for publication of any such notice as required under Condition 19.1 or Condition 19.2 (as applicable). Any such notice will be deemed to have been given on the date on which the notice was given.

19.5 Subordinated Debt Instruments listed on ASX

So long as Subordinated Debt Instruments are quoted on ASX, the Issuer may give notice to holders of such Subordinated Debt Instruments by publication of an announcement on ASX. Any such notice will be deemed to have been given on the date of publication of the announcement.

19.6 Subordinated Registered Debt Instruments in Austraclear

So long as Subordinated Debt Instruments are Subordinated Registered Debt Instruments in Austraclear, notices may be given by delivery to the Austraclear System for communication through the Austraclear System to the persons shown in its records as having interests therein. Such notices are taken to be received by the holder of the Subordinated Registered Debt Instruments in Austraclear on the fourth Business Day after delivery to the Austraclear System.

20 Governing law and jurisdiction

The Subordinated Debt Instruments and the Coupons are governed by, and shall be construed in accordance with, New South Wales law.

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

21 Interpretations and definitions

21.1 Interpretation

(a) A reference to a statute, ordinance, directive, code, law, prudential standard or the rules of any stock exchange includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them and references to law includes statutes, ordinances, codes, directives or common law and principles of equity having general application.

(b) A reference to the "Corporations Act" as it relates to the Issuer or MGL is to that Act as may be modified in relation to the Issuer or MGL by the Australian Securities and Investments Commission.

(c) Any reference to any requirements of APRA or any other prudential regulatory requirements in these Conditions will apply or be operative with respect to the Issuer only if the Issuer is an entity, or the holding company of an entity, or is a direct or indirect subsidiary of a holding company, which is subject to regulation and supervision by APRA at the relevant time.

(d) Any requirement for APRA's consent or approval in any provision of these Conditions will apply only if APRA requires that such consent or approval be given at the relevant time.

(e) Where, under these Conditions, APRA's approval is required for any act to be done or not done, that term does not imply that APRA's approval has been given as at the Issue Date.

(f) Nothing in these Conditions shall confer rights on the holder of any Relevant Securities or any other person other than the Subordinated Debt Instrument Holders.

(g) A reference to a term defined by the ASX Listing Rules or the ASX Settlement Operating Rules shall, if that term is replaced in those rules, be taken to be a reference to the replacement term.

(h) A reference to any term defined by APRA shall, if that term is replaced or superseded in any of APRA's applicable prudential regulatory requirements or standards, be taken to be a reference to the replacement or equivalent term.

(i) If the principal securities exchange on which MGL Ordinary Shares are listed becomes an exchange other than ASX, unless the context otherwise requires, a reference to ASX shall be read as a reference to that principal securities exchange and a reference to the ASX Listing Rules, ASX Settlement Operating Rules or any term defined in any such rules, shall be read as a reference to the corresponding rules of that exchange or corresponding defined terms in such rules (as the case may be).

21.2 Definitions

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

"**ABN**" means Australian Business Number.

"**Additional Amount**" has the meaning given in Condition 10.

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

"**Adjustment Notice**" has the meaning given in Condition 8.8.

"**Agents**" means the I&P Agent, any Transfer Agent, any Euro Registrar and any other agents appointed by the Issuer in respect of Subordinated Debt Instruments other than Australian Domestic Notes, any successors thereto in such capacity and any additional or substitute agents.

"**Applicable Shareholding Law**" means any law in force in Australia or any relevant foreign jurisdiction which limits or restricts the number of ordinary shares in the Issuer, MGL or any of their respective Related Bodies Corporate in which a person may have an interest or over which it may have a right or power, including, without limitation, Chapter 6 of the Corporations Act, the Foreign Acquisitions and Takeovers Act 1975 (Cth), the Financial Sector (Shareholdings) Act 1998 (Cth) and the Competition and Consumer Act 2010 (Cth).

"**Appointed Person**" has the meaning given in Condition 7.6.

"**Approved Nominee**" means in connection with an Exchange, a subsidiary of MGL:

(a) nominated by MGL; and

(b) which is a holding company of the Issuer on the applicable Non-Viability Date,

which has been approved by APRA prior to the Non-Viability Date to be an Approved Nominee for the purposes of the Exchange.

"**APRA**" means the Australian Prudential Regulation Authority (ABN 79 635 582 658) or any successor body responsible for prudential regulation of the Issuer.

"**ASX**" means ASX Limited (ABN 98 008 624 691) or the securities market operated by it, as the context requires.

"**ASX Listing Rules**" means the listing rules of ASX as amended, varied or waived (whether in respect of MGL or generally) from time to time.

"**ASX Settlement Operating Rules**" means the settlement operating rules of ASX as amended, varied or waived (whether in respect of MGL or generally) from time to time.

"**ASX Trading Days**" means a Business Day within the meaning of the ASX Listing Rules on which trading in MGL Ordinary Shares takes place.

"**Attributable Proceeds**" means in respect of a holder of a Subordinated Debt Instrument to whom Condition 8.10(g) applies, an amount equal to:

(a) the net proceeds of the sale of such MGL Ordinary Shares, actually received after deducting any applicable brokerage, stamp duties and other taxes (including, without limitation, any FATCA Withholding), charges and expenses, divided by the number of such MGL Ordinary Shares issued and sold,

multiplied by:

(b) the number of MGL Ordinary Shares issued and sold in accordance with Condition 8.10(g) in respect of that Subordinated Debt Instrument.

"**Austraclear**" means Austraclear Limited (ABN 94 002 060 773), as operator of the Austraclear System.

"**Austraclear Regulations**" means the regulations known as the "Regulations and Operating Manual" established by Austraclear as amended, varied or waived (whether in respect of the Issuer or generally) 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 Note Deed Poll**" has the meaning given in the preamble to the Conditions.

"**Australian Domestic Notes**" means any Subordinated Debt Instrument from time to time issued under the Programme as specified as such in the relevant Pricing Supplement, including but not limited to any Subordinated Registered Debt Instrument in Austraclear.

"**Australian Register**" means the register of holders of Australian Domestic Notes established and maintained by or on behalf of the Issuer.

"**Australian Registrar**" has the meaning given in the preamble to the Conditions.

"**Australian Registry Agreement**" has the meaning given in the preamble to the Conditions.

"**Australian Tax Act**" means the Income Tax Assessment Act 1936 (Cth) of Australia (as amended).

"**Banking Act**" means the Banking Act 1959 of Australia.

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

"**Business Day**" means:

(a) in the case of a Specified Currency other than Euro or U.S. Dollars, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in (unless otherwise agreed between the Issuer and the I&P Agent, in the case of a Subordinated Bearer Debt Instrument, or the Registrar, in the case of a Subordinated Registered Debt Instrument) the principal financial centre for that currency which, if the currency is Australian Dollars, shall be Sydney; and/or

(b) in the case of U.S. Dollars, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in New York City (unless otherwise agreed between the Issuer, each relevant Agent and Registrar); and/or

(c) in the case of Euro, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in (unless otherwise agreed between the Issuer and the I&P Agent, in the case of a Subordinated Bearer Debt Instrument, or the Registrar, in the case of a Subordinated Registered Debt Instrument) London and a day on which the Trans-European Automated Real-time Gross

Settlement Express Transfer System or any successor or replacement for that system ("**T2**") is open; and/or

(d) in the case of a Specified Currency and/or one or more Additional Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in the Specified Currency in (unless otherwise agreed between the Issuer and the I&P Agent, in the case of a Subordinated Bearer Debt Instrument, or the Registrar, in the case of a Subordinated Registered Debt Instrument) in the Additional Business Centre(s) or, if no currency is specified, generally in each of the Additional Business Centres so specified; and/or

(e) other than in the case of Australian Domestic Notes, if a Subordinated Debt Instrument is to be issued or paid on such Business Day, a day on which commercial banks and foreign exchange markets settle payments in (unless otherwise agreed between the Issuer and the I&P Agent, in the case of a Subordinated Bearer Debt Instrument, or the Registrar, in the case of a Subordinated Registered Debt Instrument) Hong Kong and a day on which each relevant Clearing System is operating.

"**Calculation Agent**" means:

(a) in the case of Australian Domestic Notes, the Issuer; and

(b) in all other cases, Citibank, N.A., London Branch or any other person appointed as calculation agent by the Issuer, provided that if there is a Benchmark Disruption Event, the Issuer will appoint another person as calculation agent.

"**CHESS**" means the Clearing House Electronic Subregister System operated by ASX Settlement Pty Limited (ABN 49 008 504 532) or any system that replaces it relevant to MGL Ordinary Shares.

"**Clearing System**" means Euroclear Bank SA/NV ("**Euroclear**"), Clearstream Banking S.A. ("**Clearstream**") and/or any other clearing system specified in the relevant Pricing Supplement.

"**Clearing System Holder**" means a Subordinated Debt Instrument Holder that is the operator of a clearing system or depository, or a nominee for a depository or a clearing system (other than the Austraclear System).

"**Clearing System Participants**" has the meaning given in Condition 8.10.

"**Code**" means the U.S. Internal Revenue Code of 1986, as amended.

"**Control**" has the meaning given in the Corporations Act.

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

"**Couponholders**" has the meaning given in the preamble to the Conditions.

"**Coupons**" has the meaning given in the preamble to the Conditions.

"**Cum Value**" has the meaning given in Condition 8.2.

"**Daily VWAP**" means the volume weighted average sale price of MGL Ordinary Shares sold on ASX on a day but does not include any "Crossing" transacted outside the "Open Session

State", or any "Special Crossing" transacted at any time, each as defined in the ASX Settlement Operating Rules, or any overseas trades or trades pursuant to the exercise of options over MGL Ordinary Shares.

"**Deed of Covenant**" has the meaning given in the preamble to the Conditions.

"**Early Redemption Date**" has the meaning given in Condition 6.2.

"**Early Redemption Notice**" has the meaning given in Condition 6.2.

"**Encumbrance**" means any mortgage, pledge, charge, lien, assignment by way of security, hypothecation, security interest, title retention, preferential right or trust arrangement, any other security agreement or security arrangement (including any security interest under the Personal Property Securities Act 2009 (Cth)) and any other arrangement of any kind having the same effect as any of the foregoing.

"**Equal Ranking Obligations**" means any instrument that ranks in a Winding-Up of the Issuer as the most junior claim in the Winding-Up of the Issuer ranking senior to Junior Ranking Obligations and includes the Subordinated Debt Instruments any other instrument issued as a Relevant Tier 2 Security or which ranks or is expressed to rank equally with the Subordinated Debt Instruments of any Series or any of the Issuer's other Relevant Tier 2 Securities.

"**Euro Agency Agreement**" has the meaning given in the preamble to the Conditions.

"**Euro Agent**" has the meaning given in the preamble to the Conditions.

"**Euro Registrar**" has the meaning given in the preamble to the Conditions.

"**Euro Register**" means the register of holders of Subordinated Registered Debt Instruments (other than Australian Domestic Notes) established and maintained by or on behalf of the Issuer.

"**Exchange**" means, in respect of a Subordinated Debt Instrument and a Non-Viability Date, the automatic transfer of the holder's rights in relation to that Subordinated Debt Instrument in connection with the allotment and issue of MGL Ordinary Shares in accordance with Condition 7 and Condition 8 and the performance of the Related Exchange Steps, and "**Exchanged**" has a corresponding meaning.

"**Exchange Amount**" means the outstanding nominal amount of any Subordinated Debt Instrument that is to be Exchanged on the Non-Viability Date.

"**Exchange Floor Price**" means 20 per cent. of the Issue Date VWAP (expressed as a Specified Currency Amount).

"**Exchange Number**" has the meaning given in Condition 8.1.

"**Exchanged Portion**" has the meaning given in Condition 7.7.

"Extraordinary Resolution" means:

(a) a resolution passed at a meeting duly convened and held in accordance with the provision of the Euro Agency Agreement or the Australian Note Deed Poll (as applicable) by a majority consisting of not less than 75 per cent. of the votes cast on such resolution; or

(b) a resolution in writing signed by or on behalf of the Subordinated Debt Instrument Holders of not less than 75 per cent. in principal amount of the Subordinated Debt Instruments of the Series for the time being outstanding.

"**FATCA**" means sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement).

"**FATCA Withholding**" means any deduction or withholding made for or on account of FATCA.

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

"**Foreign Holder**" means a registered holder of any Subordinated Debt Instrument whose address in the Register is a place outside Australia or who the Issuer or MGL otherwise believes may not be a resident of Australia.

"**Implementation Deed**" means the deed titled "Implementation Deed" entered into between, amongst others, MGL and the Issuer in respect of the Subordinated Debt Instruments on or about 20 December 2023.

"**I&P Agent**" means Citibank, N.A., London Branch in its capacity as issuing and paying agent, and any replacement of or successor to Citibank, N.A., London Branch in its capacity as such.

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

"**Interest Amounts**" has the meaning given in Condition 5.1.

"**Interest Commencement Date**" has the meaning given in the preamble to the Conditions.

"**Interest Payment Date**" has the meaning given in Condition 5.5.

"**Interest Period**" has the meaning given in Condition 5.5.

"**Interest Rate**" has the meaning given in Condition 5.3.

"**Issue Date**" has the meaning given in the preamble to the Conditions.

"**Issue Date VWAP**" means, for a Series of Subordinated Debt Instruments, the VWAP during the 20 ASX Trading Days immediately preceding, but not including, the first date on which the Subordinated Debt Instruments of that Series were issued (expressed, where the Specified Currency of the Subordinated Debt Instruments is a currency other than Australian Dollars, as a Specified Currency Amount and in all cases rounded to the nearest Specified Currency Unit), as adjusted in accordance with Condition 8**.**

"**Issue Price**" has the meaning given in the preamble to the Conditions.

"**Issuer**" means Macquarie Bank Limited (ABN 46 008 583 542).

"**Issuer Level 1 Group**" means the Issuer and such other entities included from time to time in the calculation of the Issuer's capital ratios on a Level 1 basis (or its equivalent, in either case, as defined by APRA from time to time).

"**Issuer Level 2 Group**" means the Issuer and such other entities included from time to time in the calculation of the Issuer's capital ratios on a Level 2 basis (or its equivalent, in either case, as defined by APRA from time to time).

"**Junior Ranking Obligations**" means any instrument, present and future, issued by the Issuer which is issued as Tier 1 Capital (whether or not constituting Tier 1 Capital at the date of issue of the Subordinated Debt Instrument or at the time of commencement of any Winding-Up of the Issuer) or which ranks or is expressed to rank equally with the Issuer's Tier 1 Capital, and includes shares (other than a share issued as Tier 2 Capital) and any claims in respect of a shareholding, including the claims described in sections 563AA and 563A of the Corporations Act.

"**London Branch**" has the meaning given in the preamble to the Conditions.

"**Loss Absorption**" means any exchange for or conversion into ordinary shares or Writing-Off in respect of any Relevant Securities in accordance with their terms or by operation of law on the occurrence of a Non-Viability Event (including an Exchange or Write-Off of Subordinated Debt Instruments).

"**Macquarie Group**" means MGL and each entity it Controls.

"**Maturity Date**" has the meaning given in Condition 6.1.

"**Maximum Exchange Number**" has the meaning given in Condition 8.1.

"**MGL**" means Macquarie Group Limited (ABN 94 122 169 279).

"MGL Deed of Undertaking" has the meaning given in Condition 18.1.

"**MGL Ordinary Share**" means a fully paid ordinary share in the capital of MGL.

"**nominal amount**" has the meaning given in Condition 1.5.

"**Non-Viability Date**" has the meaning given in Condition 7.1.

"**Non-Viability Date VWAP"** means the VWAP during the VWAP Period (expressed, where the Specified Currency of the Subordinated Debt Instruments is a currency other than Australian Dollars, as a Specified Currency Amount).

"**Non-Viability Event**" has the meaning given in Condition 7.1.

"**Non-Viability Notice**" has the meaning given in Condition 7.3.

"**Optional Redemption Date**" has the meaning given in Condition 6.2.

"**Payment Business Day**" means, unless otherwise specified in the relevant Pricing Supplement, any day which is each of:

(a) in the case of Subordinated Debt Instruments where presentation and/or surrender of the relevant Subordinated Debt Instrument is required as a precondition of payment, a day on which commercial banks and foreign exchange markets settle payments in the relevant place of presentation and (in the case of a payment in Euro) on which banks

are open for business and carrying out transactions in Euro in the jurisdiction in which the Euro account specified by the payee is located;

(b) in the case of Subordinated Debt Instruments which are not in the form of Australian Domestic Notes, a day on which commercial banks and foreign exchange markets settle payments in Hong Kong or such other place in which the specified office of the I&P Agent is from time to time located; and

(c) a Business Day.

"**Payment Default**" has the meaning given in Condition 11.1.

"**Proceedings**" has the meaning given in Condition 20.

"**Programme**" has the meaning given in the preamble to the Conditions.

"**Reclassification**" means a division, consolidation or reclassification of MGL's share capital (not involving any cash payment or other distribution or compensation to or by holders of MGL Ordinary Shares or to or by any entity in Macquarie Group).

"**Record Date**" has the meaning given in Condition 9.2.2.

"**Redemption Amount**" means, in respect of a Subordinated Debt Instrument, its outstanding nominal amount as at the date it is to be redeemed, together with accrued interest (if any) thereon.

"**Reduced Nominal Amount**" has the meaning given in Condition 7.7.

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

"**Register**" means:

(a) in the case of Australian Domestic Notes, the Australian Register; and

(b) in all other cases, the register of Subordinated Registered Debt Instruments maintained by the Euro Registrar.

"**Registrar**" means:

(a) in the case of Australian Domestic Notes, the Australian Registrar; and

(b) in all other cases, the Euro Registrar.

"**Regulatory Event**" means:

(a) a law or regulation applicable in the Commonwealth of Australia or any State or Territory of Australia or any directive, order, standard, requirement, guideline or statement of APRA (whether or not having the force of law), which applies to the Issuer, MGL or any other member of the Macquarie Group (a "**Regulation**") is introduced, amended, clarified or changed or its application changed;

(b) an announcement is made that a Regulation will be introduced, amended, clarified or changed or its application changed; or

(c) a decision is made by any court or other authority interpreting, applying or administering any Regulation,

in each case, which event occurs or is effective on or after the Issue Date and was not expected by the Issuer as at the Issue Date (each such event a "**Change in Law**") and the Issuer determines that, as a result of that Change in Law:

(i) any of the Subordinated Debt Instruments are not eligible for inclusion as Tier 2 Capital for the Issuer Level 1 Group or the Issuer Level 2 Group;

(ii) additional requirements (including regulatory, capital, financial, operational or administrative requirements) in connection with the Subordinated Debt Instruments of the relevant Series would be imposed on the Issuer, MGL or any other member of the Macquarie Group which the Issuer determines, in its absolute discretion, might have a material adverse effect on the Issuer, MGL or any other member of the Macquarie Group or otherwise be unacceptable; or

(iii) that to have any of the Subordinated Debt Instruments outstanding would be unlawful or impractical or that the Issuer, MGL or any other member of the Macquarie Group would be exposed to a more than *de minimis* increase in its costs in connection with those Subordinated Debt Instruments.

"**Related Body Corporate**" has the meaning given in the Corporations Act.

"**Related Entity**" has the meaning given by APRA from time to time.

"**Related Exchange Steps**" has the meaning given in Condition 8.1(f).

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

"**Relevant Date**" has the meaning given in Condition 9.1.4.

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

"**Relevant Securities**" means the Relevant Tier 1 Securities and the Relevant Tier 2 Securities.

"**Relevant Securities Exchange**" means, for a Series of Subordinated Debt Instruments, any securities exchange, stock exchange and/or quotation system on which the Subordinated Debt Instruments of that Series are for the time being admitted to listing, trading and/or quotation.

"**Relevant Tier 1 Security**" means a security forming part of the Tier 1 Capital of the Issuer that is capable of being subject to Loss Absorption where a Non-Viability Event occurs.

"**Relevant Tier 2 Security**" means the Subordinated Debt Instruments and any other security forming part of the Tier 2 Capital of the Issuer that is capable of being subject to Loss Absorption where a Non-Viability Event occurs.

"**Remaining Portion**" has the meaning given in Condition 7.7.

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

"**Sale Agent**" means **each** person appointed by the Issuer to sell MGL Ordinary Shares in accordance with Condition 8.10, and includes an agent of **such** person.

"**Senior Creditors**" means all of the Issuer's creditors (present and future), including its depositors and general unsubordinated creditors, whose claims:

(a) are admitted in the Issuer's Winding-Up; and

(b) are not in respect of:

(i) an Equal Ranking Obligation; or

(ii) a Junior Ranking Obligation.

"**Singapore Branch**" has the meaning given in the preamble to the Conditions.

"**Series**" has the meaning given in the preamble to the Conditions.

"**Solvency Condition**" has the meaning given in Condition 4.2.

"**Specified Currency**" has the meaning given in Condition 1.6.

"**Specified Currency Amount**" means an amount converted into the Specified Currency at the spot rate of exchange for the purchase by MGL of that currency with Australian Dollars in the Sydney foreign exchange market on the VWAP Conversion Date determined by the Issuer in good faith having regard to the latest available market data;

"**Specified Currency Unit**" means:

(a) where the Specified Currency is Australian Dollars, U.S. Dollars, Singapore Dollars, Hong Kong Dollars, Euro or New Zealand Dollars, one cent in such currency;

(b) where the Specified Currency is Sterling, one pence;

(c) where the Specified Currency is Yen, one Yen; or

(d) such other unit as is specified in the relevant Pricing Supplement.

"**Specified Denomination**" has the meaning given in Condition 1.5.

"**Subordinated Bearer Debt Instrument**" has the meaning given in Condition 1.1.

"**Subordinated Debt Instrument**" has the meaning given in Condition 1.1.

"**Subordinated Debt Instrument Holder**" has the meaning given in Condition 2.3.

"**Subordinated Definitive Debt Instrument**" means a Subordinated Debt Instrument which is in definitive form.

"**Subordinated Fixed Rate Debt Instruments**" has the meaning given in Condition 5.2.

"**Subordinated Floating Rate Debt Instruments**" has the meaning given in Condition 5.3.

"**Subordinated Global Debt Instrument**" means a Subordinated Debt Instrument which is represented by a global note.

"**Subordinated Registered Debt Instrument**" has the meaning given in Condition 1.1.

"**Subordinated Registered Debt Instrument in Austraclear**" has the meaning given in Condition 1.1.

"**Talonholders**" has the meaning given in the preamble to the Conditions

"**Talons**" has the meaning given in the preamble to the Conditions.

"**Tax Act**" means:

(a) the Income Tax Assessment Act 1936 of Australia, the Income Tax Assessment Act 1997 of Australia or the Taxation Administration Act 1953 of Australia (and a reference to any section of the Income Tax Assessment Act 1936 of Australia includes a reference to that section as rewritten in the Income Tax Assessment 1997 of Australia);

(b) any other law setting the rate of income tax payable; and

(c) any regulation made under such laws.

"**Tax Event**" means the receipt by the Issuer of an opinion of competent tax counsel to the effect that, as a result of the introduction of, or amendment or clarification to, or change in, or change in the interpretation of (or an announcement that there will be an introduction of, amendment or clarification to or change in) a law or regulation by any legislative body, court, government agency or regulatory authority in Australia after the Issue Date, there is more than an insubstantial risk that:

(a) the Issuer would be required to pay any Additional Amounts in respect of Subordinated Debt Instruments of the relevant Series;

(b) Interest payments on the Subordinated Debt Instruments are not or may not be allowed as a deduction for the purposes of Australian income tax; or

(c) the Issuer or another member of the Macquarie Group is or will become exposed to more than a *de minimis* increase in its costs in relation to the Subordinated Debt Instruments through the imposition of any taxes, duties or other governmental charges,

provided that on the Issue Date the Issuer (or, in the case of paragraph (c) above, MGL) did not expect that the matters giving rise to the Tax Event would occur.

"**Tax Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the I&P Agent on or before the due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Subordinated Debt Instrument Holders in accordance with Condition 19.

"**Taxes**" has the meaning given in Condition 10.

"**TFN**" means tax file number.

"**Tier 1 Capital**" means "Tier 1 Capital" as defined by APRA from time to time.

"**Tier 2 Capital**" means "Tier 2 Capital" as defined by APRA from time to time.

"**Tranche**" has the meaning given in the preamble to the Conditions.

"**Transfer Agent**" has the meaning given in the preamble to the Conditions.

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

"**VWAP**" means, subject to any adjustment under Condition 8.2 or Condition 8.3, for a period or relevant number of days, the average of the Daily VWAPs of MGL Ordinary Shares sold on ASX during the relevant period or on the relevant days (such average being expressed, where the Specified Currency of the Subordinated Debt Instruments is a currency other than Australian Dollars, as a Specified Currency Amount, and in all cases rounded to the nearest Specified Currency Unit).

"**VWAP Conversion Date**" means:

(a) for the Issue Date VWAP, the ASX Trading Day immediately preceding the Issue Date; and

(b) for the Non-Viability Date VWAP, the ASX Trading Day immediately preceding the Non-Viability Date.

"**VWAP Period**" means, for the purposes of calculating the Non-Viability Date VWAP and the Exchange Number, the 5 ASX Trading Days immediately preceding, but not including, the Non-Viability Date.

"**Winding-Up**" means, with respect to an entity, the winding-up, liquidation, termination or dissolution of the entity, but does not include any winding-up, liquidation, termination or dissolution for the purposes of a consolidation, amalgamation, merger or reconstruction (the terms of which have been approved by the shareholders of the entity or by a court of competent jurisdiction) under which the continuing or resulting entity effectively assumes the entire obligations of the entity in respect of the Subordinated Debt Instruments.

"**Winding-Up Default**" has the meaning given in Condition 11.1.

"**Write-Off Notice**" has the meaning given in Condition 7.4.

"**Written-Off**" means that, in respect of a Subordinated Debt Instrument, the rights of the relevant Subordinated Debt Instrument Holder (including to payment of interest, principal or otherwise, both in the future and as accrued but unpaid and to be issued with MGL Ordinary Shares) in relation to such Subordinated Debt Instrument are immediately and irrevocably terminated for no consideration with effect on and from the Non-Viability Date; and "**Write-Off**" and "**Writing-Off**" have corresponding meanings.

SCHEDULE 3 – DESCRIPTION OF RIGHTS AND LIABILITIES ATTACHING TO THE MGL ORDINARY SHARES

MBL may be required to Exchange the Subordinated Notes for MGL Ordinary Shares if a Non-Viability Event occurs.

The rights and liabilities attaching to MGL Ordinary Shares are set out in the constitution of MGL and are also regulated by the Corporations Act, the ASX Listing Rules and the general law. This section briefly summarises the key rights attaching to MGL Ordinary Shares. It is not intended to be an exhaustive summary of the rights and obligations of holders of MGL Ordinary Shares. The following does not purport to be complete and is subject to, and qualified by reference to, all of the provisions of MGL's constitution, the Corporations Act, the ASX Listing Rules and general law.

The key rights attaching to MGL Ordinary Shares include:

- subject to any rights or restrictions for the time being attached to any class or classes of shares and to the constitution, the right to vote at general meetings of MGL on the basis of:
    - on a show of hands – one vote for each member present in person or represented by proxy, attorney or other representative; and
    - on a poll – one vote for each member present in person or represented by proxy, attorney or other representative per fully paid MGL Ordinary Share (or the number of votes in proportion to the capital paid up on any partly paid MGL Ordinary Shares held);
- the right to receive dividends determined or declared from time to time in proportion to the capital paid up on the MGL Ordinary Shares held by each holder (subject to the rights of holders of securities with special rights as to dividend);
- the right to receive information required to be distributed under the Corporations Act and the ASX Listing Rules; and
- the right to participate in any surplus assets on a winding up of MGL in accordance with the Corporations Act and the constitution.

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