395 Bourke Street
Melbourne VIC 3000
AUSTRALIA

www.nab.com.au

27 November 2026

NATIONAL AUSTRALIA BANK LIMITED

ISSUE OF JPY 12,000,000,000 SUBORDINATED FIXED RESET NOTES DUE NOVEMBER 2041

NOTICE UNDER SECTION 708A(12H)(e) CORPORATIONS ACT 2001 (CTH)

Pursuant to its U.S.$100,000,000,000 global medium term note programme ("**GMTN Programme**"), National Australia Bank Limited ("**Issuer**") will today issue JPY 12,000,000,000 subordinated fixed reset notes due November 2041 ("**Subordinated Notes**").

The Subordinated Notes convert into fully paid ordinary shares of the Issuer (or, in certain circumstances, an Approved NOHC) where the Australian Prudential Regulation Authority ("**APRA**") determines this to be necessary on the grounds that the Issuer would otherwise become non-viable.

This notice is a cleansing notice prepared for the purposes of section 708A(12H)(e) of the Corporations Act 2001 (Cth) ("**Corporations Act**") (as inserted by ASIC Corporations (Regulatory Capital Securities) Instrument 2026/88) to enable fully paid ordinary shares in the Issuer ("**Ordinary Shares**") or an Approved NOHC which are issued on conversion of the Subordinated Notes to be freely tradeable without further disclosure. This notice includes:

- in schedule 1, a description of the commercial particulars of the Subordinated Notes, extracted from the Final Terms for the Subordinated Notes dated 25 November 2026 ("**Final Terms**");
- in schedule 2, a description of the rights and liabilities attaching to the Subordinated Notes, extracted from the GMTN Programme Offering Circular dated 12 November 2026 ("**Conditions**"); and
- in schedule 3, a description of the rights and liabilities attaching to Ordinary Shares.

Words and expressions defined in the Final Terms or the Conditions have the same meanings in this cleansing notice unless the contrary intention appears.

The issue of Subordinated Notes by the Issuer will not have a material impact on the Issuer's financial position. If a Non-Viability Trigger Event occurs and the Issuer issues Ordinary Shares, the impact of Conversion on the Issuer would be to increase the Issuer's shareholders' equity. The number of Ordinary Shares issued on Conversion is limited to the Maximum Conversion Number. The Maximum Conversion Number is 120,140.3239 Ordinary Shares per Subordinated Note (with a denomination of JPY 100,000,000), based on an Issue Date VWAP of JPY 4,161.80.

As a disclosing entity, the Issuer is subject to regular reporting and disclosure obligations under the Corporations Act and ASX Listing Rules. Broadly, these obligations require the Issuer to prepare and lodge with the Australian Securities & Investments Commission ("**ASIC**") both yearly and half yearly financial statements, to report on its operations during the relevant accounting periods, and to obtain audit or review reports from its auditor in respect of those accounting periods.

Copies of documents lodged with ASIC may be obtained from or inspected at an ASIC office.

The Issuer must ensure that the ASX is continuously notified of information about specific events and matters as they arise for the purposes of ASX making the information available to the Australian securities market. In this regard, the Issuer has an obligation under the Corporations Act and ASX Listing Rules (subject to certain exceptions) to notify the ASX immediately of any information concerning it of which it becomes aware, and which a reasonable person would expect to have a material effect on the price or value of its quoted securities.

The Issuer will provide a copy of any of the following documents free of charge to any person who requests a copy before the Subordinated Notes are issued:

- the Issuer's annual financial report for the year ended 30 September 2026;
- the Issuer's sustainability report for the year ended 30 September 2026;

- any continuous disclosure notices given by the Issuer in the period after the lodgement of the annual financial report of the Issuer for the year ended 30 September 2026 and before the date of this notice; and
- the Issuer's constitution.

All written requests for copies of the above documents should be addressed to:

Company Secretary
National Australia Bank Limited
Level 28
395 Bourke Street
Melbourne VIC 3000

These documents are also available at www.nab.com.au.

This notice is not a prospectus or other disclosure document in relation to the Subordinated Notes, and does not constitute an offer or invitation for the Subordinated Notes or any Ordinary Shares for issue or sale in Australia. Subordinated Notes are only available for sale to persons in Australia in circumstances where disclosure is not required in accordance with Part 6D.2 of the Corporations Act and the sale is not to a retail client for the purposes of Chapter 7 of the Corporations Act.

This notice has been authorised for release by Louise Thomson, Group Company Secretary.

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART IN OR INTO THE UNITED STATES.

The Subordinated Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or any other applicable U.S. state securities laws and, accordingly, may not be offered, sold, pledged or otherwise transferred within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S of the Securities Act) except (i) pursuant to an exemption from registration under the Securities Act and (ii) in accordance with all applicable state securities law of any state of the United States. This notice does not constitute an offer or invitation to U.S. persons.

Schedule 1 – Description of the commercial particulars of the Subordinated Notes

This description is extracted from the Final Terms.

1.	Issuer:		National Australia Bank Limited (ABN 12 004 044 937)
2.	(a)	Series Number:	1,508
	(b)	Tranche Number:	1
	(c)	Date on which the Notes will be consolidated and form a single Series:	Not Applicable
3.	Specified Currency or Currencies:		Japanese Yen (**JPY**)
4.	Aggregate Nominal Amount		
	(a)	Series:	JPY 12,000,000,000
	(b)	Tranche:	JPY 12,000,000,000
5.	Issue Price:		100 per cent. of the Aggregate Nominal Amount
6.	(a)	Specified Denominations:	JPY 100,000,000 (subject to Condition 10A.2A)
	(b)	Calculation Amount (in relation to calculation of interest for Notes in global form see Conditions):	JPY 100,000,000 (subject to Condition 10A.2A)
7.	(a)	Issue Date:	27 November 2026
	(b)	Interest Commencement Date:	Issue Date
8.	Maturity Date:		27 November 2041, subject to adjustment in accordance with the Business Day Convention set out in Paragraph 17(f) below
9.	Interest Basis:		Fixed Reset Notes (further particulars specified below)
10.	Redemption/Payment Basis:		Redemption at par (subject to Condition 10A.2A)
11.	Change of Interest Basis or Redemption/Payment Basis:		The Initial Interest Rate will be reset on the Reset Date in accordance with Condition 5.1A and Paragraph 17 below

12.	U.S. Dollar Equivalent:		Not Applicable
13.	Put/Call Options:		Issuer Call Regulatory Event Call (further particulars specified below)
14.	(a)	Status of the Notes:	Subordinated (see further particulars in Paragraph 15(b) below)
	(b)	Date of Board approval for issuance of Notes obtained:	The issue of the Notes has been duly authorised by a resolution of the Board of Directors of the Issuer dated 8 October 2026 and a resolution of delegates of the Board of Directors of the Issuer dated 22 October 2026

PROVISIONS RELATING TO SUBORDINATED NOTES

15.	(a)	Subordinated Notes:		Applicable
	(b)	Further provisions relating to Subordinated Notes:		Applicable
		(i)	Write-Off only:	Not Applicable
		(ii)	CD:	1%
		(iii)	VWAP Period:	As specified in the Schedule to the Conditions
		(iv)	Issue Date VWAP:	As specified in the Schedule to the Conditions

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16.	Fixed Rate Note Provisions:		Not Applicable
17.	Fixed Reset Note Provisions:		Applicable
	(a)	Initial Interest Rate:	3.865 per cent. per annum
	(b)	Interest Payment Date(s):	27 May and 27 November in each year, commencing on 27 May 2027, up to (and including) the Maturity Date, subject to adjustment in accordance with the Business Day Convention set out in subparagraph (f) below
	(c)	Fixed Coupon Amount(s) for the period to (but excluding) the Reset Date for Bearer Notes in definitive form (and in relation to Notes in global form, see Conditions):	JPY1,932,500 per Calculation Amount (subject to Condition 10A.2A)
	(d)	Broken Amount(s) for Bearer Notes in definitive form (and in relation to Notes in global form, see Conditions):	Not Applicable

(e)	Day Count Fraction:		30/360
(f)	Business Day Convention:		Following Business Day Convention
	(i)	Adjusted:	Not Applicable
	(ii)	Non-Adjusted:	Applicable
(g)	Additional Business Centre(s):		New York and Sydney For the avoidance of doubt, in accordance with the Conditions, these Additional Business Centres are in addition to London and Tokyo
(h)	Determination Date(s):		Not Applicable
(i)	Reset Date:		27 November 2036 (not subject to adjustment in accordance with the Business Day Convention set out in subparagraph (f) above)
(j)	Reset Determination Date:		The second Tokyo Business Day immediately preceding the Reset Date **Tokyo Business Day** means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Tokyo
(k)	Reset Margin:		+1.200 per cent. per annum
(l)	Mid-Swap Rate Provisions:		Applicable
	(i)	Mid-Swap Reset Screen Page:	Bloomberg page "GDCO 44079 11 1"
	(ii)	Mid-Swap Benchmark:	The mid rate for JPY swap transactions with a term of five years (5-year JPY TONA Mid Swap Rate)
	(iii)	Mid-Swap Fallback Rate:	2.15625 per cent. per annum
(m)	Reset Reference Bond Rate Provisions:		Not Applicable
(n)	CMT Rate Provisions:		Not Applicable
(o)	Specified Time:		10:00 a.m. Tokyo time
(p)	Specified Financial Centre:		Tokyo
(q)	Party responsible for calculating the Reset Rate (if not the Principal Paying Agent):		Not Applicable

	(r)	Rounding method in respect of the Reset Rate (if different from that set out in Condition 5.1A):	Applicable – the Reset Rate shall be rounded up to the third decimal place.
	(s)	Other terms relating to the method of calculating interest for Fixed Reset Notes which are Exempt Notes:	None
18.	Floating Rate Note Provisions:		Not Applicable
19.	Zero Coupon Note Provisions:		Not Applicable
20.	Index Linked Interest Note Provisions:		Not Applicable
21.	Dual Currency Interest Note Provisions:		Not Applicable

PROVISIONS RELATING TO REDEMPTION

22.	Notice periods for Condition 7.2:		Minimum period: 30 days Maximum period: 60 days
23.	Issuer Call:		Applicable
	(a)	Optional Redemption Date(s):	27 November 2036, subject to adjustment in accordance with the Business Day Convention set out in Paragraph 17(f) above
	(b)	Optional Redemption Amount and method, if any, of calculation of such amount(s):	JPY 100,000,000 per Calculation Amount (subject to Condition 10A.2A)
	(c)	If redeemable in part:	Not Applicable
	(d)	Notice periods:	Minimum period: 30 days Maximum period: 60 days
24.	Regulatory Event Call in respect of Subordinated Notes:		Applicable
	Notice periods:		Minimum period: 30 days Maximum period: 60 days
25.	Issuer Clean-Up Call:		Not Applicable
26.	Investor Put:		Not Applicable
27.	Final Redemption Amount:		JPY 100,000,000 per Calculation Amount (subject to Condition 10A.2A)
28.	Early Redemption Amount payable on redemption for taxation reasons or on event of default and/or the method of		Condition 7.5 applies (subject to Condition 10A.2A)

	calculating the same (if required or if different from that set out in Condition 7.5):	

GENERAL PROVISIONS APPLICABLE TO THE NOTES

29.	Principal Paying Agent (if not Deutsche Bank AG, London Branch):	Not Applicable
30.	Any applicable Tax Jurisdiction:	Not Applicable
31.	(a) Form of Notes:	Bearer Notes: Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for Definitive Bearer Notes only upon an Exchange Event.
	(b) New Global Note:	No
32.	Additional Financial Centre(s):	London, New York and Sydney For the avoidance of doubt, in accordance with the Conditions, these Additional Financial Centres are in addition to Tokyo
33.	Talons for future Coupons or Receipts to be attached to Definitive Bearer Notes:	Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made
34.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	Not Applicable
35.	Details relating to Instalment Notes:	Not Applicable
36.	Additional United States Federal Income Tax Disclosure:	Not Applicable
37.	Other terms or special conditions:	Not Applicable

Schedule 2 – Description of the rights and liabilities attaching to the Subordinated Notes

This description is extracted from the Conditions.

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms in relation to any Tranche of Notes may, in respect of an Exempt Note, specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to "applicable Final Terms" for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued by National Australia Bank Limited (ABN 12 004 044 937) (**NAB**) or Bank of New Zealand (**BNZ**) (each an **Issuer** and together, the **Issuers**) constituted by a trust deed (such trust deed as modified and/or supplemented and/or restated from time to time, the **Trust Deed**) dated 17 March 2005 made between NAB as Issuer and Deutsche Trustee Company Limited (the **Trustee**, which expression shall include any successor as Trustee). By a Twentieth Supplemental Trust Deed dated 21 November 2018 and made between, amongst others, NAB, BNZ and the Trustee, BNZ became an Issuer under the Programme.

References herein to the **Issuer** shall be references to the party specified as Issuer in the applicable Final Terms for this Note.

References herein to the **Notes** shall be references to the Notes of this Series and shall mean:

(a) in relation to any Notes represented by a global Note (a **Global Note**), units of each Specified Denomination in the Specified Currency;

(b) any Global Note;

(c) any definitive Notes in bearer form (**Bearer Notes**) issued in exchange for a Global Note in bearer form; and

(d) any definitive Notes in registered form (**Registered Notes)** (whether or not issued in exchange for a Global Note in registered form).

The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an amended and restated agency agreement (as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) dated 12 November 2026 and made between NAB, BNZ, the Trustee, Deutsche Bank AG, London Branch as issuing and principal paying agent and agent bank (except as otherwise described below, the **Principal Paying Agent**, which expression shall include any successor agent) and as exchange agent (the **Exchange Agent**, which expression shall include any successor exchange agent), Deutsche Bank Trust Company Americas as issuing and principal paying agent and agent bank with respect to certain Series of Exempt Notes where specified as "Principal Paying Agent" in the applicable Final Terms and the other paying agents named therein (together with Deutsche Bank Trust Company Americas and the Principal Paying Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents), Deutsche Bank AG, Hong Kong Branch as CMU lodging agent (the **CMU Lodging Agent**, which expression shall include any successor CMU lodging agent), Deutsche Bank Trust Company Americas as registrar (together with the other registrars named therein, the **Registrar**, which expression shall include any additional or successor registrars) and as transfer agent and the other transfer agents named therein (together with the Registrar, the **Transfer Agents**, which expression shall include any additional or successor transfer agents).

For the purposes of these Terms and Conditions, all references to the Principal Paying Agent shall, (i) with respect to a Series of Exempt Notes (as defined below) where Deutsche Bank Trust Company Americas is specified as "Principal Paying Agent" in the applicable Final Terms, be deemed to be references to Deutsche Bank Trust Company Americas (or its successors under the Agency Agreement), and (ii) (other than in relation to the determination of interest and other amounts payable in respect of the Notes) with respect to a Series of Notes to be held in the CMU Service (as defined below), be deemed to be a reference to the CMU Lodging Agent to the extent necessary for enabling the CMU Lodging Agent to fully observe and perform its obligations under the CMU Rules (as defined in the Trust Deed) and all such references shall be construed accordingly.

Interest bearing definitive Notes have interest coupons (**Coupons**) and, in the case of Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Bearer Notes repayable in instalments have receipts (**Receipts**) for the payment of the instalments of principal (other than the final instalment) attached on issue. Registered Notes and Global Notes do not have Receipts, Coupons or Talons attached on issue.

The Final Terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note which complete these Terms and Conditions (the **Conditions**) and, in the case of a Note which is neither (i) admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Regulation nor (ii) admitted to trading on a UK regulated market as defined in Regulation (EU) No 600/2014 on markets in financial instruments as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 or, if it is admitted to trading on such a UK regulated market, is a type of security for which a prospectus is not required under the Prospectus Rules: Admission to Trading on a Regulated Market sourcebook (an **Exempt Note**), may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of this Note. References to the **applicable Final Terms** are, unless otherwise stated, to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note.

The Final Terms for each Tranche of Notes (other than Notes issued with a minimum denomination of less than Euro 100,000 (or its equivalent in any other currency)) will state in particular whether the Notes of that Tranche are senior Notes (**Senior Notes**) or term subordinated Notes (**Subordinated Notes**). Each Tranche of Notes issued with a minimum denomination of less than Euro 100,000 (or its equivalent in any other currency) will be issued as Senior Notes.

The expression **Prospectus Regulation** means Regulation (EU) 2017/1129.

Any reference to **Noteholders** or **holders** in relation to any Notes shall mean (in the case of Bearer Notes) the bearers for the time being of the Notes and (in the case of Registered Notes) the persons in whose name the Notes for the time being are registered and shall, in relation to any Notes represented by a Global Note, be construed as provided below. Any reference herein to **Receiptholders** shall mean the bearers for the time being of the Receipts and any reference herein to **Couponholders** shall mean the bearers for the time being of the Coupons and shall, unless the context otherwise requires, include the bearers for the time being of the Talons. The Trustee acts for the benefit of the Noteholders, the Receiptholders and the Couponholders in accordance with the provisions of the Trust Deed.

As used herein, **Tranche** means Notes which are identical in all respects (including as to listing or admission to trading) and **Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes which (a) are expressed to be consolidated and form a single series and (b) have the same terms and conditions or terms and conditions which are the same in all respects save for the Issue Date, the Issue Price, the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

Copies of the Trust Deed and the Agency Agreement (i) are available for inspection or collection by appointment during normal business hours at the registered office for the time being of the Trustee being at 21 Moorfields, London EC2Y 9DB and at the specified office of each of the Principal Paying Agent, the Registrar,

the Exchange Agent and the other Paying Agents and Transfer Agents (such Agents and the Registrar being together referred to as the **Agents**) and the Trustee, or (ii) may be provided to a Noteholder for inspection by electronic means following their prior written request to the Trustee or the relevant Agent, as the case may be, and provision of proof of holding and identity (in a form satisfactory to the Trustee or the relevant Agent, as the case may be). If the Notes are to be admitted to trading on the regulated market of the Luxembourg Stock Exchange pursuant to the Prospectus Regulation or on the Luxembourg Stock Exchange's Euro MTF Market, the applicable Final Terms will be published on the website of the Luxembourg Stock Exchange (*www.luxse.com*). If this Note is an Exempt Note that is not admitted to trading on the Luxembourg Stock Exchange's Euro MTF Market, the applicable Final Terms will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer and the Trustee or, as the case may be, the relevant Agent as to its holding of such Notes and identity. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Trust Deed, the Agency Agreement and the applicable Final Terms which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed and the Agency Agreement.

Words and expressions defined in the Trust Deed or the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the Agency Agreement, the Trust Deed will prevail and, in the event of inconsistency between the Trust Deed or the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

1. FORM, DENOMINATION AND TITLE

The Notes are in bearer form or in registered form as specified in the applicable Final Terms and, in the case of definitive Notes, serially numbered, in the currency (the **Specified Currency**) and the denominations (the **Specified Denomination(s)**) specified in the applicable Final Terms. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination and Bearer Notes may not be exchanged for Registered Notes and *vice versa*.

This Note may be a Fixed Rate Note, a Fixed Reset Note, a Floating Rate Note or a Zero Coupon Note, or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

If this Note is an Exempt Note, this Note may also be an Index Linked Interest Note, a Dual Currency Interest Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

If this Note is an Exempt Note, this Note may also be an Index Linked Redemption Note, an Instalment Note, a Dual Currency Redemption Note, a Partly Paid Note or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Final Terms.

Notes issued as Subordinated Notes must not be Zero Coupon Notes, Index Linked Interest Notes, Dual Currency Interest Notes, Index Linked Redemption Notes, Partly Paid Notes, Instalment Notes, Dual Currency Redemption Notes or any combination of any of the foregoing.

Definitive Bearer Notes are issued with Coupons attached, unless they are Zero Coupon Notes, in which case references to Coupons and Couponholders in the Conditions are not applicable.

Subject as set out below, title to the Bearer Notes, Receipts and Coupons will pass by delivery and title to the Registered Notes will pass upon registration of transfers in accordance with the provisions of the Agency Agreement. The Issuer, the Agents and the Trustee will (except as otherwise required by law) deem and treat the bearer of any Bearer Note, Receipt or Coupon and the registered holder of any Registered Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking S.A. (**Clearstream, Luxembourg**) and/or a sub-custodian for the Central Moneymarkets Unit Service operated by the Hong Kong Monetary Authority (the **CMU Service**), each person (other than Euroclear, Clearstream, Luxembourg or the CMU Service) who is for the time being shown in the records of Euroclear, Clearstream, Luxembourg or the CMU Service as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg or the CMU Service as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Agents and the Trustee as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer, any Agent and the Trustee as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly. Notwithstanding the above, if a Note is held through the CMU Service, any payment that is made in respect of such Note shall be made at the direction of the bearer or at the direction of the registered holder (to whose order such payments are to be made) to the person(s) for whose account(s) interests in such Note are credited as being held through the CMU Service in accordance with the CMU Rules at the relevant time as notified to the CMU Lodging Agent by the CMU Service in a relevant Issue Position Report or any other relevant notification by the CMU Service (which notification, in either case, shall be conclusive evidence of the records of the CMU Service as to the identity of any accountholder and the principal amount of any Note credited to its account, save in the case of manifest error) (**CMU Accountholders**) and such payments shall discharge the obligation of the Issuer in respect of that payment under such Note. In determining whether a particular person is entitled to a particular nominal amount of Notes as aforesaid, the Trustee may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error, be conclusive and binding on all concerned.

For so long as The Depository Trust Company (**DTC**) or its nominee is the registered owner or holder of a Registered Global Note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Registered Global Note for all purposes under the Trust Deed and the Notes except to the extent that in accordance with DTC's published rules and procedures any ownership rights may be exercised by its participants or beneficial owners through participants.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of DTC, Euroclear, Clearstream, Luxembourg and the CMU Service, as the case may be. References to DTC, Euroclear, Clearstream, Luxembourg and/or the CMU Service shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or as may otherwise be approved by the Issuer, the Principal Paying Agent and the Trustee.

2. TRANSFERS OF REGISTERED NOTES

(a) Transfers of interests in Registered Global Notes

Transfers of beneficial interests in Registered Global Notes will be effected by DTC, Euroclear, Clearstream, Luxembourg or the CMU Service, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Notes in definitive form or for a beneficial interest in another Registered Global Note only in the Specified Denominations set out in the applicable Final Terms and only in accordance with the rules and operating procedures for the time being of DTC and its direct and indirect participants (including, if applicable, Euroclear and Clearstream, Luxembourg), Euroclear, Clearstream, Luxembourg or the CMU Service, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement. Transfers of a Registered Global Note registered in the name of a nominee

for DTC shall be limited to transfers of such Registered Global Note, in whole but not in part, to another nominee of DTC or to a successor of DTC or such successor's nominee.

(b) Transfers of Registered Notes in definitive form

Subject as provided in paragraphs (c), (e) and (f) below, upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Note in definitive form may be transferred in whole or in part (in the Specified Denominations set out in the applicable Final Terms). In order to effect any such transfer (i) the holder or holders must (A) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or its or their attorney or attorneys duly authorised in writing and (B) complete and deposit such other certifications as may be required by the Registrar or, as the case may be, the relevant Transfer Agent and (ii) the Registrar or, as the case may be, the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 4 to the Agency Agreement). Subject as provided above, the Registrar or, as the case may be, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar or, as the case may be, the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

(c) Registration of transfer upon partial redemption

In the event of a partial redemption of Notes under Condition 7, the Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

(d) Costs of registration

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

(e) Transfers of interests in Regulation S Global Notes

Prior to expiry of the applicable Distribution Compliance Period, transfers by the holder of, or of a beneficial interest in, a Regulation S Global Note to a transferee in the United States or who is a U.S. person will only be made upon receipt by the Registrar of a written certification substantially in the form set out in the Agency Agreement, amended as appropriate (a **Transfer Certificate**), copies of which are available from the specified office of the Registrar or any Transfer Agent, from the transferor of the Note or beneficial interest therein to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

In the circumstances set out in this Condition 2(e), such transferee may take delivery through a Legended Note in global or definitive form. After expiry of the applicable Distribution Compliance Period (i) beneficial interests in Regulation S Global Notes registered in the name of a nominee for DTC may be held through DTC

directly, by a participant in DTC, or indirectly through a participant in DTC and (ii) such certification requirements will no longer apply to such transfers.

(f) Transfers of interests in Legended Notes

Transfers of Legended Notes or beneficial interests therein may be made:

(i) to a transferee who takes delivery of such interest through a Regulation S Global Note, upon receipt by the Registrar of a duly completed Transfer Certificate from the transferor to the effect that such transfer is being made in accordance with Regulation S and that in the case of a Regulation S Global Note registered in the name of a nominee for DTC, if such transfer is being made prior to expiry of the applicable Distribution Compliance Period, the interests in the Notes being transferred will be held immediately thereafter through Euroclear and/or Clearstream, Luxembourg; or

(ii) to a transferee who takes delivery of such interest through a Legended Note where the transferee is a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, without certification; or

(iii) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States,

and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

Upon the transfer, exchange or replacement of Legended Notes, or upon specific request for removal of the Legend, the Registrar shall deliver only Legended Notes or refuse to remove the Legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence as may reasonably be required by the Issuer, which may include an opinion of U.S. counsel, that neither the Legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

(g) Definitions

In this Condition, the following expressions shall have the following meanings:

Distribution Compliance Period means the period that ends 40 days after the completion of the distribution of each Tranche of Notes, as certified by the relevant Dealer (in the case of a non-syndicated issue) or the relevant Lead Manager (in the case of a syndicated issue);

Legended Note means Registered Notes (whether in definitive form or represented by a Registered Global Note) sold in private transactions to QIBs in accordance with the requirements of Rule 144A;

QIB means a **qualified institutional buyer** within the meaning of Rule 144A;

Regulation S means Regulation S under the Securities Act;

Regulation S Global Note means a Registered Global Note representing Notes sold outside the United States in reliance on Regulation S;

Rule 144A means Rule 144A under the Securities Act;

Rule 144A Global Note means a Registered Global Note representing Notes sold in the United States to QIBs; and

Securities Act means the United States Securities Act of 1933, as amended.

3. STATUS OF THE SENIOR NOTES AND SUBORDINATION

The applicable Final Terms (other than Notes issued with a minimum denomination of less than Euro 100,000 (or its equivalent in any other currency)) will indicate whether the Notes are Senior Notes or Subordinated Notes.

*NAB is an "authorised deposit-taking institution" (**ADI**) for the purposes of the Banking Act 1959 of Australia (**Banking Act**) in Australia. Accordingly, but without limitation to the other mandatory priority provisions of the Banking Act or the Reserve Bank Act 1959 of Australia or to other applicable laws, section 13A of Division 2 of Part II of the Banking Act provides that, in the event NAB becomes unable to meet its obligations or suspends payment, its assets in Australia are available to meet specified liabilities in Australia in priority to all other liabilities of NAB (including Notes issued by NAB). These specified liabilities include obligations of NAB in respect of protected accounts (as defined in the Banking Act), debts due to the Reserve Bank of Australia (the **RBA**) and certain debts due to the Australian Prudential Regulation Authority (**APRA**). Certain assets, such as the assets of NAB in a cover pool for a covered bond issued by NAB, are excluded from constituting assets in Australia for the purposes of section 13A of the Banking Act and these assets are subject to the prior claims of the holders of such covered bonds and certain other secured creditors in respect of the covered bonds.*

The claims which are preferred by law to the claims of a Noteholder in respect of a Note issued by NAB, including without limitation under the Banking Act provisions referred to above, will include most deposits, will be substantial and are not limited by these Conditions. NAB's assets which are excluded from constituting assets in Australia and which are subject to prior claims in connection with covered bonds as described above may also be substantial. In addition, future changes to applicable law may extend the debts required to be preferred by law or the assets to be excluded.

The Notes are not deposit liabilities or protected accounts of NAB for the purposes of the Banking Act. The Notes are not guaranteed or insured by any government, government agency or compensation scheme of Australia, New Zealand or any other jurisdiction or by any other party.

3.1 Status of the Senior Notes

The Senior Notes and any relative Receipts and Coupons are unsubordinated, direct and unsecured obligations of the Issuer and rank *pari passu* with all other unsecured and unsubordinated obligations of the Issuer (other than any obligation preferred by mandatory provisions of applicable law including (in respect of NAB only) but not limited to those referred in Division 2 of Part II of the Banking Act and section 86 of the Reserve Bank Act 1959 of Australia).

3.2 Subordination—NAB

The provisions of, and the defined terms contained within, this Condition 3.2 apply only to Subordinated Notes issued by NAB and references to "Subordinated Notes" in this Condition 3.2 shall be construed accordingly.

(a) Subordinated Notes are direct, unsecured obligations of NAB and are subordinated to the claims of all Senior Creditors (as defined below) of NAB in right of payment of principal of and interest on such Subordinated Notes with respect to the assets of NAB in the event of a Winding Up of NAB.

(b) At any time prior to the Winding Up of NAB in Australia:

(i) payments by NAB of principal and interest or any other amount owing to a Noteholder or the Trustee in connection with the Subordinated Notes are conditional upon NAB being Solvent (as defined in Condition 10.2) at the time those payments fall due; and

(ii) NAB must not pay an amount owing to a Noteholder or the Trustee in connection with the Subordinated Notes except to the extent that NAB may pay such amount and still be Solvent (as defined in Condition 10.2) immediately after doing so,

provided that this provision shall not affect or prejudice the payment of costs, charges, expenses, liabilities, indemnities or remuneration of or to the Trustee or the rights and remedies of the Trustee in respect thereof.

Subordinated Notes rank in a Winding Up of NAB behind all claims of Senior Creditors, *pari passu* among themselves, and subject to Condition 10A, *pari passu* with Equal Ranking Instruments and ahead of Junior Ranking Instruments.

In a Winding Up of NAB a Noteholder's claim for an amount owing by NAB in connection with a Subordinated Note is subordinated to the claims of Senior Creditors of NAB, in that:

(x) all claims of Senior Creditors must be paid in full before the Noteholder's claim is paid; and

(y) until the Senior Creditors have been paid in full, the Noteholder must not claim in the Winding Up of NAB in competition with the Senior Creditors so as to diminish any distribution, dividend or payment which, but for that claim, the Senior Creditors would have been entitled to receive.

The Subordinated Notes will not contain any limitations on the amount of senior debt, deposits or other obligations that may be hereafter incurred or assumed by NAB.

Each Noteholder irrevocably acknowledges and agrees that this Condition 3.2 is a debt subordination for the purposes of section 563C of the Corporations Act 2001 of Australia (the **Corporations Act**). Each Noteholder irrevocably acknowledges and agrees that the debt subordination effected by this Condition 3.2 is not affected by any act or omission of NAB or a Senior Creditor which might otherwise affect it at law or in equity.

To the fullest extent permitted by applicable law, a holder of a Subordinated Note and any related Receipts and Coupons shall not have any right to set-off any amounts owing to it by NAB in connection with that Subordinated Note against any amount owing by it to NAB in connection with the Subordinated Notes or otherwise and NAB shall not have any right to set-off any amounts owing by it to the holder in connection with that Subordinated Note against any amount owing by the holder to it in connection with the Subordinated Notes or otherwise.

Each Noteholder must not exercise its voting rights as an unsecured creditor in the Winding Up or administration of NAB to defeat the subordination in this Condition 3.2. In addition, each Noteholder irrevocably acknowledges and agrees that it must pay or deliver to the liquidator any amount or asset received on account of its claim in the Winding Up of NAB in connection with a Subordinated Note in excess of its entitlement under this Condition 3.2.

Nothing in this Condition 3.2 shall be taken to require the consent of any Senior Creditor to any amendment of this Condition 3.2.

Equal Ranking Instruments means any instrument that ranks in a Winding Up of NAB as the most junior claim in the Winding Up of NAB ranking senior to Junior Ranking Instruments and includes any instruments issued as Relevant Tier 2 Capital Instruments (as defined in Condition 10A.16).

Junior Ranking Instruments means:

(i) any instrument issued as Tier 1 Capital (whether or not constituting Tier 1 Capital at the Issue Date or at the time of commencement of the Winding Up of NAB); and

(ii) any shares (including Ordinary Shares) in the capital of NAB (other than shares issued as Tier 2 Capital),

or any claims in respect of a shareholding including claims described in sections 563AA and 563A of the Corporations Act.

Senior Creditors means, in respect of NAB, all present and future creditors of NAB (including but not limited to depositors of NAB) whose claims:

(i) would be entitled to be admitted in the Winding Up of NAB; and

(ii) are not in respect of Equal Ranking Instruments or Junior Ranking Instruments.

Winding Up means, in relation to NAB, a winding up by a court of competent jurisdiction or otherwise under applicable law (which, in the case of Australia, includes the Corporations Act).

The Trust Deed contains further provisions to give effect to the subordination contemplated by this Condition 3.2.

3.3 Subordination—BNZ

The provisions of, and the defined terms contained within, this Condition 3.3 apply only to Subordinated Notes issued by BNZ and references to "Subordinated Notes" in this Condition 3.3 shall be construed accordingly.

(a) Subordinated Notes are direct, unsecured obligations of BNZ and are subordinated to the claims of all Senior Creditors (as defined below) of BNZ in right of payment of principal of and interest on such Subordinated Notes with respect to the assets of BNZ in the event of a Liquidation of BNZ.

(b) At any time prior to the earlier of the Maturity Date or Liquidation of BNZ:

(i) payments by BNZ of principal and interest or any other amount owing to a Noteholder or the Trustee in connection with a Subordinated Note are conditional upon BNZ being Solvent (as defined in Condition 10.2A) at the time those payments fall due; and

(ii) BNZ must not pay an amount owing to a Noteholder or the Trustee in connection with a Subordinated Note except to the extent that BNZ may pay such amount and still be Solvent (as defined in Condition 10.2A) immediately after doing so,

provided that this provision shall not affect or prejudice the payment of costs, charges, expenses, liabilities, indemnities or remuneration of or to the Trustee or the rights and remedies of the Trustee in respect thereof.

Subordinated Notes rank in a Liquidation of BNZ behind all claims of Senior Creditors, *pari passu* among themselves and with Equal Ranking Instruments, and ahead of Junior Ranking Instruments.

In a Liquidation of BNZ a Noteholder's claim for an amount owing by BNZ in connection with a Subordinated Note is subordinated to the claims of Senior Creditors of BNZ, in that:

(x) all claims of Senior Creditors must be paid in full before the Noteholder's claim is paid; and

(y) until the Senior Creditors have been paid in full, the Noteholder must not claim in the Liquidation of BNZ in competition with the Senior Creditors so as to diminish any distribution, dividend or payment which, but for that claim, the Senior Creditors would have been entitled to receive.

The Subordinated Notes will not contain any limitations on the amount of senior debt, deposits or other obligations that may be hereafter incurred or assumed by BNZ.

Each Noteholder irrevocably acknowledges and agrees that:

(a) in accordance with section 313(3) of the Companies Act 1993 (New Zealand) (the **New Zealand Companies Act**), it is accepting a lower priority in relation to the debt represented by each Subordinated Note than that which it would otherwise have under section 313 of the New Zealand Companies Act; and

(b) nothing in sections 310 or 313 of the New Zealand Companies Act will prevent these Conditions from having effect in accordance with their terms.

Each Noteholder must not exercise its voting rights as an unsecured creditor in the Liquidation of BNZ to defeat the subordination in this Condition 3.3.

Each Noteholder irrevocably acknowledges and agrees that the subordination effected by this Condition 3.3 is not affected by any act or omission of BNZ or a Senior Creditor which might otherwise affect it at law or in equity.

In addition, each Noteholder irrevocably acknowledges and agrees that it must pay or deliver to the liquidator any amount or asset received on account of its claim in the Liquidation of BNZ in connection with a Subordinated Note in excess of its entitlement under this Condition 3.3.

Nothing in this Condition 3.3 shall be taken to require the consent of any Senior Creditor to any amendment of this Condition 3.3.

To the fullest extent permitted by applicable law, a holder of a Subordinated Note and any related Receipts and Coupons shall not have any right to set-off any amounts owing to it by BNZ in connection with that Subordinated Note against any amount owing by it to BNZ in connection with the Subordinated Notes or otherwise and BNZ shall not have any right to set-off any amounts owing by it to the holder in connection with that Subordinated Note against any amount owing by the holder to it in connection with the Subordinated Notes or otherwise.

Equal Ranking Instruments means all securities, instruments and other obligations that qualify as Tier 2 Capital (as defined in Condition 7.2) or are expressed to rank equally with such securities, instruments or other obligations in a Liquidation of BNZ, present and future.

Junior Ranking Instruments means:

(i) all fully paid securities and other instruments that qualify as Tier 1 Capital (as defined in Condition 7.2, including ordinary shares and perpetual preference shares), present and future; and

(ii) all other securities and other instruments which rank or are expressed to rank behind Equal Ranking Instruments, present and future.

Senior Creditors means, in respect of BNZ, creditors (including depositors) of BNZ to whom BNZ is indebted in respect of all deposits and other liabilities, securities, instruments and other obligations of BNZ other than Equal Ranking Instruments or Junior Ranking Instruments, present and future.

Liquidation of BNZ means, in respect of BNZ, the liquidation of BNZ under:

(i) Part 16 of the New Zealand Companies Act; or

(ii) any other legislation under which BNZ will irrevocably cease to be duly incorporated or to validly exist in New Zealand.

The Trust Deed contains further provisions to give effect to the subordination contemplated by this Condition 3.3.

4. **[***This paragraph is no longer applicable***]**

5. INTEREST

The applicable Final Terms will indicate whether the Notes are Fixed Rate Notes, Fixed Reset Notes, Floating Rate Notes or Zero Coupon Notes or, in the case of Exempt Notes, whether a different interest basis applies.

5.1 Interest on Fixed Rate Notes

This Condition 5.1 applies to Fixed Rate Notes only. The applicable Final Terms contains provisions applicable to the determination of fixed rate interest and must be read in conjunction with this Condition 5.1 for full information on the manner in which interest is calculated on Fixed Rate Notes. In particular, the applicable Final Terms will specify the Interest Commencement Date, the Rate(s) of Interest, the Interest Payment Date(s), the Maturity Date, any applicable Fixed Coupon Amount, any applicable Broken Amount, the Calculation Amount, the Day Count Fraction and any applicable Determination Date.

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are Bearer Notes in definitive form, except as provided in the applicable Final Terms, and subject to the immediately succeeding paragraph, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

If "Business Day Convention—Adjusted" is specified in the applicable Final Terms, (a) any Interest Payment Date otherwise falling on a day which is not a Business Day (as defined in Condition 5.7 below) will be postponed or brought forward (as applicable) in accordance with the Business Day Convention set out in the applicable Final Terms (as described below) and (b) the amount of interest payable on such Interest Payment Date will be adjusted accordingly and the provisions of subparagraph (d) of Condition 5.2 (excluding the determination of the Rate of Interest) and (f) of Condition 5.2 below (excluding the notification of the Rate of Interest) shall apply, *mutatis mutandis*, as though references to "Floating Rate Notes" were to "Fixed Rate Notes" and references to "Interest Amounts" were to amounts of interest payable in respect of Fixed Rate Notes.

If "Business Day Convention—Non-Adjusted" is specified in the applicable Final Terms, any Interest Payment Date otherwise falling on a day which is not a Business Day will be postponed or brought forward (as applicable) in accordance with the Business Day Convention set out in the applicable Final Terms (as described below) and there will be no corresponding adjustment of the amount of interest or, if applicable, principal, payable on such Interest Payment Date.

Except in the case of Bearer Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

(A) in the case of Fixed Rate Notes which are (i) represented by a Global Note or (ii) Registered Notes in definitive form, the aggregate outstanding nominal amount of (A) the Fixed Rate Notes represented by such Global Note or (B) such Registered Notes (or, in each case, if they are Partly Paid Notes, the aggregate amount paid up); or

(B) in the case of Fixed Rate Notes which are Bearer Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction.

The resultant figure (including after application of any Fixed Coupon Amount or Broken Amount, as applicable, to the Calculation Amount in the case of Fixed Rate Notes which are Bearer Notes in definitive form) shall be rounded to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

Where the Specified Denomination of a Fixed Rate Note which is a Bearer Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

5.1A Interest on Fixed Reset Notes

This Condition 5.1A applies to Fixed Reset Notes only. The applicable Final Terms contains provisions applicable to the determination of reset rate interest and must be read in conjunction with this Condition 5.1A for full information on the manner in which interest is calculated on Fixed Reset Notes. In particular, the applicable Final Terms will specify, *inter alia*, the Interest Commencement Date, the Initial Interest Rate, the Reset Margin, the Interest Payment Date(s), the Reset Date, the Reset Determination Date, the Maturity Date, any applicable Fixed Coupon Amount, any applicable Broken Amount, the Calculation Amount, the Day Count Fraction, the Business Day Convention, the Specified Time, the Specified Financial Centre, any Additional Business Centres and any applicable Determination Date.

Each Fixed Reset Note bears interest:

(A) from (and including) the Interest Commencement Date to (but excluding) the Reset Date at the rate per annum equal to the Initial Interest Rate; and

(B) from (and including) the Reset Date to (but excluding) the Maturity Date (the **Reset Period**) at the rate per annum equal to the Reset Rate,

(in each case rounded if necessary to, unless otherwise specified in the applicable Final Terms, the fifth decimal place, with 0.000005 being rounded upwards) (each a **Rate of Interest**) payable, in each case, in arrear on the Interest Payment Date(s) in each year up to and including the Maturity Date.

For the purposes of any determination by the Principal Paying Agent (or other party responsible for the calculation of the Reset Rate as specified in the applicable Final Terms, and references in this Condition 5.1A to "Principal Paying Agent" shall be construed accordingly) of the Rate of Interest for the Reset Period in accordance with this Condition 5.1A, the relevant provisions of Condition 5.2 shall apply, as applicable, as if the Fixed Reset Notes were Floating Rate Notes and as though references to the "Interest Period" were to the Reset Period. The Rate of Interest for the Reset Period shall otherwise be determined by the Principal Paying Agent on the Reset Determination Date in accordance with the provisions of this Condition 5.1A. Other than in respect of determining the Rate of Interest for the Reset Period, the relevant provisions of Condition 5.1 shall apply to Fixed Reset Notes, as applicable, as if the Fixed Reset Notes were Fixed Rate Notes.

In these Conditions:

Reset Rate means the sum of the Reset Margin and the Reset Reference Rate for the Reset Period (which rate if not calculated on the basis of a Reset Reference Rate with the same frequency of payments as the Interest Payment Dates in respect of the Fixed Reset Notes, shall be converted in accordance with market convention to a rate with the frequency with which scheduled interest payments are payable on the Fixed Reset Notes or, if market convention is for the Reset Reference Rate first to be so converted, the Reset Reference Rate for the purposes of determining the Reset Rate shall be the Reset Reference Rate as so converted without any further such conversion).

If Mid-Swap Rate Provisions are specified as applicable in the applicable Final Terms:

Mid-Swap Benchmark means, as specified in the applicable Final Terms, the rate for the Reset Date for swap transactions in the Specified Currency with a term equal to the Reset Period;

Mid-Swap Rate means the Mid-Swap Benchmark, expressed as a percentage, which appears on the Mid-Swap Reset Screen Page as of approximately the Specified Time in the Specified Financial Centre on the Reset Determination Date. If, other than in the circumstances described in Condition 5.5, such rate does not appear on the Mid-Swap Reset Screen Page, the Mid-Swap Rate for the Reset Date will be the Reset Reference Bank Rate for the Reset Period;

Mid-Swap Reset Screen Page means the display page on the relevant service as specified in the applicable Final Terms or such other page as may replace it on that information service, or on such other equivalent information service as determined by the Principal Paying Agent, for the purpose of displaying equivalent or comparable rates to the relevant swap rates for swap transactions in the Specified Currency with a term equal to the Reset Period;

Reference Banks means five leading swap dealers in the interbank market for swap transactions in the Specified Currency with an equivalent maturity to the Reset Period as selected by the Issuer and notified in writing to the Principal Paying Agent;

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

Reset Period Mid-Swap Rate Quotations means the bid and offered rates for the fixed leg of a fixed-for-floating interest rate swap transaction (calculated using the same conventions that were quoted on the Mid-Swap Reset Screen Page on the Issue Date) in the Specified Currency with a term equal to the Reset Period quoted on the Reset Determination Date and in a Representative Amount with an acknowledged dealer of good credit in the swap market;

Reset Reference Bank Rate means the percentage determined on the basis of the arithmetic mean of the Reset Period Mid-Swap Rate Quotations provided by the Reference Banks at approximately the Specified Time in the Specified Financial Centre on the Reset Determination Date. The Issuer will request the principal office of each of the Reference Banks to provide a quotation of its rate to the Principal Paying Agent. If at least three quotations are provided, the relevant Reset Reference Bank Rate 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 quotations are provided, the relevant Reset Reference Bank Rate will be the arithmetic mean of the quotations provided. If only one quotation is provided, the relevant Reset Reference Bank Rate will be the quotation provided. If no quotations are provided, the Mid-Swap Rate will be the applicable Mid-Swap Fallback Rate as specified in, and determined in accordance with, the applicable Final Terms; and

Reset Reference Rate is the relevant Mid-Swap Rate.

If Reset Reference Bond Rate Provisions are specified as applicable in the applicable Final Terms:

Reset Reference Bond means (i) if the Reset Reference Bond is specified in the applicable Final Terms, the relevant Reset Reference Bond or (ii) if the Reset Reference Bond is not specified in the applicable Final Terms (or is no longer outstanding on the Reset Determination Date), a government security or securities issued by the government of the state responsible for issuing the Specified Currency (which, if the Specified Currency is euro, shall be Germany) (a **Relevant Government Bond**) selected by the Issuer as having the nearest actual or interpolated maturity comparable with the Reset Period and that (in the opinion of the Issuer) would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issuances of corporate debt securities denominated in the Specified Currency and of a comparable maturity to the Reset Period;

Reset Reference Bond Rate means the rate per annum equal to the annual yield to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reset Reference Bond, expressed as a percentage, which appears on the Reset Reference Bond Screen Page as of approximately the Specified Time in the Specified Financial Centre on the Reset Determination Date. If such rate does not appear on the Reset Reference Bond Screen Page as of approximately the Specified Time in the Specified Financial Centre on the Reset Determination Date, the Reset Reference Bond Rate for the Reset Date will be the Reset Reference Bond Yield for the Reset Determination Date;

Reset Reference Bond Screen Page means the display page on the relevant service as specified in the applicable Final Terms or such other page as may replace it on that information service, or on such other equivalent information service as determined by the Principal Paying Agent, for the purpose of displaying the yield of the Reset Reference Bond;

Reset Reference Bond Yield means the arithmetic average of the Reset Reference Government Bond Dealer Quotations for the Reset Determination Date, as determined by the Principal Paying Agent, after excluding the highest and lowest of such Reset Reference Government Bond Dealer Quotations; provided, however, that (i) if fewer than five but more than one Reset Reference Government Bond Dealer Quotations are received, the Reset Reference Bond Yield shall be equal to the arithmetic average of all such quotations, or (ii) if only one Reset Reference Government Bond Dealer Quotation is received, the Reset Reference Bond Yield shall be equal to such quotation, or (iii) if no Reset Reference Government Bond Dealer Quotations are received, the Reset Reference Bond Yield will be the applicable Reference Bond Fallback Rate as specified in, and determined in accordance with, the applicable Final Terms;

Reset Reference Government Bond Dealers means five banks or other financial institutions that are (i) primary dealers in Relevant Government Bonds, or (ii) market makers in pricing corporate bond issues denominated in the Specified Currency, in each case as selected by the Issuer and notified to the Principal Paying Agent;

Reset Reference Government Bond Dealer Quotations means, with respect to each Reset Reference Government Bond Dealer, the bid and offered yields to maturity or interpolated yields to maturity (on the relevant day count basis) for the Reset Reference Bond (expressed as a percentage) as of approximately the Specified Time in the Specified Financial Centre on the Reset Determination Date, and, if relevant, on a dealing basis for settlement that is customarily used for such Reset Reference Bond at such time, quoted to the Issuer by such Reset Reference Government Bond Dealer and notified to the Principal Paying Agent; and

Reset Reference Rate is the relevant Reset Reference Bond Rate.

If CMT Rate Provisions are specified as applicable in the applicable Final Terms:

CMT Rate means:

(i) the Original Reset Reference Rate Payment Basis yield for U.S. Treasury Securities at "constant maturity" for the CMT Tenor, as published in H.15 under the caption "Treasury constant maturities (nominal)", as that yield is displayed on the Reset Determination Date on the CMT Reset Screen Page;

(ii) if, other than in the circumstances described in Condition 5.5, the yield referred to in paragraph (i) above is not published by 4:30 p.m. (New York City time) on the CMT Reset Screen Page on the Reset Determination Date, the Original Reset Reference Rate Payment Basis yield for U.S. Treasury Securities at "constant maturity" for the CMT Tenor as published in H.15 under the caption "Treasury constant maturities (nominal)" on the Reset Determination Date; or

(iii) if, other than in the circumstances described in Condition 5.5, the yield referred to in paragraph (ii) above is not published by 4:30 p.m. (New York City time) on the Reset Determination Date, the Reset Reference Bank Rate on the U.S. Government Securities Business Day following the Reset Determination Date,

in each case, all as determined by the Principal Paying Agent;

CMT Reset Screen Page has the meaning given to it in the applicable Final Terms or any successor service or such other page as may replace that page on that service for the purpose of displaying "Treasury constant maturities" as reported in H.15;

CMT Tenor means, as specified in the applicable Final Terms, the tenor which is equal or comparable to the duration of the Reset Period;

H.15 means the daily statistical release designated as H.15, or any successor publication, published by the Board of Governors of the Federal Reserve System at http://www.federalreserve.gov/releases/H15 or such other page, section, successor site or publication, as may replace it;

Original Reset Reference Rate Payment Basis means, unless otherwise specified in the applicable Final Terms, the frequency of the Interest Payment Dates during the Reset Period;

Reference Bond Quotation means, with respect to each Reset Reference Bank, the rate of the Original Reset Reference Rate Payment Basis yield-to-maturity based on the secondary market bid price of the relevant Reset U.S. Treasury Security as determined by the Reset Reference Bank at approximately the Specified Time in the Specified Financial Centre on the U.S. Government Securities Business Day following the Reset Determination Date;

Reset Reference Bank Rate means the rate (expressed as a percentage rate per annum and rounded if necessary to, unless otherwise specified in the applicable Final Terms, the fifth decimal place, with 0.000005 being rounded upwards) determined on the basis of the Reference Bond Quotations requested by the Issuer to be provided by the Reset Reference Banks to the Principal Paying Agent as of approximately the Specified Time in the Specified Financial Centre on the U.S. Government Securities Business Day following the Reset Determination Date. If at least three such Reference Bond Quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean (rounded as aforesaid) of the Reference Bond Quotations provided, 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 Reference Bond Quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean (rounded as aforesaid) of the Reference Bond Quotations provided. If fewer than two Reference Bond Quotations are provided, the Reset Reference Bank Rate for the Reset Period will be the last observable Original Reset Reference Rate Payment Basis yield for U.S. Treasury Securities at "constant maturity" for the CMT Tenor, as published in H.15 under the caption "Treasury constant maturities (nominal)", as that yield is displayed on the CMT Reset Screen Page;

Reset Reference Banks means the principal office in the principal financial centre of the Specified Currency of five major banks which are primary U.S. Treasury Securities dealers or market makers in pricing corporate bond issues denominated in U.S. dollars, as published on the Federal Reserve Bank of New York's website at http://www.newyorkfed.org, or any successor source;

Reset Reference Rate is the relevant CMT Rate;

Reset U.S. Treasury Security means, on the Reset Determination Date, a U.S. Treasury Security with an original maturity equal to the Reset Period, a remaining term to maturity of no more than one year shorter than the Reset Period and in a nominal amount equal to an amount that is representative for a single transaction in such U.S. Treasury Securities in the New York City market. If two or more U.S. Treasury Securities have remaining terms to maturity of no more than one year shorter than the Reset Period, the U.S. Treasury Security with the longer remaining term to maturity will be used and if two or more U.S. Treasury Securities have remaining terms to maturity equally close to the duration of the Reset Period, the U.S. Treasury Security with the largest nominal amount outstanding will be used;

U.S. Government Securities Business Day has the meaning given to it in Condition 5.2(b)(ii)(A); and

U.S. Treasury Securities means securities that are direct obligations of the United States Treasury, issued other than on a discount basis.

5.2 Interest on Floating Rate Notes

Unless otherwise specified, this Condition 5.2 applies to Floating Rate Notes only. The applicable Final Terms contains provisions applicable to the determination of floating rate interest and must be read in conjunction with this Condition 5.2 for full information on the manner in which interest is calculated on Floating Rate Notes. In particular, the applicable Final Terms will identify any Specified Interest Payment Dates, any Specified Period, the Interest Commencement Date, the Business Day Convention, any Additional Business Centres, whether Screen Rate Determination, BBSW Determination or BKBM Determination applies to the calculation of interest, the party who will calculate the amount of interest due if it is not the Principal Paying Agent, the Margin, any maximum or minimum interest rates and the Day Count Fraction. Where Screen Rate Determination applies to the calculation of interest, the applicable Final Terms will also specify, *inter alia*, the applicable Reference Rate, Relevant Financial Centre, Interest Determination Date(s) and Relevant Screen Page. Where BKBM Determination applies to the calculation of interest, the applicable Final Terms will also specify the applicable Relevant Financial Centre and Interest Determination Date(s). Where BBSW Determination applies to the calculation of interest, the applicable Final Terms will also specify the applicable Interest Determination Date(s).

(a) Interest Payment Dates

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

(i) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or

(ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an **Interest Payment Date**) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In the Conditions, **Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date or the relevant payment date if the Notes become payable on a date other than an Interest Payment Date.

Business Day Convention

In respect of any Note, for the purposes of these Terms and Conditions, if a Business Day Convention is specified in the applicable Final Terms and (x) in the case of any Interest Payment Date, if there is no numerically corresponding day in the calendar month in which such Interest Payment Date should occur or (y) in the case of any Interest Payment Date, Maturity Date, Optional Redemption Date or Instalment Date, if such date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(A) in any case where Specified Periods are specified in accordance with Condition 5.2 above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or

(B) the Following Business Day Convention, such date shall be postponed to the next day which is a Business Day; or

(C) the Modified Following Business Day Convention, such 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 date shall be brought forward to the immediately preceding Business Day; or

(D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(b) **Rate of Interest**

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms.

(i) Screen Rate Determination for Floating Rate Notes referencing a Term Rate

(1) Where "Screen Rate Determination – Term Rate" is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject to Condition 5.5 and subject as provided below, be either:

(A) the offered quotation; or

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

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at the Relevant Time in the Relevant Financial Centre on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Principal Paying Agent or other party responsible for the calculation of the Rate of Interest as specified in the applicable Final Terms (and references in this Condition 5.2(b)(i) to "Principal Paying Agent" shall be construed accordingly). 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 Principal Paying Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

(2) If, other than in the circumstances described in Condition 5.5 below, the Relevant Screen Page is not available or if, in the case of Condition 5.2(b)(i)(1)(A), no such offered quotation appears or, in the case of Condition 5.2(b)(i)(1)(B), fewer than three of the offered quotations appear, in each case as at the Relevant Time, the Issuer shall request each of the Reference Banks to provide the Principal Paying Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Relevant Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Principal Paying Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of such offered quotations plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Principal Paying Agent.

(3) If on any Interest Determination Date one only or none of the Reference Banks provides the Principal Paying Agent with such an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Principal Paying Agent determines as being the arithmetic mean (rounded as provided above) of the rates, as communicated to (at the request of the Issuer) the Principal Paying Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Relevant Time on the relevant Interest

Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) or the Hong Kong inter-bank market (if the Reference Rate is HIBOR or CNH HIBOR) or the Oslo inter-bank market (if the Reference Rate is NIBOR) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Principal Paying Agent with such offered rates, either (as directed by the Issuer) the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Relevant Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for the purpose) informs the Principal Paying Agent it is quoting to leading banks in the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) or the Hong Kong inter-bank market (if the Reference Rate is HIBOR or CNH HIBOR) or the Oslo inter-bank market (if the Reference Rate is NIBOR) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 5.2(b)(i), the Rate of Interest shall be that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin, Maximum Rate of Interest and/or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as the case may be) relating to the relevant Interest Period in place of the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as applicable) relating to that last preceding Interest Period).

In this Condition 5.2(b)(i):

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

(i) if the Reference Rate is the Euro-zone interbank offered rate (**EURIBOR**), the second day on which T2 (as defined in Condition 5.7) is open prior to the start of each Interest Period;

(ii) if the Reference Rate is the Hong Kong interbank offered rate (**HIBOR**), the first day of each Interest Period;

(iii) if the Reference Rate is the CNH Hong Kong interbank offered rate (**CNH HIBOR**), the second Hong Kong business day (excluding Saturdays) prior to the start of each Interest Period; and

(iv) if the Reference Rate is the Norwegian interbank offered rate (**NIBOR**), the second Oslo business day prior to the start of each Interest Period.

Reference Banks shall mean (i) in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market; (ii) in the case of a determination of HIBOR, four major banks in the Hong Kong inter-bank market; (iii) in the case of a determination of CNH HIBOR, the principal Hong Kong office of four major banks dealing in Renminbi in the Hong Kong inter-bank market; and (iv) in the case of a determination of NIBOR, four major banks in the Oslo inter-bank market; in each case selected by the Issuer or as specified in the applicable Final Terms.

Reference Rate has the meaning given in Condition 5.7.

Relevant Financial Centre shall mean Brussels, in the case of a determination of EURIBOR, Hong Kong, in the case of a determination of HIBOR or CNH HIBOR and Oslo, in the case of a determination of NIBOR, as specified in the applicable Final Terms.

Relevant Time shall mean (i) in the case of EURIBOR, 11:00 a.m., (ii) in the case of HIBOR, 11:00 a.m., (iii) in the case of CNH HIBOR, 11:15 a.m., or if, at or around that time it is notified that the fixing will be published

at 2:30 p.m., then as of 2:30 p.m., and (iv) in the case of NIBOR, 12:00 noon, each as specified in the applicable Final Terms.

In the case of Exempt Notes, if the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Final Terms as being other than EURIBOR, HIBOR, CNH HIBOR, NIBOR, SONIA, SOFR, CORRA, €STR, TONA, BBSW Rate or BKBM Rate, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Final Terms.

(ii) Screen Rate Determination for Floating Rate Notes referencing SOFR

(A) Where "Screen Rate Determination – SOFR" is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, and the Calculation Method is specified in the applicable Final Terms as being "Compounded Daily SOFR Formula", the Rate of Interest for an Interest Period will, subject as provided below, be the Compounded Daily SOFR Formula Rate with respect to such Interest Period plus or minus (as indicated in the applicable Final Terms) the Margin (if any).

Compounded Daily SOFR Formula Rate means, with respect to an Interest Period, the rate of return of a daily compound interest investment in U.S. dollars (with the Secured Overnight Financing Rate as the reference rate for the calculation of interest) as calculated by the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the nearest fifth decimal place, with 0.000005 being rounded upwards):

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

where:

d is the number of calendar days in:

(a) where "Lookback" is specified as the Observation Method in the applicable Final Terms, the relevant Interest Period; or

(b) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms, the relevant Observation Period;

d_o is the number of U.S. Government Securities Business Days in:

(a) where "Lookback" is specified as the Observation Method in the applicable Final Terms, the relevant Interest Period; or

(b) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms, the relevant Observation Period;

i is a series of whole numbers from one to d_o, each representing the relevant U.S. Government Securities Business Day in chronological order from, and including, the first U.S. Government Securities Business Day in:

(a) where "Lookback" is specified as the Observation Method in the applicable Final Terms, the relevant Interest Period; or

(b) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms, the relevant Observation Period;

n_i, for any U.S. Government Securities Business Day "i", means the number of calendar days from (and including) such U.S. Government Securities Business Day "i" up to (but excluding) the following U.S. Government Securities Business Day;

Observation Period means, in respect of an Interest Period, the period from (and including) the date falling "*p*" U.S. Government Securities Business Days prior to the first day of the relevant Interest Period to (but excluding) the date falling "*p*" U.S. Government Securities Business Days prior to (I) the Interest Payment Date for such Interest Period or (II) if applicable, the relevant payment date if the Notes become due and payable on a date other than an Interest Payment Date;

p means:

(a) where "Lookback" is specified as the Observation Method in the applicable Final Terms, the number of U.S. Government Securities Business Days included in the "Lag Lookback Period (*p*)" in the applicable Final Terms (or, if no such number is so specified, five U.S. Government Securities Business Days); or

(b) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms, the number of U.S. Government Securities Business Days included in the "Observation Shift Period" in the applicable Final Terms (or, if no such number is so specified, five U.S. Government Securities Business Days);

SOFR means, in respect of any U.S. Government Securities Business Day, a rate determined in accordance with the following provisions:

(I) the Secured Overnight Financing Rate published for such U.S. Government Securities Business Day that appears on the SOFR Administrator's Website at or about 3:00 p.m. (New York City time) on the U.S. Government Securities Business Day immediately following such U.S. Government Securities Business Day; and

(II) if the rate specified in paragraph (I) above does not so appear, unless both a Benchmark Transition Event and its related Benchmark Replacement Date have occurred, then the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) shall use the Secured Overnight Financing Rate published on the SOFR Administrator's Website for the first preceding U.S. Government Securities Business Day on which the Secured Overnight Financing Rate was published on the SOFR Administrator's Website;

$SOFR_i$ means, in respect of any U.S. Government Securities Business Day "i":

(a) where "Lookback" is specified as the Observation Method in the applicable Final Terms, SOFR in respect of the U.S. Government Securities Business Day falling "*p*" U.S. Government Securities Business Days prior to the relevant U.S. Government Securities Business Day "i"; or

(b) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms, SOFR in respect of such U.S. Government Securities Business Day "i"; and

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.

Certain other capitalised terms used in the foregoing terms and provisions relating to determination of the Compounded Daily SOFR Formula Rate have the meanings set forth under Condition 5.2(b)(ii)(E) below.

Notwithstanding anything to the contrary, if both a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to determining the Compounded Daily SOFR Formula Rate, the benchmark replacement provisions set forth in Condition 5.2(b)(ii)(E) below shall apply for the purposes of all determinations of the Rate of Interest in respect of the Notes.

(B) Where "Screen Rate Determination – SOFR" is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, and the Calculation Method is specified in the applicable Final Terms as being "SOFR Index Determination", the Rate of Interest for an Interest Period will, subject as provided below, be the Compounded SOFR Index Rate with respect to such Interest Period plus or minus (as indicated in the applicable Final Terms) the Margin (if any).

Compounded SOFR Index Rate means, with respect to an Interest Period, the rate of return of a daily compound interest investment in U.S. dollars as calculated by the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the nearest fifth decimal place, with 0.000005 being rounded upwards):

$$\left(\frac{SOFR\ Index_{End}}{SOFR\ Index_{Start}} - 1\right) \times \frac{360}{d}$$

where:

d is the number of calendar days from (and including) the day in relation to which "SOFR $\text{Index}_{\text{Start}}$" is determined to (but excluding) the day in relation to which "SOFR $\text{Index}_{\text{End}}$" is determined (being the number of calendar days in the applicable reference period);

Relevant Number is as specified in the applicable Final Terms;

SOFR $\text{Index}_{\text{End}}$ means the SOFR Index value relating to the U.S. Government Securities Business Day falling the Relevant Number of U.S. Government Securities Business Days prior to (I) the Interest Payment Date for the relevant Interest Period or (II) if applicable, the relevant payment date if the Notes become due and payable on a date other than an Interest Payment Date;

SOFR $\text{Index}_{\text{Start}}$ means the SOFR Index value relating to the U.S. Government Securities Business Day falling the Relevant Number of U.S. Government Securities Business Days prior to the first date of the relevant Interest Period;

the **SOFR Index** means, with respect to any U.S. Government Securities Business Day, prior to a Benchmark Replacement Date:

(I) the SOFR Index published for such U.S. Government Securities Business Day as such value appears on the SOFR Administrator's Website at 3:00 p.m. (New York City time) on such U.S. Government Securities Business Day; provided that

(II) if the SOFR $\text{Index}_{\text{Start}}$ or the SOFR $\text{Index}_{\text{End}}$ does not appear on the SOFR Administrator's Website on the relevant Interest Determination Date and a Benchmark Transition Event and its related Benchmark Replacement Date have not occurred with respect to the Compounded SOFR Index Rate, the Compounded SOFR Index Rate for the applicable Interest Period for which such SOFR Index is not available shall be the "Compounded Daily SOFR Formula Rate" determined in accordance with Condition 5.2(b)(ii)(A) above as if the Calculation Method specified in the applicable Final Terms were "Compounded Daily SOFR Formula" (and not "SOFR 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 U.S. Government Securities Business Days, as if those alternative elections had been made in the applicable Final Terms; and

U.S. Government Securities Business Day has the meaning set out in Condition 5.2(b)(ii)(A) above.

Certain other capitalised terms used in the foregoing terms and provisions relating to determination of the Compounded SOFR Index Rate have the meanings set forth under Condition 5.2(b)(ii)(E) below.

Notwithstanding anything to the contrary, if both a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to determining the Compounded SOFR Index Rate, the benchmark replacement provisions set forth in Condition 5.2(b)(ii)(E) below shall apply for the purposes of all determinations of the Rate of Interest in respect of the Notes.

(C) Where "Screen Rate Determination - SOFR" is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, and the Calculation Method is specified in the applicable Final Terms as being "Average SOFR", the Rate of Interest for an Interest Period will, subject as provided below, be the Average SOFR Rate with respect to such Interest Period plus or minus (as indicated in the applicable Final Terms) the Margin (if any).

Average SOFR Rate means, with respect to an Interest Period, the arithmetic mean of SOFR in effect during such Interest Period as calculated by the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the nearest fifth decimal place, with 0.000005 being rounded upwards):

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

where **d**, $\mathbf{d_o}$, **i**, $\mathbf{n_i}$, **SOFR** and $\mathbf{SOFR_i}$ have the meanings set out in Condition 5.2(b)(ii)(A) above.

Notwithstanding anything to the contrary, if both a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to determining the Average SOFR Rate, the benchmark replacement provisions set forth in Condition 5.2(b)(ii)(E) below shall apply for the purposes of all determinations of the Rate of Interest in respect of the Notes.

(D) If the relevant Series of Notes becomes due and payable in accordance with Condition 10, the final Rate of Interest shall be calculated for the period from (and including) the previous Interest Payment Date to (but excluding) the date on which the Notes become so due and payable, and such Rate of Interest shall continue to apply to the Notes for so long as interest continues to accrue thereon as provided in Condition 5.6 and the Trust Deed.

(E) Notwithstanding any other provisions in these Conditions, if:

(x) the Benchmark is SOFR; and

(y) any Rate of Interest (or any component part thereof) remains to be determined by reference to the Benchmark,

then the following provisions of this Condition 5.2(b)(ii)(E) shall apply subject, in the case of Subordinated Notes issued by NAB, to the prior written approval of APRA and, in the case of Subordinated Notes issued by BNZ, to BNZ giving the Reserve Bank of New Zealand (the **RBNZ**) at least five working days' prior notice of any amendment to these Conditions, such notice to be accompanied by any information and supporting documentation required by the RBNZ's prudential regulatory requirements including a signed opinion from BNZ's New Zealand legal counsel confirming that, once the amendment is in effect, the Subordinated Notes will continue to qualify as Tier 2 Capital (as defined in Condition 7.2).

Holders of Subordinated Notes issued by NAB should note that APRA's approval may not be given for any Benchmark Replacement, Benchmark Replacement Conforming Change or Benchmark Replacement Adjustment it considers to have the effect of increasing the Rate of Interest contrary to applicable prudential standards. Holders of Subordinated Notes issued by BNZ should note that BNZ would not be able to comply with the RBNZ notification requirement and that, consequently, no Benchmark Replacement, Benchmark Replacement Conforming Change or Benchmark Replacement Adjustment (as applicable) could be applied, if the effect of any such Benchmark Replacement, Benchmark Replacement Conforming Change or Benchmark Replacement Adjustment (as applicable) would be that such Subordinated Notes would no longer qualify as Tier 2 Capital (as defined in Condition 7.2) because, for example, the Benchmark Replacement, Benchmark Replacement Conforming Change or Benchmark Replacement Adjustment (as applicable) would have the effect of increasing the Rate of Interest contrary to applicable prudential regulatory requirements.

(I) Benchmark Replacement

If the Issuer or its designee determines prior to the Reference Time on the relevant Interest Determination Date 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 Notes in respect of all determinations on such date and all determinations on all subsequent dates (subject to any subsequent application of this Condition 5.2(b)(ii)(E) with respect to such Benchmark Replacement).

In the event that the Issuer or its designee is unable to, or does not, determine a Benchmark Replacement, or a Benchmark Replacement is not implemented in accordance with this Condition 5.2(b)(ii)(E), prior to 5:00 p.m. (New York City time) on the relevant Interest Determination Date, the Rate of Interest for the relevant Interest Period shall be:

(1) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin, Maximum Rate of Interest and/or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as the case may be) relating to the relevant Interest Period, in place of the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as applicable) relating to that last preceding Interest Period); or

(2) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Notes for the first scheduled Interest Period had the Notes been in issue for a period equal in duration to the first

scheduled Interest Period but ending on (and excluding) the Interest Commencement Date (and applying the Margin and, if applicable, any Maximum Rate of Interest and/or Minimum Rate of Interest, applicable to the first scheduled Interest Period).

(II) Benchmark Replacement Conforming Changes

In connection with the implementation of a Benchmark Replacement, the Issuer or its designee will have the right to make Benchmark Replacement Conforming Changes from time to time.

At the request of the Issuer, but subject to receipt by the Trustee and the Principal Paying Agent of the certificate referred to in Condition 5.2(b)(ii)(E)(IV) below and subject as provided below, the Trustee and the Agents (as applicable) shall (at the expense of the Issuer), without any requirement for the consent or approval of Noteholders, Receiptholders or Couponholders and without liability to the Noteholders or any other person, be obliged to concur with the Issuer in effecting any Benchmark Replacement Conforming Changes (including, *inter alia*, by the execution of a deed supplemental to or amending the Trust Deed) with effect from the date specified in the notice referred to in Condition 5.2(b)(ii)(E)(IV) below.

Notwithstanding any other provision of this Condition 5.2(b)(ii)(E)(II), neither the Trustee nor the Agents (as applicable) shall be obliged to concur with the Issuer in respect of any Benchmark Replacement Conforming Changes which, in the sole opinion of the Trustee or the relevant Agent (as applicable), would (i) expose the Trustee or the relevant Agent (as applicable) to any additional liability or (ii) increase the obligations or duties, or decrease the rights or protections, afforded to the Trustee or the relevant Agent (as applicable) in the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed), the Agency Agreement and/or these Conditions.

(III) Decisions and Determinations

Any determination, decision or election that may be made by the Issuer or its designee pursuant to this Condition 5.2(b)(ii)(E), including (without limitation) 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, will be conclusive and binding absent manifest error, may be made in the Issuer's or its designee's sole discretion (as applicable), and, notwithstanding anything to the contrary in these Conditions or the Trust Deed, shall become effective without any requirement for the consent or approval of Noteholders, Receiptholders, Couponholders or any other party.

In connection with any Benchmark Replacement Conforming Changes in accordance with this Condition 5.2(b)(ii)(E), if and for so long as the Notes are admitted to trading and listed on the official list of a stock exchange, the Issuer shall comply with the rules of that stock exchange.

Notwithstanding any other provision of this Condition 5.2(b)(ii)(E), no Benchmark Replacement will be adopted, nor will any Benchmark Replacement Conforming Changes be made, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the treatment of any relevant Series of Subordinated Notes as Tier 2 Capital (as defined in Condition 7.2 in the case of Subordinated Notes issued by BNZ, and as defined in Condition 10A.16 in the case of Subordinated Notes issued by NAB).

(IV) Notice and Certification

Any Benchmark Replacement Conforming Changes determined under this Condition 5.2(b)(ii)(E) shall be notified promptly (in any case, not less than five Business Days prior to

the relevant Interest Determination Date) by the Issuer to the Trustee, the party responsible for determining the Rate of Interest (being the Principal Paying Agent or other such party specified in the applicable Final Terms, as applicable) and, in accordance with Condition 14, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of such Benchmark Replacement Conforming Changes.

No later than notifying the Trustee and the party responsible for determining the Rate of Interest (being the Principal Paying Agent or such other party specified in the applicable Final Terms, as applicable) of the same, the Issuer shall deliver to each of the Trustee and the Principal Paying Agent a certificate (on which each of the Trustee and the Principal Paying Agent shall be entitled to rely without further enquiry or liability) signed by two Authorised Signatories (as defined in the Trust Deed) of the Issuer confirming (i) that a Benchmark Transition Event has occurred, (ii) the Benchmark Replacement, and (iii) the specific terms of any Benchmark Replacement Conforming Changes, in each case as determined in accordance with the provisions of this Condition 5.2(b)(ii)(E).

If, following the occurrence of a Benchmark Transition Event and its related Benchmark Replacement Date, any Benchmark Replacement is notified to the Principal Paying Agent or any other party specified in the applicable Final Terms as being responsible for determining the Rate of Interest pursuant to this Condition 5.2(b)(ii)(E)(IV), and the Principal Paying Agent or such other responsible party (as applicable) is in any way uncertain as to the application of such Benchmark Replacement in the calculation or determination of any Rate of Interest, it shall promptly notify the Issuer thereof and the Issuer or its designee shall direct the Principal Paying Agent or such other party (as applicable) in writing as to which course of action to adopt in the application of such Benchmark Replacement in the determination of such Rate of Interest. If the Principal Paying Agent or such other party specified in the applicable Final Terms as being responsible for determining the Rate of Interest is not promptly provided with such direction, it shall notify the Issuer thereof, and the Principal Paying Agent or such other party (as applicable) shall be under no obligation to make such calculation or determination and shall not incur any liability for not doing so. For the avoidance of doubt, for the period that the Principal Paying Agent or such other party (as applicable) remains uncertain of the application of the Benchmark Replacement in the calculation or determination of any Rate of Interest, the original Benchmark and any other applicable fallback provisions provided for in this Condition 5.2 and/or the applicable Final Terms, as the case may be, will continue to apply.

(V) Definitions

In this Condition 5.2(b)(ii)(E):

Benchmark means, initially, SOFR (provided that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to SOFR (or the published daily SOFR used in the calculation thereof) or any Benchmark which has replaced it in accordance with this Condition 5.2(b)(ii)(E), then the term "**Benchmark**" means the applicable Benchmark Replacement);

Benchmark Replacement means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

(A) the sum of: (1) 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 (2) the Benchmark Replacement Adjustment;

(B) the sum of: (1) the ISDA Fallback Rate and (2) the Benchmark Replacement Adjustment; or

(C) the sum of: (1) the alternate rate of interest that has been selected by the Issuer or its designee 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 (2) the Benchmark Replacement Adjustment;

Benchmark Replacement Adjustment means the first alternative set forth in the order below that can be determined by the Issuer or its designee 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;

(B) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, then the ISDA Fallback Adjustment; or

(C) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer or its designee 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 definition of Interest Period, timing and frequency of determining rates and making payments of interest, rounding amounts or tenors, and other administrative matters) that the Issuer or its designee decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer or its designee decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer or its designee determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer or its designee 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 paragraph (A) or (B) of the definition of "Benchmark Transition Event", the later of (1) the date of the public statement or publication of information referenced therein and (2) 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 paragraph (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 on the relevant Interest Determination Date, 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 the 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 (or such component), 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;

designee means an affiliate or any other agent of the Issuer;

ISDA Definitions means the 2021 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time;

ISDA Fallback Adjustment means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark;

ISDA Fallback Rate means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

Reference Time with respect to any determination of the Benchmark means (A) if the Benchmark is SOFR, 3:00 p.m. (New York City time) or such other time as is reasonably agreed between the Issuer or its designee and the Principal Paying Agent, and (B) if the Benchmark is not SOFR, the time determined by the Issuer or its designee in accordance with the Benchmark Replacement Conforming Changes;

Relevant Governmental Body means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto;

SOFR with respect to any day means the Secured Overnight Financing Rate published for such day by the SOFR Administrator on the SOFR Administrator's Website;

SOFR Administrator means the Federal Reserve Bank of New York (or a successor administrator of SOFR);

SOFR Administrator's Website means the website of the Federal Reserve Bank of New York, or any successor source; and

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

(iii) Screen Rate Determination for Floating Rate Notes referencing SONIA

(A) Where "Screen Rate Determination – SONIA" is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, and the Calculation Method is specified in the applicable Final Terms as being "Compounded Daily SONIA Formula", the Rate of Interest for an Interest Period will, subject as provided below, be the Compounded Daily SONIA Formula Rate with respect to such Interest Period plus or minus (as indicated in the applicable Final Terms) the Margin (if any).

Compounded Daily SONIA Formula Rate means, with respect to an Interest Period, the rate of return of a daily compound interest investment in Sterling (with the Sterling Overnight Index Average (**SONIA**) as the reference rate for the calculation of interest) as calculated by the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) 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):

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

where:

d is the number of calendar days in:

(a) where "Lag" is specified as the Observation Method in the applicable Final Terms, the relevant Interest Period; or

(b) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms, the relevant Observation Period;

d_o is the number of London Banking Days in:

(a) where "Lag" is specified as the Observation Method in the applicable Final Terms, the relevant Interest Period; or

(b) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms, 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 applicable Final Terms, the relevant Interest Period; or

(b) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms, 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 an Interest Period, the period from (and including) the date falling "*p*" London Banking Days prior to the first day of the relevant Interest Period to (but excluding) the date falling "*p*" London Banking Days prior to (I) the Interest Payment Date for such Interest Period or (II) if applicable, the relevant payment date if the Notes become due and payable on a date other than an Interest Payment Date;

p means:

(a) where "Lag" is specified as the Observation Method in the applicable Final Terms, the number of London Banking Days included in the "Lag Lookback Period (*p*)" in the applicable Final Terms (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 applicable Final Terms, the number of London Banking Days included in the "Observation Shift Period" in the applicable Final Terms (or, if no such number is so specified, five London Banking Days);

the **SONIA reference rate** means, in respect of any London Banking Day, a reference rate equal to the daily 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

$\mathbf{SONIA_i}$ means, in respect of any London Banking Day "i":

(a) where "Lag" is specified as the Observation Method in the applicable Final Terms, 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 applicable Final Terms, the SONIA reference rate in respect of the relevant London Banking Day "i".

(B) Where "Screen Rate Determination – SONIA" is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, and the Calculation Method is specified in the applicable Final Terms as being "SONIA Index Determination", the Rate of Interest for an Interest Period will, subject as provided below, be the SONIA Compounded Index Rate with respect to such Interest Period plus or minus (as indicated in the applicable Final Terms) the Margin (if any).

SONIA Compounded Index Rate means, with respect to an Interest Period, the rate of return of a daily compound interest investment in Sterling as calculated by the Principal Paying Agent (or such

other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) 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):

$$\left(\frac{SONIA\ Compounded\ Index_{End}}{SONIA\ Compounded\ Index_{Start}} - 1\right) \times \frac{365}{d}$$

where:

d is the number of calendar days from (and including) the day in relation to which "SONIA Compounded $Index_{Start}$" is determined to (but excluding) the day in relation to which "SONIA Compounded $Index_{End}$" is determined (being the number of calendar days in the applicable reference period);

London Banking Day has the meaning set out in Condition 5.2(b)(iii)(A) above;

Relevant Number is as specified in the applicable Final Terms;

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 (I) the Interest Payment Date for the relevant Interest Period or (II) if applicable, the relevant payment date if the Notes become due and payable on a date other than an Interest Payment Date;

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 Interest Period; and

the **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 required to determine SONIA Compounded $Index_{Start}$ or SONIA Compounded $Index_{End}$ is not published by the administrator of the SONIA reference rate or other information service at the Relevant Time specified in the applicable Final Terms (or, if later, by the time falling one hour after the customary or scheduled time for publication thereof in accordance with the then-prevailing operational procedures of the administrator of the SONIA reference rate or such other information service, as the case may be) 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 Condition 5.2(b)(iii)(A) above as if the Calculation Method specified in the applicable Final Terms 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 applicable Final Terms.

(C) Where "Screen Rate Determination - SONIA" is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, and the Calculation Method is specified in the applicable Final Terms as being "Average SONIA", the Rate of Interest for an Interest Period will, subject as provided below, be the Average SONIA Rate with respect to such Interest Period plus or minus (as indicated in the applicable Final Terms) the Margin (if any).

Average SONIA Rate means, with respect to an Interest Period, the arithmetic mean of the SONIA reference rate in effect during such Interest Period as calculated by the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) 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):

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

where **d**, **d_o**, **i**, **n_i**, **SONIA reference rate** and **$SONIA_i$** have the meanings set out in Condition 5.2(b)(iii)(A) above.

(D) For the purposes of Conditions 5.2(b)(iii)(A) and 5.2(b)(iii)(C) above, and subject to Condition 5.5 below, if, in respect of any London Banking Day in the relevant Observation Period or the relevant Interest Period, as applicable, the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) 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 Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms, as applicable) shall determine the SONIA reference rate in respect of such London Banking Day as being:

(I) (i) the Bank of England's Bank Rate (the **Bank Rate**) prevailing at 5:00 p.m. (London time) (or, if earlier, close of business) on such London Banking Day; plus (ii) 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

(II) if the Bank Rate under (I)(i) 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 (I) above,

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

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

(i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin, Maximum Rate of Interest and/or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as the case may be) relating to the relevant Interest Period, in place of the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as applicable) relating to that last preceding Interest Period); or

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

applicable, any Maximum Rate of Interest and/or Minimum Rate of Interest, applicable to the first scheduled Interest Period),

in each case as determined by the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms, as applicable).

(F) If the relevant Series of Notes becomes due and payable in accordance with Condition 10, the final Rate of Interest shall be calculated for the period from (and including) the previous Interest Payment Date to (but excluding) the date on which the Notes become so due and payable, and such Rate of Interest shall continue to apply to the Notes for so long as interest continues to accrue thereon as provided in Condition 5.6 and the Trust Deed.

(iv) Screen Rate Determination for Floating Rate Notes referencing CORRA

(A) Where "Screen Rate Determination – CORRA" is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, and the Calculation Method is specified in the applicable Final Terms as being "Compounded Daily CORRA Formula", the Rate of Interest for an Interest Period will, subject as provided below, be the Compounded Daily CORRA Formula Rate with respect to such Interest Period plus or minus (as indicated in the applicable Final Terms) the Margin (if any).

Compounded Daily CORRA Formula Rate means, with respect to an Interest Period, the rate of return of a daily compound interest investment in Canadian Dollars (with the Canadian Overnight Repo Rate Average (**CORRA**) as the reference rate for the calculation of interest) as calculated by the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) 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):

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

where:

the **CORRA reference rate** means, in respect of any Toronto Business Day, a reference rate equal to the daily CORRA rate for such Toronto Business Day, as published by the Bank of Canada as the administrator of the CORRA reference rate (or any successor administrator of such rate) on the website of the Bank of Canada or any successor website, in each case as it appears on such website on the Toronto Business Day immediately following that day;

CORRA$_i$ means, in respect of any Toronto Business Day "i":

(a) where "Lag" is specified as the Observation Method in the applicable Final Terms, the CORRA reference rate in respect of the Toronto Business Day falling "*p*" Toronto Business Days prior to the relevant Toronto Business Day "i"; or

(b) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms, the CORRA reference rate in respect of the relevant Toronto Business Day "i";

d is the number of calendar days in:

(a) where "Lag" is specified as the Observation Method in the applicable Final Terms, the relevant Interest Period; or

(b) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms, the relevant Observation Period;

d_o is the number of Toronto Business Days in:

(a) where "Lag" is specified as the Observation Method in the applicable Final Terms, the relevant Interest Period; or

(b) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms, the relevant Observation Period;

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

(a) where "Lag" is specified as the Observation Method in the applicable Final Terms, the relevant Interest Period; or

(b) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms, the relevant Observation Period;

n_i, for any Toronto Business Day "i", means the number of calendar days from (and including) such Toronto Business Day "i" up to (but excluding) the following Toronto Business Day;

Observation Period means, in respect of an Interest Period, the period from (and including) the date falling "*p*" Toronto Business Days prior to the first day of the relevant Interest Period to (but excluding) the date falling "*p*" Toronto Business Days prior to (I) the Interest Payment Date for such Interest Period or (II) if applicable, the relevant payment date if the Notes become due and payable on a date other than an Interest Payment Date;

p means:

(a) where "Lag" is specified as the Observation Method in the applicable Final Terms, the number of Toronto Business Days included in the "Lag Lookback Period (*p*)" in the applicable Final Terms (or, if no such number is so specified, five Toronto Business Days); or

(b) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms, the number of Toronto Business Days included in the "Observation Shift Period" in the applicable Final Terms (or, if no such number is so specified, five Toronto Business Days); and

Toronto Business Day means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in the city of Toronto, Canada.

(B) Where "Screen Rate Determination – CORRA" is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, and the Calculation Method is specified in the applicable Final Terms as being "CORRA Index Determination", the Rate of Interest for an Interest Period will, subject as provided below, be the CORRA Compounded Index Rate with respect to such Interest Period plus or minus (as indicated in the applicable Final Terms) the Margin (if any).

CORRA Compounded Index Rate means, with respect to an Interest Period, the rate of return of a daily compound interest investment in Canadian Dollars as calculated by the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) 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):

$$\left(\frac{CORRA\ Compounded\ Index_{End}}{CORRA\ Compounded\ Index_{Start}} - 1\right) \times \frac{365}{d}$$

where:

CORRA Compounded Index$_{End}$ means the CORRA Compounded Index value relating to the Toronto Business Day falling the Relevant Number of Toronto Business Days prior to (I) the Interest Payment Date for the relevant Interest Period or (II) if applicable, the relevant payment date if the Notes become due and payable on a date other than an Interest Payment Date;

CORRA Compounded Index$_{Start}$ means the CORRA Compounded Index value relating to the Toronto Business Day falling the Relevant Number of Toronto Business Days prior to the first day of the relevant Interest Period;

the **CORRA Compounded Index** means, with respect to any Toronto Business Day, the value of the CORRA Compounded Index that is published by the Bank of Canada as the administrator of such rate (or any successor administrator of such rate), on the website of the Bank of Canada or any successor website, in respect of such Toronto Business Day;

d is the number of calendar days from (and including) the day in relation to which "CORRA Compounded Index$_{Start}$" is determined to (but excluding) the day in relation to which "CORRA Compounded Index$_{End}$" is determined (being the number of calendar days in the applicable reference period);

Toronto Business Day has the meaning set out in Condition 5.2(b)(iv)(A) above; and

Relevant Number is as specified in the applicable Final Terms.

If the relevant CORRA Compounded Index required to determine CORRA Compounded Index$_{Start}$ or CORRA Compounded Index$_{End}$ is not published by the Bank of Canada as the administrator of the CORRA reference rate (or any successor administrator of such rate) on the website of the Bank of Canada or any successor website at the Relevant Time specified in the applicable Final Terms on the relevant Interest Determination Date (or, if later, by the time falling one hour after the customary or scheduled time for publication thereof in accordance with the then-prevailing operational procedures of the administrator of the CORRA reference rate or such other information service, as the case may be), the CORRA Compounded Index Rate for the applicable Interest Period for which the CORRA Compounded Index is not available shall be the "Compounded Daily CORRA Formula Rate" determined in accordance with Condition 5.2(b)(iv)(A) above as if the Calculation Method specified in the applicable Final Terms were "Compounded Daily CORRA Formula" (and not "CORRA 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 Toronto Business Days, as if those alternative elections had been made in the applicable Final Terms.

(C) Where "Screen Rate Determination - CORRA" is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, and the Calculation Method is specified in the applicable Final Terms as being "Average CORRA", the Rate of Interest for an Interest Period will, subject as provided below, be the Average CORRA Rate with respect to such Interest Period plus or minus (as indicated in the applicable Final Terms) the Margin (if any).

Average CORRA Rate means, with respect to an Interest Period, the arithmetic mean of the CORRA reference rate in effect during such Interest Period as calculated by the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) 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):

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

where **CORRA reference rate**, **$CORRA_i$**, **d**, **d_o**, **i** and **n_i** have the meanings set out in Condition 5.2(b)(iv)(A) above.

(D) For the purposes of Conditions 5.2(b)(iv)(A) and 5.2(b)(iv)(C) above, and subject to Condition 5.5 below, if, in respect of any Toronto Business Day in the relevant Observation Period or the relevant Interest Period, as applicable, the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) determines that the applicable CORRA reference rate has not been published by the Bank of Canada as the administrator of such rate (or any successor administrator of the CORRA reference rate) on the website of the Bank of Canada or any successor website, then the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms, as applicable) shall determine the CORRA reference rate in respect of such Toronto Business Day as being:

(I) the prevailing Bank of Canada Target for the Overnight Rate as displayed on the Bank of Canada website (or any successor website or official publication of the Bank of Canada) as at the close of business in Toronto on such Toronto Business Day or, if the Bank of Canada does not target a single rate, the mid-point of the target range set by the Bank of Canada and so published (calculated as the arithmetic average of the upper bound of the target range and the lower bound of the target range, rounded, if necessary, to the nearest second decimal place, 0.005 being rounded upwards); or

(II) if the overnight rate under (I) above is not available at the relevant time, the CORRA reference rate published by the Bank of Canada as the administrator of the CORRA reference rate (or any successor administrator of such rate), on the website of the Bank of Canada or any successor website, for the first preceding Toronto Business Day in respect of which the CORRA reference rate was published by the Bank of Canada as the administrator of the CORRA reference rate (or any successor administrator of such rate) on the website of the Bank of Canada or any successor website,

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

(E) In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions, and subject to Condition 5.5 below, the Rate of Interest shall be:

(i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin, Maximum Rate of Interest and/or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as the case may be) relating to the relevant Interest Period, in place of the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as applicable) relating to that last preceding Interest Period); or

(ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Notes for the first scheduled Interest Period had the Notes been in issue for a period equal in duration to the first scheduled Interest Period but

ending on (and excluding) the Interest Commencement Date (and applying the Margin and, if applicable, any Maximum Rate of Interest and/or Minimum Rate of Interest, applicable to the first scheduled Interest Period),

in each case as determined by the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms, as applicable).

(F) If the relevant Series of Notes becomes due and payable in accordance with Condition 10, the final Rate of Interest shall be calculated for the period from (and including) the previous Interest Payment Date to (but excluding) the date on which the Notes become so due and payable, and such Rate of Interest shall continue to apply to the Notes for so long as interest continues to accrue thereon as provided in Condition 5.6 and the Trust Deed.

(v) Screen Rate Determination for Floating Rate Notes referencing €STR

(A) Where "Screen Rate Determination – €STR" is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, and the Calculation Method is specified in the applicable Final Terms as being "Compounded Daily €STR Formula", the Rate of Interest for an Interest Period will, subject as provided below, be the Compounded Daily €STR Formula Rate with respect to such Interest Period plus or minus (as indicated in the applicable Final Terms) the Margin (if any).

Compounded Daily €STR Formula Rate means, with respect to an Interest Period, the rate of return of a daily compound interest investment in euro (with the daily euro short-term rate (**€STR**) as the reference rate for the calculation of interest) as calculated by the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the nearest fifth decimal place, with 0.000005 being rounded upwards):

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

where:

the **€STR reference rate** means, in respect of any T2 Business Day, a reference rate equal to the daily €STR for such T2 Business Day, as provided by the European Central Bank as the administrator of €STR (or any successor administrator of such rate) on the website of the European Central Bank (or, if no longer published on its website, as otherwise published by it or provided by it to authorised distributors, or as otherwise published by such authorised distributors) on the T2 Business Day immediately following such T2 Business Day (in each case at the time specified by, or determined in accordance with, the applicable methodology, policies or guidelines, of the European Central Bank or the successor administrator of €STR);

€STR$_i$ means, in respect of any T2 Business Day "i":

(a) where "Lag" is specified as the Observation Method in the applicable Final Terms, the €STR reference rate in respect of the T2 Business Day falling "*p*" T2 Business Days prior to the relevant T2 Business Day "i"; or

(b) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms, the €STR reference rate in respect of the relevant T2 Business Day "i";

d is the number of calendar days in:

(a) where "Lag" is specified as the Observation Method in the applicable Final Terms, the relevant Interest Period; or

(b) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms, the relevant Observation Period;

d_o is the number of T2 Business Days in:

(a) where "Lag" is specified as the Observation Method in the applicable Final Terms, the relevant Interest Period; or

(b) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms, the relevant Observation Period;

i is a series of whole numbers from one to d_o, each representing the relevant T2 Business Day in chronological order from, and including, the first T2 Business Day in:

(a) where "Lag" is specified as the Observation Method in the applicable Final Terms, the relevant Interest Period; or

(b) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms, the relevant Observation Period;

n_i, for any T2 Business Day "i", means the number of calendar days from (and including) such T2 Business Day "i" up to (but excluding) the following T2 Business Day;

Observation Period means, in respect of an Interest Period, the period from (and including) the date falling "*p*" T2 Business Days prior to the first day of the relevant Interest Period to (but excluding) the date falling "*p*" T2 Business Days prior to (I) the Interest Payment Date for such Interest Period or (II) if applicable, the relevant payment date if the Notes become due and payable on a date other than an Interest Payment Date;

p means:

(a) where "Lag" is specified as the Observation Method in the applicable Final Terms, the number of T2 Business Days included in the "Lag Lookback Period (*p*)" in the applicable Final Terms (or, if no such number is so specified, five T2 Business Days); or

(b) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms, the number of T2 Business Days included in the "Observation Shift Period" in the applicable Final Terms (or, if no such number is so specified, five T2 Business Days); and

T2 Business Day means any day on which T2 (as defined in Condition 5.7) is open.

(B) Where "Screen Rate Determination – €STR" is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, and the Calculation Method is specified in the applicable Final Terms as being "€STR Index Determination", the Rate of Interest for an Interest Period will, subject as provided below, be the €STR Compounded Index Rate with respect to such Interest Period plus or minus (as indicated in the applicable Final Terms) the Margin (if any).

€STR Compounded Index Rate means, with respect to an Interest Period, the rate of return of a daily compound interest investment in euro as calculated by the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on

the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the nearest fifth decimal place, with 0.000005 being rounded upwards):

$$\left(\frac{€STR\ Compounded\ Index_{End}}{€STR\ Compounded\ Index_{Start}} - 1\right) \times \frac{360}{d}$$

where:

€STR Compounded Index$_{End}$ means the €STR Compounded Index value relating to the T2 Business Day falling the Relevant Number of T2 Business Days prior to (I) the Interest Payment Date for the relevant Interest Period or (II) if applicable, the relevant payment date if the Notes become due and payable on a date other than an Interest Payment Date;

€STR Compounded Index$_{Start}$ means the €STR Compounded Index value relating to the T2 Business Day falling the Relevant Number of T2 Business Days prior to the first day of the relevant Interest Period;

the **€STR Compounded Index** means, with respect to any T2 Business Day, the value of the €STR Compounded Index that is published by the European Central Bank as the administrator of such rate (or any successor administrator of such rate), on the website of the European Central Bank or any successor website, in respect of such T2 Business Day;

d is the number of calendar days from (and including) the day in relation to which "€STR Compounded Index$_{Start}$" is determined to (but excluding) the day in relation to which "€STR Compounded Index$_{End}$" is determined (being the number of calendar days in the applicable reference period);

Relevant Number is as specified in the applicable Final Terms; and

T2 Business Day has the meaning set out in Condition 5.2(b)(v)(A) above.

If the relevant €STR Compounded Index required to determine €STR Compounded Index$_{Start}$ or €STR Compounded Index$_{End}$ is not published or displayed by the European Central Bank as the administrator of the €STR reference rate (or any successor administrator of such rate) on the website of the European Central Bank or any successor website at the Relevant Time specified in the applicable Final Terms (or, if later, by the time falling one hour after the customary or scheduled time for publication thereof in accordance with the then-prevailing operational procedures of the administrator of €STR) on the relevant Interest Determination Date, the €STR Compounded Index Rate for the applicable Interest Period for which the €STR Compounded Index is not available shall be the "Compounded Daily €STR Formula Rate" determined in accordance with Condition 5.2(b)(v)(A) above as if the Calculation Method specified in the applicable Final Terms were "Compounded Daily €STR Formula" (and not "€STR 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 T2 Business Days, as if those alternative elections had been made in the applicable Final Terms.

(C) Where "Screen Rate Determination - €STR" is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, and the Calculation Method is specified in the applicable Final Terms as being "Average €STR", the Rate of Interest for an Interest Period will, subject as provided below, be the Average €STR Rate with respect to such Interest Period plus or minus (as indicated in the applicable Final Terms) the Margin (if any).

Average €STR Rate means, with respect to an Interest Period, the arithmetic mean of the €STR reference rate in effect during such Interest Period as calculated by the Principal Paying Agent (or

such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the nearest fifth decimal place, with 0.000005 being rounded upwards):

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

where **€STR reference rate**, **€STR$_i$**, **d**, **d$_o$**, **i**, and **n$_i$** have the meanings set out in Condition 5.2(b)(v)(A) above.

(D) For the purposes of Conditions 5.2(b)(v)(A) and 5.2(b)(v)(C) above, and subject to Condition 5.5 below, if, in respect of any T2 Business Day in the relevant Observation Period or the relevant Interest Period, as applicable, the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) determines that the applicable €STR reference rate has not been published by the European Central Bank as the administrator of such rate (or any successor administrator of the €STR reference rate) on the website of the European Central Bank or any successor website, then the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms, as applicable) shall determine the €STR reference rate in respect of such T2 Business Day as being the €STR reference rate published by the European Central Bank as the administrator of the €STR reference rate (or any successor administrator of such rate), on the website of the European Central Bank or any successor website, for the first preceding T2 Business Day in respect of which the €STR reference rate was published by the European Central Bank as the administrator of the €STR reference rate (or any successor administrator of such rate) on the website of the European Central Bank or any successor website, and "**€STR reference rate**" shall be interpreted accordingly.

(E) In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions, and subject to Condition 5.5 below, the Rate of Interest shall be:

(i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin, Maximum Rate of Interest and/or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as the case may be) relating to the relevant Interest Period, in place of the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as applicable) relating to that last preceding Interest Period); or

(ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Notes for the first scheduled Interest Period had the Notes been in issue for a period equal in duration to the first scheduled Interest Period but ending on (and excluding) the Interest Commencement Date (and applying the Margin and, if applicable, any Maximum Rate of Interest and/or Minimum Rate of Interest, applicable to the first scheduled Interest Period),

in each case as determined by the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms, as applicable).

(F) If the relevant Series of Notes becomes due and payable in accordance with Condition 10, the final Rate of Interest shall be calculated for the period from (and including) the previous Interest Payment Date to (but excluding) the date on which the Notes become so due and payable, and such Rate of Interest shall continue to apply to the Notes for so long as interest continues to accrue thereon as provided in Condition 5.6 and the Trust Deed.

(vi) Screen Rate Determination for Floating Rate Notes referencing TONA

(A) Where "Screen Rate Determination – TONA" is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for an Interest Period will, subject as provided below, be the Compounded Daily TONA Formula Rate with respect to such Interest Period plus or minus (as indicated in the applicable Final Terms) the Margin (if any).

Compounded Daily TONA Formula Rate means, with respect to an Interest Period, the rate of return of a daily compound interest investment in Japanese yen (with the Tokyo Overnight Average Rate (**TONA**) as the reference rate for the calculation of interest) as calculated by the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the nearest fifth decimal place, with 0.000005 being rounded upwards):

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

where:

d is the number of calendar days in:

(a) where "Lookback" is specified as the Observation Method in the applicable Final Terms, the relevant Interest Period; or

(b) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms, the relevant Observation Period;

d_o is the number of Tokyo Banking Days in:

(a) where "Lookback" is specified as the Observation Method in the applicable Final Terms, the relevant Interest Period; or

(b) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms, the relevant Observation Period;

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

(a) where "Lookback" is specified as the Observation Method in the applicable Final Terms, the relevant Interest Period; or

(b) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms, the relevant Observation Period;

n_i, for any Tokyo Banking Day "i", is the number of calendar days from (and including) such Tokyo Banking Day "i" up to (but excluding) the following Tokyo Banking Day ("i+1");

Observation Period means, in respect of an Interest Period, the period from (and including) the date falling "*p*" Tokyo Banking Days prior to the first day of the relevant Interest Period to (but excluding) the date falling "*p*" Tokyo Banking Days prior to (I) the Interest Payment

Date for such Interest Period or (II) if applicable, the relevant payment date if the Notes become due and payable on a date other than an Interest Payment Date;

p means:

(a) where "Lookback" is specified as the Observation Method in the applicable Final Terms, the number of Tokyo Banking Days included in the "Lag Lookback Period (*p*)" in the applicable Final Terms (or, if no such number is so specified, five Tokyo Banking Days); or

(b) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms, the number of Tokyo Banking Days included in the "Observation Shift Period" in the applicable Final Terms (or, if no such number is so specified, five Tokyo Banking Days);

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

TONA$_i$ means, in respect of any Tokyo Banking Day "i":

(a) where "Lookback" is specified as the Observation Method in the applicable Final Terms, the confirmed value (published as an average) of TONA Reference Rate in respect of the Tokyo Banking Day falling "*p*" Tokyo Banking Days prior to the relevant Tokyo Banking Day "i"; or

(b) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms, the confirmed value (published as an average) of TONA Reference Rate in respect of the relevant Tokyo Banking Day "i",

(in each case, the **Confirmed Value of TONA**). For the avoidance of doubt, where both the "provisional" rate and "final" rate are available on the Relevant Screen Page, the "final" rate will be the relevant Confirmed Value of TONA for this purpose; and

TONA Reference Rate means, in respect of any Tokyo Banking Day, a reference rate determined by the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms), being a reference rate equal to the daily TONA for such Tokyo Banking Day, as published by the administrator of TONA or as otherwise published by such authorised distributors of TONA on the Relevant Screen Page (or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors) as of approximately 10:00 a.m. (Tokyo time) (or any amended publication time as specified by the administrator of TONA) on the Tokyo Banking Day immediately following such Tokyo Banking Day, subject to Condition 5.2(b)(vi)(B) below. If no such rate is published by the administrator of TONA or an authorised distributor of TONA and is not otherwise provided by the administrator of TONA other than as a consequence of a Benchmark Event, then the Confirmed Value of TONA for such Tokyo Banking Day will be TONA as last provided or published on the Relevant Screen Page (or as otherwise published by relevant authorised distributors) that appears at approximately 10:00 a.m. (Tokyo time) on the Bank of Japan's Website on the Tokyo Banking Day immediately following such Tokyo Banking Day (or as otherwise published by such authorised distributors).

(B) If the TONA Reference Rate in respect of any Tokyo Banking Day is subsequently corrected and provided by the administrator of TONA to authorised distributors of TONA and published on the Relevant Screen Page no later than the Correction Cut-off Time (if any) or, if later (or there is no such Correction Cut-off Time), one hour after the rate for such Tokyo Banking Day is published on the

Relevant Screen Page, then TONA in respect of such Tokyo Banking Day shall be the subsequently corrected and published rate appearing on the Relevant Screen Page,

where:

Correction Cut-off Time means the time specified as such by the administrator of TONA in its benchmark methodology.

(C) In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions, and subject to Condition 5.5 below, the Rate of Interest shall be:

(i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin, Maximum Rate of Interest and/or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as the case may be) relating to the relevant Interest Period, in place of the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as applicable) relating to that last preceding Interest Period); or

(ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Notes for the first scheduled Interest Period had the Notes been in issue for a period equal in duration to the first scheduled Interest Period but ending on (and excluding) the Interest Commencement Date (and applying the Margin and, if applicable, any Maximum Rate of Interest and/or Minimum Rate of Interest, applicable to the first scheduled Interest Period),

in each case as determined by the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms, as applicable).

(D) If the relevant Series of Notes become due and payable in accordance with Condition 10, the final Rate of Interest shall be calculated for the period from (and including) the previous Interest Payment Date to (but excluding) the date on which the Notes become so due and payable, and such Rate of Interest shall continue to apply to the Notes for so long as interest continues to accrue thereon as provided in Condition 5.6 and the Trust Deed.

(vii) BBSW Determination for Floating Rate Notes

(A) *BBSW Rate Determination*

(a) Where "BBSW Determination" is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for an Interest Period will, subject as provided in Condition 5.2(b)(vii)(B) below, be the BBSW Rate with respect to such Interest Period plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Principal Paying Agent or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms (and references in this Condition 5.2(b)(vii) to "Principal Paying Agent" shall be construed accordingly).

(b) The determination of, substitution for and any adjustments made to the BBSW Rate as described in this Condition 5.2(b)(vii)(A) and in Condition 5.2(b)(vii)(B) below shall be binding on all Noteholders, Receiptholders and Couponholders (in all cases without any requirement for the consent or approval of Noteholders, Receiptholders or Couponholders). 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, and in each case made in accordance with this Condition 5.2(b)(vii)(A) and Condition 5.2(b)(vii)(B), will, in the absence of manifest or proven error, be conclusive and binding on the Issuer, the Trustee, all Noteholders,

Receiptholders and Couponholders, the Principal Paying Agent and each other Agent and, notwithstanding anything to the contrary in these Conditions or other documentation relating to the Floating Rate Notes, shall become effective without the consent of any person (except as expressly provided in Condition 5.2(b)(vii)(B) in the case of Subordinated Notes issued by NAB or BNZ).

(c) If the Principal Paying Agent is unwilling or unable to determine a necessary rate, adjustment, quantum, formula, methodology or other variable in order to calculate the applicable Rate of Interest in accordance with this Condition 5.2(b)(vii), 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.

(B) *BBSW Rate Fallback*

If:

(a) a Temporary Disruption Trigger has occurred; or

(b) a Permanent Discontinuation Trigger has occurred,

then (subject, in the case of a Permanent Discontinuation Trigger in respect of any Subordinated Notes issued by NAB, to APRA's prior written approval and, in the case of Subordinated Notes issued by BNZ, BNZ giving the RBNZ at least five working days' notice prior to those provisions applying, such notice to be accompanied by any information and supporting documentation required by the RBNZ's prudential regulatory requirements including a signed opinion from BNZ's New Zealand legal counsel confirming that, once the amendment is in effect, the Subordinated Notes will continue to qualify as Tier 2 Capital (as defined in Condition 7.2)) the BBSW Rate for an Interest Period, where such Temporary Disruption Trigger is continuing as at the applicable Interest Determination Date or where the applicable Interest Determination Date falls after the occurrence of a Permanent Discontinuation Trigger, will be determined by the Principal Paying Agent as follows (in the following order of application and precedence):

(i) where a Temporary Disruption Trigger has occurred with respect to the original BBSW Rate, the BBSW Rate for such Interest Period will be equal to, in the following order of precedence:

(A) first, the Administrator Recommended Rate;

(B) then, the Supervisor Recommended Rate; and

(C) lastly, the Final Fallback Rate;

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

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

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

(C) lastly, if neither paragraph (A) nor paragraph (B) above applies, the Final Fallback Rate;

(v) where 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:

(A) 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

(B) lastly, if paragraph (A) 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 a Rate of Interest in circumstances where a Fallback Rate other than the Final Fallback Rate applies, that Rate of Interest will be calculated as if references to the BBSW Rate were references to that Fallback Rate. When calculating a Rate of Interest in circumstances where the Final Fallback Rate applies, the Rate 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 (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

Holders of Subordinated Notes issued by NAB should note that APRA's approval may not be given for any Fallback Rate (or any other replacement rate determined in accordance with the above provisions) it considers to have the effect of increasing the Rate of Interest contrary to applicable prudential standards. Holders of Subordinated Notes issued by BNZ should note that BNZ would not be able to comply with the RBNZ notification requirement and that, consequently, no Fallback Rate (or other replacement rate) could be applied, if the effect of any such Fallback Rate (or other replacement rate) would be that such Subordinated Notes would no longer qualify as Tier 2 Capital (as defined in Condition 7.2) because, for example, the Fallback Rate (or other replacement rate) would have the effect of increasing the Rate of Interest contrary to applicable prudential regulatory requirements.

(C) *Definitions*

In this Condition 5.2(b)(vii):

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 Issuer (acting in good faith and in a commercially reasonable manner) to be appropriate and communicated to the Principal Paying Agent;

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 Principal Paying Agent to be Compounded Daily AONIA for that Interest Period and Interest Determination Date plus the Adjustment Spread (if any);

Applicable Benchmark Rate means the BBSW Rate or, 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 5.2(b)(vii)(B);

BBSW Rate means, for an Interest Period, the rate (expressed as a percentage rate per annum) for prime bank eligible securities having a tenor closest to the Interest Period which is designated as the "AVG MID" rate on the 'Refinitiv Screen ASX29 Page' or the "MID" rate on the 'Bloomberg Screen BBSW Page' (or any designation which replaces that designation on the applicable page, or any

replacement page) (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards), at the Publication Time on the relevant Interest Determination Date;

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 Principal Paying Agent on the applicable 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:

$\mathbf{AONIA_{i-5SBD}}$ 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";

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

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

$\mathbf{i}$ is a series of whole numbers from 1 to 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;

$\mathbf{n_i}$, 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

SBD or **Sydney Business Day** 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 5.2(b)(vii)(B);

Final Fallback Rate means, in respect of an Applicable Benchmark Rate, (a) the rate determined by the Issuer (and communicated to the Principal Paying Agent) as a commercially reasonable alternative for the Applicable Benchmark Rate taking into account all available information, which may include consultation with an Independent Adviser, 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 subparagraph (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 Applicable 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 Applicable Benchmark Rate-linked floating rate notes at such time), or, if no such industry standard adjustment spread is recognised or acknowledged, an adjustment spread calculated or determined by the Issuer in such method as is determined by the Issuer, acting in good faith and in a commercially reasonable manner and by reference to such sources as it deems appropriate, which may include consultation with an Independent Adviser, to be appropriate, and communicated to the Principal Paying Agent, provided that (b) if and for so long as no such successor rate or alternative rate can be determined in accordance with subparagraph (a), the Final Fallback Rate will be the last provided or published level of that Applicable Benchmark Rate;

Independent Adviser means an independent financial institution of international repute or other independent adviser of recognised standing with appropriate expertise appointed by the Issuer at its own expense;

Interest Determination Date means:

(a) in respect of an Interest Period for which the Rate of Interest is to be determined by reference to the BBSW Rate or to which the Final Fallback Rate applies under Condition 5.2(b)(vii)(B)(iv)(C), the first Sydney Business Day of the relevant Interest Period (or such other date as is specified as the applicable Interest Determination Date for such Interest Period in the applicable Final Terms); and

(b) in respect of an Interest Period for which the Rate of Interest is to be determined by reference to AONIA or another Fallback Rate, the day falling four Sydney Business Days prior to the last day of the relevant Interest Period (or such other date as is specified as the applicable Interest Determination Date for such Interest Period in the applicable Final Terms);

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 AONIA 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 or Administrator, as the case may be, (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 AONIA 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 Notes, or that its use will be subject to restrictions or adverse consequences to the Issuer or a Noteholder, Receiptholder or Couponholder;

(d) as a consequence of a change in law or directive arising after the Issue Date of the first Tranche of the Notes, it has become unlawful for the Principal Paying Agent or any other party responsible for calculations of interest under the Conditions to calculate any payments due to be made to any Noteholder 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 AONIA 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 Rate 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, approximately 10:30 a.m. (Sydney time) (or such other time at which such rate is accustomed to be published by the Administrator for the BBSW Rate in its benchmark methodology), provided that, if such rate is re-published by such Administrator between such time and 12:00 noon (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) (the **Publication Time Cut-Off Time**), the Publication Time shall be taken to be such Publication Time Cut-Off Time; and

(b) in respect of AONIA, 4:00 p.m. (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; and

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 Issuer, acting in good faith and in a commercially reasonable manner and by reference to such sources as it deems appropriate, which may include consultation with an Independent Adviser, determines that there is an obvious or proven error in that rate.

(viii) BKBM Determination for Floating Rate Notes

Where "BKBM Determination" is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest 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 applicable Final Terms) the Margin (if any), all as determined by the Principal Paying Agent or other party responsible for the calculation of the Rate of Interest as specified in the applicable Final Terms (and references in this Condition 5.2(b)(viii) to "Principal Paying Agent" shall be construed accordingly).

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 (unless the Principal Paying Agent has been notified of any Successor Rate or Alternative Rate (and any related Adjustment Spread and/or Benchmark Amendments) pursuant to Condition 5.5 below, if applicable) the Rate of Interest 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 Final Terms) the Margin (if any) as determined by the Issuer. Any such Rate of Interest shall be notified to the Principal Paying Agent by the Issuer as soon as practicable after its determination.

If the Issuer does not notify the Principal Paying Agent of the Rate of Interest in accordance with the preceding paragraph, the Rate of Interest shall be that determined by the Principal Paying Agent as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

In this Condition 5.2(b)(viii):

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);

Interest Determination Date shall mean the date specified as such in the applicable Final Terms or if none is so specified, the first day of each Interest Period; and

Relevant Financial Centre shall mean New Zealand, as specified in the applicable Final Terms.

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

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

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

The applicable Final Terms in respect of any Notes issued as Subordinated Notes may not specify a Minimum Rate of Interest and/or a Maximum Rate of Interest.

(d) **Determination of Rate of Interest and calculation of Interest Amounts**

The Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Principal Paying Agent (or such other party as aforesaid) will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to:

(A) in the case of Floating Rate Notes which are (i) represented by a Global Note or (ii) Registered Notes in definitive form, the aggregate outstanding nominal amount of (A) the Notes represented by such Global Note or (B) such Registered Notes (or, in each case, if they are Partly Paid Notes, the aggregate amount paid up); or

(B) in the case of Floating Rate Notes which are Bearer Notes in definitive form, the Calculation Amount;

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

If "Interest Amounts Non-Adjusted" is specified in the applicable Final Terms then notwithstanding the bringing forward or postponement (as applicable) of an Interest Payment Date as a result of the application of the Business Day Convention set out in the applicable Final Terms, the Interest Amount in respect of the relevant Interest Period and each subsequent Interest Period shall be calculated as aforesaid on the basis of the original Interest Payment Dates without adjustment in accordance with the applicable Business Day Convention.

(e) **Linear Interpolation**

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

Designated Maturity means the period of time designated in the relevant Reference Rate (where "Screen Rate Determination" is specified as applicable in the applicable Final Terms), the relevant BKBM Rate (where "BKBM Determination" is specified as applicable in the applicable Final Terms) or the relevant BBSW Rate (where "BBSW Determination" is specified as applicable in the applicable Final Terms).

(f) **Notification of Rate of Interest and Interest Amounts**

(A) Except where "Screen Rate Determination – SOFR", "Screen Rate Determination – SONIA", "Screen Rate Determination – CORRA", "Screen Rate Determination – €STR" or "Screen Rate Determination

– TONA" is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified as soon as possible after their determination but in no event later than (i) in the case of notification to any stock exchange on which the relevant Floating Rate Notes are for the time being listed, the first day of the relevant Interest Period or, to the extent the nature of such Notes makes this impossible, the relevant Interest Payment Date; and (ii) in the case of notification to the Issuer and the Trustee and publication of a notice thereof in accordance with Condition 14, the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 14. For the purposes of this paragraph, the expression **London Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(B) Where "Screen Rate Determination – SOFR", "Screen Rate Determination – SONIA", "Screen Rate Determination – CORRA", "Screen Rate Determination – €STR" or "Screen Rate Determination – TONA" is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to (i) the Issuer and the Trustee, and (ii) to any stock exchange on which the relevant Floating Rate Notes are for the time being listed and, in each case, to be published in accordance with Condition 14 as soon as possible after their determination but in no event later than (I) where "Screen Rate Determination – SOFR" is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the second U.S. Government Securities Business Day (as defined in Condition 5.2(b)(ii)(A) above) thereafter, (II) where "Screen Rate Determination – SONIA" is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the second London Banking Day (as defined in Condition 5.2(b)(iii)(A)) thereafter, (III) where "Screen Rate Determination – CORRA" is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the second Toronto Business Day (as defined in Condition 5.2(b)(iv)(A)) thereafter, (IV) where "Screen Rate Determination – €STR" is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the second T2 Business Day (as defined in Condition 5.2(b)(v)(A)) thereafter or (V) where "Screen Rate Determination – TONA" is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the second Tokyo Banking Day (as defined in Condition 5.2(b)(vi)(A)) thereafter. Each Rate of Interest, 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 Interest Period. Any such amendment or alternative arrangements will promptly be notified to any stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 14.

(g) **Certificates to be final**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5.2 by the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in these Conditions or the applicable Final Terms, as applicable) shall (in the absence of wilful default, fraud or manifest error) be binding on the Issuer, the Principal Paying Agent, the other Agents and all Noteholders, Receiptholders and Couponholders and (in the absence of wilful default or fraud) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Principal Paying Agent (or such other

party as aforesaid) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

5.3 Exempt Notes

In the case of Exempt Notes which are also Floating Rate Notes where the applicable Final Terms identifies that Screen Rate Determination applies to the calculation of interest, if the Reference Rate from time to time is specified in the applicable Final Terms as being other than EURIBOR, HIBOR, CNH HIBOR, NIBOR, SONIA, SOFR, CORRA, €STR, TONA, BBSW Rate or BKBM Rate, the Rate of Interest in respect of such Exempt Notes will be determined as provided in the applicable Final Terms.

The rate or amount of interest payable in respect of Exempt Notes which are not also Fixed Rate Notes, Fixed Reset Notes or Floating Rate Notes shall be determined in the manner specified in the applicable Final Terms, provided that where such Notes are Index Linked Interest Notes the provisions of Condition 5.2 shall, save to the extent amended in the applicable Final Terms, apply as if the references therein to Floating Rate Notes and to the Principal Paying Agent were references to Index Linked Interest Notes and the Calculation Agent, respectively, and provided further that the Calculation Agent will notify the Principal Paying Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The rate or amount of interest payable in respect of Dual Currency Interest Notes shall be determined in the manner specified in the applicable Final Terms.

5.4 Interest on Partly Paid Notes

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Final Terms.

5.5 Benchmark Discontinuation

Notwithstanding the provisions in Condition 5.1A or 5.2 above, if:

(x) the Original Reference Rate is not SOFR or BBSW Rate; and

(y) the Issuer, acting in good faith and in a commercially reasonable manner, determines that a Benchmark Event has occurred in relation to the Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to that Original Reference Rate,

then the following provisions of this Condition 5.5 shall apply subject, in the case of Subordinated Notes issued by NAB, to the prior written approval of APRA and, in the case of Subordinated Notes issued by BNZ, BNZ giving the RBNZ at least five working days' notice prior to those provisions applying, such notice to be accompanied by any information and supporting documentation required by the RBNZ's prudential regulatory requirements including a signed opinion from BNZ's New Zealand legal counsel confirming that, once the amendment is in effect, the Subordinated Notes will continue to qualify as Tier 2 Capital (as defined in Condition 7.2).

Holders of Subordinated Notes issued by NAB 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 Rate of Interest contrary to applicable prudential standards. Holders of Subordinated Notes issued by BNZ should note that BNZ would not be able to comply with the RBNZ notification requirement and that, consequently, no Successor Rate, Alternative Rate, Adjustment Spread or Benchmark Amendment (as applicable) could be applied, if the effect of any such Successor Rate, Alternative Rate, Adjustment Spread or Benchmark Amendment (as applicable) would be that such Subordinated Notes would no longer qualify as Tier 2 Capital (as defined in

Condition 7.2) because, for example, the Successor Rate, Alternative Rate, Adjustment Spread or Benchmark Amendment (as applicable) would have the effect of increasing the Rate of Interest contrary to applicable prudential regulatory requirements.

(i) **Successor Rate or Alternative Rate**

If there is a Successor Rate, then the Issuer shall promptly notify the Trustee, the party responsible for determining the Rate of Interest (being the Principal Paying Agent or other such party specified in the applicable Final Terms, as applicable) and, in accordance with Condition 14, the Noteholders of such Successor Rate and that Successor Rate shall (subject to adjustment as provided in Condition 5.5(ii)) subsequently be used by the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) in place of the Original Reference Rate to determine the relevant Rate(s) of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the further operation of this Condition 5.5).

If there is no Successor Rate but the Issuer, acting in good faith, in a commercially reasonable manner and by reference to such sources as it deems appropriate, which may include consultation with an Independent Adviser, determines that there is an Alternative Rate, then the Issuer shall promptly notify the Trustee, the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) and, in accordance with Condition 14, the Noteholders of such Alternative Rate and that Alternative Rate shall (subject to adjustment as provided in Condition 5.5(ii)) subsequently be used in place of the Original Reference Rate to determine the relevant Rate(s) of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the further operation of this Condition 5.5).

(ii) **Adjustment Spread**

If, in the case of a Successor Rate, an Adjustment Spread is formally recommended, or provided as an option for parties to adopt in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body, then the Issuer shall promptly notify the Trustee, the party responsible for determining the Rate of Interest (being the Principal Paying Agent or other such party specified in the applicable Final Terms, as applicable) and, in accordance with Condition 14, the Noteholders of such Adjustment Spread and the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) shall, subject to the receipt (not less than five Business Days prior to the relevant Interest Determination Date or Reset Determination Date, as applicable) of, and in accordance with, the Issuer's written instructions, apply such Adjustment Spread to the Successor Rate for each subsequent determination of a relevant Rate of Interest (or a component part thereof) by reference to such Successor Rate.

If, in the case of a Successor Rate where no such Adjustment Spread is formally recommended or provided as an option by any Relevant Nominating Body, or in the case of an Alternative Rate, the Issuer, acting in good faith and in a commercially reasonable manner and by reference to such sources as it deems appropriate, which may include consultation with an Independent Adviser, determines that there is an Adjustment Spread in customary market usage in the international debt capital markets for transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be), then the Issuer shall promptly notify the Trustee, the party responsible for determining the Rate of Interest (being the Principal Paying Agent or other such party specified in the applicable Final Terms, as applicable) and, in accordance with Condition 14, the Noteholders of such Adjustment Spread and the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the

applicable Final Terms) shall, subject to the receipt (not less than five Business Days prior to the relevant Interest Determination Date or Reset Determination Date, as applicable) of, and in accordance with, the Issuer's written instructions, apply such Adjustment Spread to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a relevant Rate of Interest (or a component part thereof) by reference to such Successor Rate or Alternative Rate (as applicable).

If no such recommendation or option has been made (or made available) by any Relevant Nominating Body, or the Issuer so determines, acting in good faith and in a commercially reasonable manner and by reference to such sources as it deems appropriate, which may include consultation with an Independent Adviser, that there is no such Adjustment Spread in customary market usage in the international debt capital markets and the Issuer further determines, acting in good faith and in a commercially reasonable manner and by reference to such sources as it deems appropriate, which may include consultation with an Independent Adviser, that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be), then the Adjustment Spread shall be:

(A) the Adjustment Spread determined by the Issuer, acting in good faith and in a commercially reasonable manner and by reference to such sources as it deems appropriate, which may include consultation with an Independent Adviser, as being the Adjustment Spread recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or

(B) if there is no such industry standard recognised or acknowledged, such Adjustment Spread as the Issuer, acting in good faith and in a commercially reasonable manner and by reference to such sources as it deems appropriate, which may include consultation with an Independent Adviser, determines to be appropriate, having regard to the objective, so far as is reasonably practicable in the circumstances, of reducing or eliminating any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be).

Following any such determination of the Adjustment Spread, the Issuer shall promptly notify the Trustee, the party responsible for determining the Rate of Interest (being the Principal Paying Agent or other such party specified in the applicable Final Terms, as applicable) and, in accordance with Condition 14, the Noteholders of such Adjustment Spread and the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) shall, subject to the receipt (not less than five Business Days prior to the relevant Interest Determination Date or Reset Determination Date, as applicable) of, and in accordance with, the Issuer's written instructions, apply such Adjustment Spread to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a relevant Rate of Interest (or a component part thereof) by reference to such Successor Rate or Alternative Rate (as applicable).

(iii) **Benchmark Amendments**

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 5.5 and the Issuer, acting in good faith and in a commercially reasonable manner and by reference to such sources as it deems appropriate, which may include consultation with an Independent Adviser, determines in its discretion (A) that amendments to these Conditions and/or the Trust Deed and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the **Benchmark Amendments**) and (B) the terms of the

Benchmark Amendments, then the Issuer shall, subject to the following paragraphs of this Condition 5.5(iii) and subject to the Issuer having to give notice thereof to the Noteholders in accordance with Condition 14, and to the Trustee and the party responsible for determining the Rate of Interest (being the Principal Paying Agent or other such party specified in the applicable Final Terms as applicable) in accordance with this Condition 5.5(iii), without any requirement for the consent or approval of Noteholders, Receiptholders or Couponholders make the necessary modifications to these Conditions and/or Trust Deed and/or the Agency Agreement to give effect to such Benchmark Amendments. At the request of the Issuer, but subject to receipt by the Trustee and the Principal Paying Agent of the certificate referred to in the final paragraph of this Condition 5.5(iii), and subject as provided below, the Trustee and the Agents (as applicable) shall (at the expense of the Issuer), without any requirement for the consent or approval of Noteholders, Receiptholders or Couponholders and without liability to the Noteholders or any other person, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, *inter alia*, by the execution of a deed supplemental to or amending the Trust Deed) with effect from the date specified in such notice.

In connection with any such modifications in accordance with this Condition 5.5(iii), if and for so long as the Notes are admitted to trading and listed on the official list of a stock exchange, the Issuer shall comply with the rules of that stock exchange. Notwithstanding any other provision of this Condition 5.5, no Successor Rate, Alternative Rate or Adjustment Spread will be adopted, nor will any other amendment to the terms and conditions of any Series of Notes be made to effect the Benchmark Amendments, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the treatment of any relevant Series of Subordinated Notes as Tier 2 Capital (as defined in Condition 7.2 in the case of Subordinated Notes issued by BNZ, and as defined in Condition 10A.16 in the case of Subordinated Notes issued by NAB).

Notwithstanding any other provision of this Condition 5.5(iii), neither the Trustee nor the Agents (as applicable) shall be obliged to concur with the Issuer in respect of any Benchmark Amendments which, in the sole opinion of the Trustee or the relevant Agent (as applicable), would (i) expose the Trustee or the relevant Agent (as applicable) to any additional liability or (ii) increase the obligations or duties, or decrease the rights or protections, afforded to the Trustee or the relevant Agent (as applicable) in the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed), the Agency Agreement and/or these Conditions.

Any Benchmark Amendments determined under this Condition 5.5(iii) shall be notified promptly (in any case, not less than five Business Days prior to the relevant Interest Determination Date or Reset Determination Date, as applicable) by the Issuer to the Trustee, the party responsible for determining the Rate of Interest (being the Principal Paying Agent or other such party specified in the applicable Final Terms as applicable) and, in accordance with Condition 14, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of such Benchmark Amendments.

No later than notifying the Trustee and the party responsible for determining the Rate of Interest (being the Principal Paying Agent or such other party specified in the applicable Final Terms, as applicable) of the same, the Issuer shall deliver to each of the Trustee and the Principal Paying Agent a certificate (on which each of the Trustee and the Principal Paying Agent shall be entitled to rely without further enquiry or liability) signed by two Authorised Signatories (as defined in the Trust Deed) of the Issuer:

(A) confirming (i) that a Benchmark Event has occurred, (ii) whether or not the Issuer has consulted with an Independent Adviser, (iii) the Successor Rate or, as the case may be, the Alternative Rate, (iv) where applicable, any Adjustment Spread, and/or

(v) the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 5.5; and

(B) certifying that the Benchmark Amendments are (in accordance with the provisions of Condition 5.5(iii)) necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread.

The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) and without prejudice to the Trustee's and the Principal Paying Agent's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the party responsible for determining the Rate of Interest (being the Principal Paying Agent or other such party specified in the applicable Final Terms, as applicable), the Agents and the Noteholders, Receiptholders and Couponholders.

(iv) **Independent Adviser**

In the event the Issuer is to consult with an Independent Adviser in connection with any determination to be made by the Issuer pursuant to this Condition 5.5, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, for the purposes of any such consultation.

An Independent Adviser appointed pursuant to this Condition 5.5 shall act in good faith and in a commercially reasonable manner and (in the absence of fraud or wilful default) shall have no liability whatsoever to the Issuer, the Trustee or the Noteholders for any determination made by it or for any advice given to the Issuer in connection with any determination made by the Issuer pursuant to this Condition 5.5 or otherwise in connection with the Notes.

If the Issuer consults with an Independent Adviser as to whether there is a Successor Rate, an Alternative Rate and/or whether any Adjustment Spread is required to be applied and/or in relation to the quantum of, or any formula or methodology for determining such Adjustment Spread and/or whether any Benchmark Amendments are necessary and/or in relation to the terms of any such Benchmark Amendments, a written determination of an Independent Adviser in respect thereof shall be conclusive and binding on all parties, save in the case of manifest error, and (in the absence of fraud or wilful default) the Issuer shall not have any liability whatsoever to the Noteholders in respect of anything done, or omitted to be done, in relation to that matter in accordance with any such written determination.

No Independent Adviser appointed in connection with the Notes (acting in such capacity) shall have any relationship of agency or trust with the Noteholders.

(v) **Survival of Original Reference Rate Provisions**

Without prejudice to the obligations of the Issuer under this Condition 5.5, the Original Reference Rate and the fallback provisions provided for in Condition 5.2 and/or the applicable Final Terms, as the case may be, will continue to apply unless and until the Issuer has determined the Successor Rate or the Alternative Rate (as the case may be), and any Adjustment Spread and Benchmark Amendments, in accordance with the relevant provisions of this Condition 5.5.

If, in the case of any Benchmark Event, any Successor Rate, Alternative Rate and/or Adjustment Spread is notified to the Principal Paying Agent or any other party specified in the applicable Final Terms as being responsible for determining the Rate of Interest pursuant to Condition 5.5(iii), and the Principal Paying Agent or such other responsible party (as

applicable) is in any way uncertain as to the application of such Successor Rate, Alternative Rate and/or Adjustment Spread in the calculation or determination of any Rate of Interest, it shall promptly notify the Issuer thereof and the Issuer shall direct the Principal Paying Agent or such other party (as applicable) in writing (which direction may be by way of a written determination of an Independent Adviser) as to which course of action to adopt in the application of such Successor Rate, Alternative Rate and/or Adjustment Spread in the determination of such Rate of Interest. If the Principal Paying Agent or such other party specified in the applicable Final Terms as being responsible for determining the Rate of Interest is not promptly provided with such direction, it shall notify the Issuer thereof, and the Principal Paying Agent or such other party (as applicable) shall be under no obligation to make such calculation or determination and shall not incur any liability for not doing so. For the avoidance of doubt, for the period that the Principal Paying Agent or such other party (as applicable) remains uncertain of the application of the Successor Rate, Alternative Rate and/or Adjustment Spread in the calculation or determination of any Rate of Interest, the Original Reference Rate and the fallback provisions provided for in Condition 5.2 and/or the applicable Final Terms, as the case may be, will continue to apply.

(vi) **Definitions**

In this Condition 5.5:

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 or negative or zero and is to be applied to the Successor Rate or the Alternative Rate (as the case may be) where the Original Reference Rate is replaced with the Successor Rate or the Alternative Rate (as the case may be);

Alternative Rate means an alternative benchmark or screen rate which the Issuer determines in accordance with this Condition 5.5 is used in place of the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for a commensurate interest or reset period (as applicable) and in the same Specified Currency as the Notes;

Benchmark Amendments has the meaning given to it in Condition 5.5(iii);

Benchmark Event means, with respect to an Original Reference Rate, the earlier to occur of:

(A) the Original Reference Rate ceasing to be published for at least five Business Days or ceasing to exist or be administered;

(B) the later of (i) the making of a public statement by or on behalf of the administrator of the Original Reference Rate that it will, on or before a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate) and (ii) the date falling six months prior to the specified date referred to in (B)(i);

(C) the making of a public statement by or on behalf of the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been permanently or indefinitely discontinued;

(D) the later of (i) the making of a public statement by or on behalf of the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will, on or before a specified date, be permanently or indefinitely discontinued and (ii) the date falling six months prior to the specified date referred to in (D)(i);

(E) the later of (i) the making of a public statement by or on behalf of the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case on or before a specified date and (ii) the date falling six months prior to the specified date referred to in (E)(i);

(F) it has or will prior to the next Interest Determination Date or Reset Determination Date, as applicable, become unlawful for the Principal Paying Agent, any Paying Agent, (if specified in the applicable Final Terms) such other party responsible for the calculation of the Rate of Interest, or the Issuer to determine any Rate of Interest and/or calculate any Interest Amount using the Original Reference Rate (including, without limitation, under Regulation (EU) No. 2016/1011 as that Regulation applies in the European Union and/or as it forms part of domestic law in the United Kingdom under the European Union (Withdrawal) Act 2018 as amended, if applicable);

(G) the making of a public statement by or on behalf of the supervisor of the administrator of the Original Reference Rate announcing that such Original Reference Rate is no longer representative or may no longer be used; and

(H) the later of (i) the making of a public statement by or on behalf of the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will no longer be representative or may no longer be used, in each case on or before a specified date and (ii) the date falling six months prior to the specified date referred to in (H)(i);

Independent Adviser means an independent financial institution of international repute or other independent adviser of recognised standing with appropriate expertise appointed by the Issuer at its own expense;

Original Reference Rate means the benchmark or screen rate (as applicable) originally specified in the applicable Final Terms for the purposes of determining the relevant Rate of Interest (or any component part thereof) in respect of the Notes (provided that if, following one or more Benchmark Events, such originally specified Reference Rate (or any Successor Rate or Alternative Rate which has replaced it) has been replaced by a (or a further) Successor Rate or Alternative Rate and a Benchmark Event subsequently occurs in respect of such Successor Rate or Alternative Rate, the term "Original Reference Rate" shall include any such Successor Rate or Alternative Rate);

Relevant Nominating Body means, in respect of an Original Reference Rate:

(A) the central bank for the currency to which the Original Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Original 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 Original Reference Rate relates, (ii) any central bank or other supervisory authority which is responsible for supervising the administrator of the Original Reference Rate, (iii) a group of the aforementioned central banks or other supervisory authorities, or (iv) the Financial Stability Board or any part thereof; and

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

5.6 Accrual of interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

(a) the date on which all amounts due in respect of such Note have been paid; and

(b) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Principal Paying Agent or the Registrar or the Trustee, as the case may be, and notice to that effect has been given to the Noteholders as provided in the Trust Deed.

5.7 Definitions

In these Conditions, except in Condition 10A and in the Schedule to these Conditions:

Accrual Period means, for the purposes of the definition of the applicable Day Count Fraction, the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date.

Business Day means:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and each Additional Business Centre (other than T2) specified in the applicable Final Terms;

(b) if T2 is specified as an Additional Business Centre in the applicable Final Terms, a day on which T2 is open; and

(c) either (i) in relation to any sum payable in a Specified Currency other than New Zealand dollars, euro and Renminbi, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars, shall be Sydney), (ii) in relation to any sum payable in New Zealand dollars, a day (other than a Saturday, Sunday or nationally observed public holiday) on which commercial banks in New Zealand are open for general business, (iii) in relation to any sum payable in euro, a day on which T2 is open or (iv) in relation to any sum payable in Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks in Hong Kong are generally open for business and settlement of Renminbi payments in Hong Kong.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 5:

(a) if "Actual/Actual (ICMA)" is specified in the applicable Final Terms in the case of Fixed Rate Notes:

  (i) in the case of Notes where the number of days in the Accrual Period is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

  (ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year;

(b) if "30/360" is specified in the applicable Final Terms in the case of Fixed Rate Notes, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360;

(c) if "Actual/Actual (ISDA)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(d) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;

(e) if "Actual/365 (Sterling)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(f) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;

(g) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms in the case of Floating Rate Notes or Index Linked Interest Notes, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{\left[360 \times \left(Y2 - Y1\right)\right] + \left[30 \times \left(M2 - M1\right)\right] + \left(D2 - D1\right)}{360}$$

where:

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

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

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

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

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

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

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

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

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

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

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

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

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

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

(i) if "30E/360 (ISDA)" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

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

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

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

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

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

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

(j) if "RBA Bond Basis" or "Australian Bond Basis" is specified in the applicable Final Terms:

(A) for amounts paid and/or calculated in respect of Interest Payment Dates, one divided by the number of Interest Payment Dates in a year; and

(B) for amounts paid and/or calculated in respect of dates other than Interest Payment Dates, Actual/Actual (ICMA); and

(k) if "Actual/Actual Canadian Compound Method" is specified in the applicable Final Terms, (i) where the relevant calculation relates to a full semi-annual Interest Period, if applicable, "30/360" as described in paragraph (g) above and (ii) in respect of an Interest Period other than where (i) applies, the actual number of days in such Interest Period divided by 365 (fixed).

In respect of Fixed Rate Notes only, references in the Day Count Fractions specified above to "Interest Period" or "Interest Periods", as the case may be, shall be deemed to be references to "Fixed Interest Period" or "Fixed Interest Periods", as the context requires.

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

Fixed Interest Period means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date;

Reference Rate means (i) EURIBOR, (ii) HIBOR, (iii) CNH HIBOR, (iv) NIBOR, (v) SONIA, (vi) SOFR, (vii) CORRA, (viii) €STR or (ix) TONA, as specified in the applicable Final Terms, in each case for the relevant period or in respect of the relevant date;

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

T2 means the Trans-European Automated Real-time Gross Settlement Express Transfer System or any successor to or replacement for that system.

6. PAYMENTS

6.1 Method and Conditions of Payment

Subject as provided below:

(a) payments in a Specified Currency other than New Zealand dollars, euro or Renminbi will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars, shall be Sydney);

(b) payments in New Zealand dollars will be made by credit or transfer to a New Zealand dollar account maintained by the payee with a bank in New Zealand;

(c) payments 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; and

(d) payments in Renminbi will be made in accordance with Condition 6.9.

Payments will be subject:

(i) in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment or other laws and regulations to which the Issuer or the Agents are subject;

(ii) in the case of Subordinated Notes issued by NAB, to Condition 3.2 and Condition 10A; and

(iii) in the case of Subordinated Notes issued by BNZ, to Condition 3.3,

but without prejudice to the provisions of Condition 8.

For the avoidance of doubt, any amounts to be paid on the Notes will be paid net of any deduction or withholding imposed or required pursuant to Sections 1471 through 1474 of the United States Internal Revenue Code of 1986, as amended (the **Code**), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code, and no additional amounts will be required to be paid on account of any such deduction or withholding.

6.2 Presentation of definitive Bearer Notes, Receipts and Coupons

Payments of principal in respect of definitive Bearer Notes will (subject as provided below) be made in the manner provided in Condition 6.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Bearer Notes, and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

Fixed Rate Notes in definitive bearer form (other than Long Maturity Notes (as defined below) and save as provided in Condition 6.4) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 8) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note, Fixed Reset Note or Long Maturity Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A **Long Maturity Note** is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Note.

6.3 Payments in respect of Bearer Global Notes

Payments of principal and interest (if any) in respect of Notes represented by any Global Note in bearer form will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Notes and otherwise in the manner specified in the relevant Global Note, (i) in the case of a Global Note in bearer form lodged with the CMU Service, to the CMU Accountholder, which notification from the CMU Service

shall be conclusive and binding evidence (save in the case of manifest error) of (a) the identity of any Accountholder and, (b) the instruction of the bearer of the Global Note to make such payments of principal and interest (if any) to such Accountholders, or (ii) in the case of a Global Note in bearer form not lodged with the CMU Service, against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment distinguishing between any payment of principal and any payment of interest, will be made (in the case of a Global Note not lodged with the CMU Service) on such Global Note by the Paying Agent to which it was presented, (in the case of a Global Note lodged with the CMU Service) on withdrawal of the Global Note by the CMU Lodging Agent or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

6.4 Payments in respect of Registered Notes

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the **Register**) (i) where in global form, at the close of the business day (being for this purpose, in respect of Notes held through Euroclear and Clearstream, Luxembourg, a day on which Euroclear and Clearstream, Luxembourg are open for business and, in respect of Notes held through the CMU Service, a day on which the CMU Service is open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. For these purposes, **Designated Account** means the account (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non- resident account) maintained by a holder with a Designated Bank and identified as such in the Register and **Designated Bank** means (in the case of payment in a Specified Currency other than New Zealand dollars and euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars, shall be Sydney), (in the case of a payment in New Zealand dollars) a bank in New Zealand and (in the case of a payment in euro) any bank which processes payments in euro. In the case of any Notes denominated in Renminbi, the meaning of Designated Account and Designated Bank should be construed in accordance with Condition 6.9.

Payments of interest in respect of each Registered Note (whether or not in global form) will be made by transfer on the due date to the Designated Account of the holder (or the first named of joint holders) of the Registered Note appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (the **Record Date**). Payment of the interest due in respect of each Registered Note on redemption will be made in the same manner as payment of the principal amount of such Registered Note. In the case of each Registered Note held through the CMU Service, payment will be made at the direction of the registered holder to the CMU Accountholders and such payment shall discharge the obligations of the Issuer in respect of that payment.

No commissions or expenses shall be charged to the holders by the Registrar in respect of any payments of principal or interest in respect of the Registered Notes.

All amounts payable to DTC or its nominee as registered holder of a Registered Global Note in respect of Notes denominated in a Specified Currency other than U.S. dollars shall be paid by transfer by the Registrar to an account in the relevant Specified Currency of the Exchange Agent on behalf of DTC or its nominee for conversion into and payment in U.S. dollars in accordance with the provisions of the Agency Agreement.

None of the Issuer or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

6.5 Specific provisions in relation to payments in respect of certain types of Exempt Notes

Payments of instalments of principal (if any) in respect of definitive Bearer Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in Condition 6.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with Condition 6.3 above. Payment of the final instalment will be made in the manner provided in Condition 6.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Bearer Note in accordance with Condition 6.3 above. Each Receipt must be presented for payment of the relevant instalment together with the definitive Bearer Note to which it appertains. Receipts presented without the definitive Bearer Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Bearer Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Payments of instalments of principal (other than the final instalment) in respect of each Registered Note (whether or not in global form) will be made by transfer on the due date to the Designated Account of the holder (or the first named of joint holders) of the Registered Note appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business and in respect of Notes held through the CMU Service, a day on which the CMU Service is open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (the **Record Date**). Payment of the final instalment of principal will be made in the same manner as payment of the principal amount of such Registered Note.

Upon the date on which any Dual Currency Note or Index Linked Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

6.6 General provisions applicable to payments

The holder of a Global Note shall be the only person entitled to receive payments (or, in the case of a Global Note lodged with the CMU Service, to direct to whom payment should be made) in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note or such person(s) for whose account(s) interests in such Global Note are credited as being held in the CMU Service (as the case may be) in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg or DTC or the CMU Service as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear, Clearstream, Luxembourg or DTC or the CMU Service, as the case may be, for its share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Bearer Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

(a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Bearer Notes 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.

6.7 Payment Day

Where either (i) no Business Day Convention or (ii) Floating Rate Convention, is specified in the applicable Final Terms, if the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. Where a Business Day Convention (other than Floating Rate Convention) is specified in the applicable Final Terms, if the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, such date of payment shall be postponed or brought forward (as applicable) in accordance with such Business Day Convention (as further described in Condition 5.2(a) above and as though references therein to "such date" and "Business Day" are to the relevant date of payment and Payment Day in the relevant place, respectively) and the holder thereof shall not be entitled to further interest or other payment in respect of any resulting delay. For these purposes, **Payment Day** means any day which (subject to Condition 9) is:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits):

(i) in the case of Notes in definitive form only, in the relevant place of presentation; and

(ii) in each Additional Financial Centre (other than T2) specified in the applicable Final Terms;

(b) if T2 is specified as an Additional Financial Centre in the applicable Final Terms, a day on which T2 is open;

(c) either (A) in relation to any sum payable in a Specified Currency other than New Zealand dollars, euro and Renminbi, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars, shall be Sydney), (B) in relation to any sum payable in New Zealand dollars, a day (other than a Saturday, Sunday or nationally observed public holiday) on which commercial banks in New Zealand are open for general business, (C) in relation to any sum payable in euro, a day on which T2 is open or (D) in relation to any sum payable in Renminbi, a day on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in Hong Kong; and

(d) in the case of any payment in respect of a Registered Global Note denominated in a Specified Currency other than U.S. dollars and registered in the name of DTC or its nominee and in respect of which an accountholder of DTC (with an interest in such Registered Global Note) has elected to receive any part of such payment in U.S. dollars, a day on which commercial banks are not authorised or required by law or regulation to be closed in New York City.

6.8 Interpretation of principal and interest

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

(a) any additional amounts which may be payable with respect to principal under Condition 8 or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed;

(b) the Final Redemption Amount of the Notes;

(c) the Early Redemption Amount of the Notes;

(d) the Optional Redemption Amount(s) (if any) of the Notes;

(e) the Residual Redemption Amount (if any) of the Notes;

(f) in relation to Exempt Notes redeemable in instalments, the Instalment Amounts; and

(g) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 8 or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed.

6.9 Payment in Renminbi

Notwithstanding any other provision in this Condition 6, in case of any payment in Renminbi, payment shall be made by transfer to a Renminbi account maintained by or on behalf of a holder with a bank in Hong Kong.

6.10 Payment of U.S. Dollar Equivalent

In respect of Notes denominated in Renminbi, notwithstanding Condition 6.9, where "U.S. Dollar Equivalent" is specified in the applicable Final Terms as being applicable to a Series of Notes, if by reason of Inconvertibility, Non-transferability or Illiquidity (each, a **CNY Disruption Event**), the Issuer is not able or it would be impracticable for it to satisfy payments of principal or interest (in whole or part) in respect of the Notes or the Coupons when due in Renminbi in Hong Kong:

(a) payment of such amount shall be postponed to two Business Days after the date on which the CNY Disruption Event ceases to exist, unless it continues to exist for 14 consecutive calendar days from the original date that, but for the occurrence of the CNY Disruption Event, would have been the date of such payments; or

(b) if the CNY Disruption Event continues to exist for 14 consecutive calendar days from the original date that, but for the occurrence of the CNY Disruption Event, would have been the date of such payments, the Issuer may, on giving five Business Days' irrevocable notice to the Paying Agents, the Noteholders and the Trustee, settle any such payment (in whole or in part) in U.S. dollars on the date that is three Business Days after the expiration of the aforementioned 14 calendar day period at the U.S. Dollar Equivalent of any such Renminbi-denominated amount.

In the case of (b) above, any payment of U.S. dollars will be made by transfer to a U.S. dollar denominated account maintained by the payee with a bank in New York City; and the definition of Payment Day in Condition 6.7 shall mean any day (subject to Condition 9) which is a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in: (A) in the case of Notes in definitive form only, the relevant place of presentation; (B) London, Sydney and New York; and (C) each Additional Financial Centre specified in the applicable Final Terms.

For the purposes of these Conditions, **U.S. Dollar Equivalent** means the Renminbi amount converted into U.S. dollars using the Spot Rate for the relevant Determination Date.

Any payment made under such circumstances in U.S. dollars will constitute valid payment, and will not constitute a default in respect of the Notes.

For these purposes:

Calculation Agent means Deutsche Bank AG, London Branch;

CNY means the lawful currency of the PRC;

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

Determination Date means the day which is two Determination Business Days before the due date for any payment of the relevant amount under these Conditions;

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

Hong Kong means the Hong Kong Special Administrative Region of the PRC;

Illiquidity means that the general Renminbi exchange market in Hong Kong has become illiquid and, as a result of which, the Issuer cannot obtain sufficient Renminbi in order to satisfy its obligation to pay interest and/or principal (in whole or in part) in respect of the Notes, as determined by the Issuer in good faith and in a commercially reasonable manner following consultation with two Renminbi Dealers;

Inconvertibility means the occurrence of any event that makes it impossible for the Issuer to convert any amount due in respect of the Notes in the general Renminbi exchange market in Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation becomes effective after the Issue Date of the first tranche of the Notes and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

Non-transferability means the occurrence of any event that makes it impossible for the Issuer to transfer Renminbi between accounts inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong or from an account outside Hong Kong to an account inside Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation becomes effective after the Issue Date of the first tranche of the Notes and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

PRC means the People's Republic of China which, for the purpose of these Conditions, shall exclude Hong Kong, the Macao Special Administrative Region of the People's Republic of China and Taiwan;

Renminbi means the lawful currency of the PRC;

Renminbi Dealer means an independent foreign exchange dealer of international repute active in the Renminbi exchange market in Hong Kong; and

Spot Rate means the spot CNY/U.S. dollar exchange rate for the purchase of U.S. dollars with Renminbi in the over-the-counter Renminbi exchange market in Hong Kong for settlement in two Determination Business Days, as determined by the Calculation Agent at or around 11:15 a.m. (Hong Kong time) on the Determination Date, on a deliverable basis by reference to Reuters Screen Page <CNHFIX> after that rate has been set on that day, or if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF. If neither rate is available, the Calculation Agent will determine the Spot Rate at or around 11:15 a.m. (Hong Kong time) on the Determination Date as the most recently available CNY/U.S. dollar official fixing rate for settlement in two Determination Business Days reported by The State Administration of Foreign Exchange of the PRC, which is reported on the Reuters Screen Page CNY=SAEC. Reference to a page on the Reuters Screen means the display page so designated on the Reuters Monitor Money Rates Service (or any successor service) or such other page as may replace that page for the purpose of displaying a comparable currency exchange rate.

6.11 Determinations are binding

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6 by the Calculation Agent, will (in the absence of wilful default, fraud or manifest error) be binding on the Issuer, the Paying Agents and all Noteholders.

7. REDEMPTION AND PURCHASE

7.1 Redemption at maturity

Unless previously redeemed or purchased and cancelled (or, in the case of Subordinated Notes issued by NAB, Converted or Written-Off) as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in the applicable Final Terms in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms.

7.2 Redemption for tax reasons

(A) Subject to Condition 7.5, the Notes may be redeemed (subject, in the case of Subordinated Notes issued by NAB, to the prior written approval of APRA and, in the case of Subordinated Notes issued by BNZ, to the prior written approval of the RBNZ) at the option of the Issuer in whole or in part at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving the minimum period and not more than the maximum period of notice specified in the applicable Final Terms to the Trustee and the Principal Paying Agent and, in accordance with Condition 14, the Noteholders (which notice shall be irrevocable, subject, in the case of Subordinated Notes issued by NAB, to Condition 10A), if the Issuer satisfies the Trustee immediately before the giving of such notice that:

(a) (except in the case of Subordinated Notes issued by BNZ) on the occasion of the next payment due under the Notes the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to (i) the laws or regulations of Australia (if the Issuer is NAB) or New Zealand (if the Issuer is BNZ) or in all cases any political sub-division thereof or any authority thereof or therein or (in all cases) any Tax Jurisdiction (as defined in Condition 8) or (ii) any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes and such obligation cannot be avoided by the Issuer (if the Issuer is BNZ) paying (if it is not already doing so) New Zealand approved issuer levy at a rate not exceeding 2 per cent. of the relevant payment; or

(b) (in the case of Subordinated Notes issued by NAB only) any payment due under such Notes is not or may not be, in each case in the opinion of counsel of international repute appointed by the Issuer and approved by the Trustee, allowed as a deduction for Australian income tax purposes as a result of a change in or amendment to the laws or regulations of Australia or any political sub-division thereof or any authority thereof or therein or any change in the application or official interpretation of such laws or regulations which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; or

(c) (in the case of Subordinated Notes issued by BNZ only) BNZ has determined, in its absolute discretion, that:

(i) there has been, or there will be, a change in any New Zealand law, regulation, ruling or directive (including by way of the imposition of, or any change to, any New Zealand law, regulation, ruling or directive);

(ii) there has been, or there will be, a change in the application, interpretation or administration of any New Zealand law, regulation, ruling or directive by any authority (including the New Zealand Inland Revenue Department); or

(iii) BNZ is or will be required to comply with a change in any New Zealand law, regulation, ruling or directive or changed application, interpretation or administration,

in each case which change applies, or is to apply, on or after the date of issue of the first Tranche of the Subordinated Notes and which directly or indirectly affects the taxation treatment in relation to the Notes with the effect that BNZ would be exposed to an increase to its costs in relation to the Notes; and

(d) (in the case of each of (a), (b) and (c) above) such obligation cannot be avoided by the Issuer taking any other reasonable measures available to it,

provided that (i) no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts or suffer such other adverse consequences were a payment in respect of the Notes then due; (ii) (in the case of Subordinated Notes issued by NAB only) NAB does not as at the date of issue of the Subordinated Notes (including where Subordinated Notes are issued as a Tranche consolidated with an existing Series, as at the date of issue of that Tranche) expect that an event described in this Condition 7.2(A) will occur; and (iii) (in the case of Subordinated Notes issued by BNZ only) such event is not minor and could not reasonably have been anticipated by BNZ as at the date of issue of the Subordinated Notes.

(B) Prior to the publication of any notice of redemption pursuant to this Condition 7.2, the Issuer shall deliver to the Trustee to make available at its specified office to the Noteholders (i) a certificate signed by two Directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts or, as the case may be, that it has suffered or will suffer such other adverse consequences, in either case as a result of such change or amendment and the Trustee shall be entitled to accept the certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders, the Receiptholders and the Couponholders.

(C) Notes redeemed pursuant to this Condition 7.2 will be redeemed at their Early Redemption Amount referred to in Condition 7.5 below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(D) In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in normal amount, at their discretion) and/or DTC and/or the CMU Service, in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption. In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 14 not less than 15 days prior to the date fixed for redemption or, if shorter, not less than the minimum

period of notice to be given by the Issuer to the Noteholders of the redemption as specified in the applicable Final Terms.

(E) NAB may elect to redeem any Subordinated Notes issued by it under this Condition 7.2 only if either (i) such Subordinated Notes the subject of the redemption are replaced concurrently or beforehand with Regulatory Capital (as defined in Condition 10A.16) of the same or better quality and the replacement of the instrument is done under conditions that are sustainable for NAB's income capacity, or (ii) NAB obtains confirmation from APRA that APRA is satisfied that the capital position of the NAB Level 1 Group and the NAB Level 2 Group will remain adequate after NAB elects to redeem such Subordinated Notes.

(F) BNZ may elect to redeem any Subordinated Notes issued by it under this Condition 7.2 only if

(a) either:

(i) the Subordinated Notes the subject of the redemption are replaced concurrently or beforehand with Regulatory Capital (as defined in this Condition 7.2) of the same or better quality and contributing at least the same regulatory capital amount (for the purposes of the RBNZ's capital adequacy requirements applying to BNZ at the time of the redemption of the relevant Subordinated Notes) and the replacement of the instrument is done under terms and conditions that are sustainable for the income capacity of BNZ Group; or

(ii) if BNZ does not intend to replace the Subordinated Notes the subject of the redemption, BNZ has demonstrated to the RBNZ's satisfaction that, after the redemption, the BNZ Group's capital ratios would be sufficiently above their respective minimums and the prudential capital buffer ratio would be sufficiently above its respective buffer trigger ratio; and

(b) BNZ has provided any information and supporting documentation required by the RBNZ's prudential regulatory requirements to the RBNZ.

In these Conditions:

BNZ Group means BNZ (as reporting entity) and all other entities included in its group (as defined in section 5(1) of the Financial Reporting Act 2013 (New Zealand)).

Level 1 and **Level 2** have the meanings given by APRA from time to time.

NAB Level 1 Group means NAB and those of its Related Entities included by APRA from time to time in the calculation of NAB's capital ratios on a Level 1 basis.

NAB Level 2 Group means NAB and those of its Related Entities included by APRA from time to time in the calculation of NAB's capital ratios on a Level 2 basis.

Regulatory Capital means, in respect of BNZ, a Tier 1 Capital Instrument or a Tier 2 Capital Instrument (each as defined in this Condition 7.2 in respect of BNZ).

Tier 1 Capital means, in respect of BNZ, the Tier 1 Capital of BNZ as defined by the RBNZ from time to time.

Tier 1 Capital Instrument means, in respect of BNZ, a share, note or other security or instrument constituting Tier 1 Capital (as defined in this Condition 7.2 in respect of BNZ).

Tier 2 Capital means, in respect of BNZ, the Tier 2 Capital of BNZ as defined by the RBNZ from time to time.

Tier 2 Capital Instrument means, in respect of BNZ, a share, note or other security or instrument constituting Tier 2 Capital (as defined in this Condition 7.2 in respect of BNZ).

Noteholders should not expect that (i) APRA's approval will be given for any redemption under this Condition 7.2 of Subordinated Notes issued by NAB, or (ii) the RBNZ's approval will be given for any redemption under this Condition 7.2 of Subordinated Notes issued by BNZ.

7.2A Redemption for a Regulatory Event—NAB

The provisions of, and the defined terms contained within, this Condition 7.2A apply only to Subordinated Notes issued by NAB and references to "Subordinated Notes" in this Condition 7.2A shall be construed accordingly.

If a Regulatory Event Call is specified in the applicable Final Terms, subject to the prior written approval of APRA, Subordinated Notes may be redeemed, at the option of NAB, in whole or in part at any time, on giving not less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms to the Trustee and the Principal Paying Agent and, in accordance with Condition 14, the Noteholders (which notice shall be irrevocable, subject to Condition 10A), if a Regulatory Event occurs.

For the purpose of this Condition 7.2A, **Regulatory Event** means a determination by the Directors of NAB, having received:

(a) an opinion from a reputable legal counsel that as a result of any amendment to, clarification of or change (including any announcement of a change that will be introduced) in, any law or regulation of the Commonwealth of Australia or any political sub-division thereof or any authority thereof or therein, or any official administrative pronouncement or action or judicial decision interpreting such laws or regulations, or any direction, order, standard, requirement, guideline or statement of APRA (whether or not having the force of law), in each case which amendment, clarification or change is effective, or pronouncement, action or decision is announced, after the Issue Date; or

(b) a written statement from APRA after the Issue Date,

that, in each case, NAB is not or will not be entitled to treat all of the Subordinated Notes as Tier 2 Capital (as defined in Condition 10A.16), provided that, in each case, NAB does not expect the matters giving rise to the Regulatory Event will occur at the time of issue of Subordinated Notes.

Subordinated Notes redeemed pursuant to this Condition 7.2A will be redeemed at their Early Redemption Amount referred to in Condition 7.5 together (if appropriate) with interest accrued to (but excluding) the date of redemption.

In the case of a partial redemption of Subordinated Notes pursuant to this Condition 7.2A, the provisions of subparagraph (D) of Condition 7.2 above shall apply, *mutatis mutandis*, as though references to "Redeemed Notes" were to Subordinated Notes subject to partial redemption under this Condition 7.2A.

NAB may elect to redeem any Subordinated Notes under this Condition 7.2A only if either (i) the Subordinated Notes the subject of the redemption are replaced concurrently or beforehand with Regulatory Capital (as defined in Condition 10A.16) of the same or better quality and the replacement of the instrument is done under conditions that are sustainable for NAB's income capacity, or (ii) NAB obtains confirmation from APRA that APRA is satisfied that the capital position of the NAB Level 1 Group and the NAB Level 2 Group will remain adequate after NAB elects to redeem the Subordinated Notes.

Noteholders should not expect that APRA's approval will be given for any redemption under this Condition 7.2A of Subordinated Notes.

7.2B Redemption for a Regulatory Event—BNZ

The provisions of, and the defined terms contained within, this Condition 7.2B apply only to Subordinated Notes issued by BNZ and references to "Subordinated Notes" in this Condition 7.2B shall be construed accordingly.

If a Regulatory Event Call is specified in the applicable Final Terms, subject to the prior written approval of the RBNZ, Subordinated Notes may be redeemed, at the option of BNZ, in whole or in part at any time, on giving not less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms to the Trustee and the Principal Paying Agent and, in accordance with Condition 14, the Noteholders (which notice shall be irrevocable), if a Regulatory Event occurs.

For the purpose of this Condition 7.2B, **Regulatory Event** means:

(a) the receipt by the Directors of BNZ of an opinion from a reputable legal counsel that, as a result of a Regulatory Change, additional requirements would be imposed on BNZ in relation to or in connection with the regulatory treatment of the Subordinated Notes, which additional requirements the Directors of BNZ determine, in their absolute discretion, have, or would have, an unacceptable adverse effect; or

(b) the determination by the Directors of BNZ that, as a result of a Regulatory Change, BNZ is not or will not be entitled to treat some or all Subordinated Notes as Tier 2 Capital (as defined in Condition 7.2).

For the purpose of this Condition 7.2B, **Regulatory Change** means any amendment to, clarification of or change (including any announcement of a change that will be introduced) in or to:

(a) any law or regulation in New Zealand;

(b) any official administrative pronouncement or action or judicial decision interpreting or applying any law or regulation in New Zealand; or

(c) any order, direction, standard, requirement, guideline or statement of the RBNZ (whether or not having the force of law),

in each case provided that such event is not minor and could not reasonably have been anticipated by BNZ as at the Issue Date.

Subordinated Notes redeemed pursuant to this Condition 7.2B will be redeemed at their Early Redemption Amount referred to in Condition 7.5 together (if appropriate) with interest accrued to (but excluding) the date of redemption.

In the case of a partial redemption of Subordinated Notes pursuant to this Condition 7.2B, the provisions of subparagraph (D) of Condition 7.2 above shall apply, *mutatis mutandis*, as though references to "Redeemed Notes" were to Subordinated Notes subject to partial redemption under this Condition 7.2B.

BNZ may elect to redeem any Subordinated Notes under this Condition 7.2B only if:

(a) either:

(i) the Subordinated Notes the subject of the redemption are replaced concurrently or beforehand with Regulatory Capital (as defined in Condition 7.2 in respect of BNZ) of the same or better quality and contributing at least the same regulatory capital amount (for the purposes of the

RBNZ's capital adequacy requirements applying to BNZ at the time of the redemption of the relevant Subordinated Notes) and the replacement of the instrument is done under terms and conditions that are sustainable for the income capacity of the BNZ Group (as defined in Condition 7.2); or

(ii) if BNZ does not intend to replace the Subordinated Notes the subject of the redemption, BNZ has demonstrated to the RBNZ's satisfaction that, after the redemption, the BNZ Group's capital ratios would be sufficiently above their respective minimums and the prudential capital buffer ratio would be sufficiently above its respective buffer trigger ratio;

(b) BNZ has provided any information and supporting documentation required by the RBNZ's prudential regulatory requirements to the RBNZ; and

(c) the RBNZ has given its prior written approval to the redemption.

Noteholders should not expect that the RBNZ's approval will be given for any redemption of Subordinated Notes issued by it under this Condition 7.2B.

7.3 Redemption at the option of the Issuer

This Condition 7.3 applies to Notes which are subject to redemption prior to the Maturity Date at the option of the Issuer (other than for taxation reasons or, in the case of Subordinated Notes, on account of a Regulatory Event as defined in Condition 7.2A or Condition 7.2B in respect of Subordinated Notes issued by NAB or BNZ respectively), such options being referred to, for the purposes of Condition 7.3(A), as an Issuer Call and, for the purposes of Condition 7.3(B), as an Issuer Clean-Up Call. The applicable Final Terms contains provisions applicable to any Issuer Call or Issuer Clean-Up Call and must be read in conjunction with this Condition 7.3 for full information on any Issuer Call or Issuer Clean-Up Call. In particular, the applicable Final Terms will identify (i) in the case of any Issuer Call, the Optional Redemption Date(s), the Optional Redemption Amount, any minimum or maximum amount of Notes which can be redeemed and the applicable notice periods, and (ii) in the case of any Issuer Clean-Up Call, the Issuer Clean-Up Call Threshold, the Residual Redemption Amount, the Earliest Possible Date for Redemption (if any) and the applicable notice periods.

(A) **Redemption at the option of the Issuer – Issuer Call**

If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may (subject, in the case of Subordinated Notes issued by NAB, to the prior written approval of APRA and, in the case of Subordinated Notes issued by BNZ, to the prior written approval of the RBNZ), having given not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Noteholders in accordance with Condition 14 (which notices shall be irrevocable, subject, in the case of Subordinated Notes issued by NAB, to Condition 10A, and shall specify the date fixed for redemption), redeem, in whole or in part, the Notes then outstanding on any Optional Redemption Date (in the case of Subordinated Notes issued by NAB, such date being at least five years after the Issue Date) and at the Optional Redemption Amount(s) specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms. The Optional Redemption Amount will be stated in the applicable Final Terms.

In the case of a partial redemption of Notes pursuant to this Condition 7.3(A) and the provisions of subparagraph (D) of Condition 7.2 shall apply, *mutatis mutandis*, as though references to "Redeemed Notes" were to Notes subject to partial redemption under this Condition 7.3(A).

(B) **Redemption at the option of the Issuer – Issuer Clean-Up Call**

If Issuer Clean-Up Call is specified as being applicable in the applicable Final Terms, the Issuer may (subject, in the case of Subordinated Notes issued by NAB, to the prior written approval of APRA and, in the case of Subordinated Notes issued by BNZ, to the prior written approval of the RBNZ), having given not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Noteholders in accordance with Condition 14 (which notices shall be irrevocable, subject, in the case of Subordinated Notes issued by NAB, to Condition 10A, and shall specify the date fixed for redemption (provided that such date is no earlier than any Earliest Possible Date for Redemption specified in the applicable Final Terms, which date, in the case of Subordinated Notes issued by NAB, must be at least five years after the Issue Date)), elect to redeem all, but not some only, of the Notes then outstanding on any date and at the Residual Redemption Amount specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant date of redemption, if, prior to the date of such notice, 75 per cent. (or such other percentage as may be specified in the applicable Final Terms as being the Issuer Clean-Up Call Threshold) or more of the aggregate nominal amount of the Series issued has been redeemed or purchased and cancelled.

Prior to the publication of any notice of redemption pursuant to this Condition 7.3(B), the Issuer shall deliver to the Trustee, to make available at its specified office to the Noteholders, a certificate signed by two Authorised Signatories of the Issuer stating that the Issuer is entitled to effect such redemption and confirming that 75 per cent. (or such other percentage as may be specified in the applicable Final Terms as being the Issuer Clean-Up Call Threshold) or more of the aggregate nominal amount of the Series issued has been redeemed or purchased and cancelled. The Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the condition precedent set out above, in which event it shall be conclusive and binding on the Noteholders, the Receiptholders and the Couponholders.

(C) NAB may elect to redeem any Subordinated Notes issued by it under this Condition 7.3 only if either (i) the Subordinated Notes the subject of the redemption are replaced concurrently or beforehand with Regulatory Capital (as defined in Condition 10A.16) of the same or better quality and the replacement of the instrument is done under conditions that are sustainable for NAB's income capacity, or (ii) NAB obtains confirmation from APRA that APRA is satisfied that the capital position of the NAB Level 1 Group and the NAB Level 2 Group will remain adequate after NAB elects to redeem the Subordinated Notes.

(D) BNZ may elect to redeem any Subordinated Notes issued by it under this Condition 7.3 only if:

(a) either:

(i) the Subordinated Notes the subject of the redemption are replaced concurrently or beforehand with Regulatory Capital (as defined in Condition 7.2 in respect of BNZ) of the same or better quality and contributing at least the same regulatory capital amount (for the purposes of the RBNZ's capital adequacy requirements applying to BNZ at the time of the election to redeem the relevant Subordinated Notes) and the replacement of the instrument is done under terms and conditions that are sustainable for the income capacity of the BNZ Group (as defined in Condition 7.2); or

(ii) if BNZ does not intend to replace the Subordinated Notes the subject of the redemption, BNZ has demonstrated to the RBNZ's satisfaction that, after the redemption, the BNZ Group's capital ratios would be sufficiently above their respective minimums and the prudential capital buffer ratio would be sufficiently above its respective buffer trigger ratio; and

(b) BNZ has provided any information and supporting documentation required by the RBNZ's prudential regulatory requirements to the RBNZ.

Noteholders should not expect that (i) APRA's approval will be given for any redemption under this Condition 7.3 of Subordinated Notes issued by NAB, or (ii) the RBNZ's approval will be given for any redemption under this Condition 7.3 of Subordinated Notes issued by BNZ.

7.4 Redemption at the option of the Noteholders (Investor Put)

This Condition 7.4 applies to Notes which are subject to redemption prior to the Maturity Date at the option of the Noteholder, such option being referred to as an **Investor Put**. The applicable Final Terms contains provisions applicable to any Investor Put and must be read in conjunction with this Condition 7.4 for full information on any Investor Put. In particular, the applicable Final Terms will identify the Optional Redemption Date(s), the Optional Redemption Amount and the applicable notice periods.

This Condition 7.4 shall apply only to Senior Notes and references to "Notes" shall be construed accordingly.

If Investor Put is specified as being applicable in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 14 not less than the minimum period of notice specified in the applicable Final Terms, the Issuer will, upon the expiry of such notice, redeem such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. Registered Notes may be redeemed under this Condition 7.4 in any multiple of their lowest Specified Denomination.

To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent, or as the case may be, the Registrar (a **Put Notice**) and in which the holder must specify a bank account to which payment is to be made under this Condition and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2(b). If this Note is in definitive form, the Put Notice must be accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control.

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

Any Put Notice given by a holder of any Note pursuant to this Condition 7.4 shall be irrevocable except where prior to the due date of redemption an Event of Default shall have occurred and the Trustee has declared the Notes to be due and payable pursuant to Condition 10 in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 7.4 and instead to declare such Note forthwith due and payable pursuant to Condition 10.

7.5 Early Redemption Amounts

For the purpose of Conditions 7.2, 7.2A and 7.2B above and Condition 10, each Note will be redeemed at its Early Redemption Amount calculated by the Principal Paying Agent as follows subject, in the case of Subordinated Notes issued by NAB, to Condition 10A:

(a) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;

(b) in the case of a Note (other than a Zero Coupon Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Note is denominated, at the amount specified in the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its nominal amount; or

(c) in the case of a Zero Coupon Note, at its Early Redemption Amount calculated in accordance with the following formula:

Early Redemption Amount = RP x $(1+AY)^{y}$

where:

RP means the Reference Price;

AY means the Accrual Yield expressed as a decimal; and

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

7.6 Specific redemption provisions applicable to certain types of Exempt Notes

The Final Redemption Amount, any Optional Redemption Amount, any Residual Redemption Amount and the Early Redemption Amount in respect of Index Linked Redemption Notes and Dual Currency Redemption Notes may be specified in, or determined in the manner specified in, the applicable Final Terms. For the purposes of Condition 7.6, Index Linked Interest Notes and Dual Currency Interest Notes may be redeemed only on an Interest Payment Date.

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Final Terms. In the case of early redemption, the Early Redemption Amount of Instalment Notes will be determined in the manner specified in the applicable Final Terms.

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the applicable Final Terms.

7.7 Purchases

The Issuer, any subsidiary or any other Related Entity (as defined in Condition 10A.16) of the Issuer may at any time purchase Notes (provided that, in the case of definitive Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise (subject, in the case of Subordinated Notes issued by NAB, to the prior written approval of APRA and, in the case of Subordinated Notes issued by BNZ, to the prior written approval of the RBNZ).

Such Notes may be held, reissued (except in the case of Subordinated Notes), resold or, at the option of the Issuer surrendered to the Paying Agent for cancellation.

Noteholders should not expect that (i) APRA's approval will be given for any purchase under this Condition 7.7 of Subordinated Notes issued by NAB, or (ii) the RBNZ's approval will be given for any purchase under this Condition 7.7 of Subordinated Notes issued by BNZ.

7.8 Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and Notes purchased and cancelled pursuant to Condition 7.7 above (together with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be reissued or resold.

7.9 Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 7.1, 7.2, 7.3 or 7.4 above or upon its becoming due and repayable as provided in Condition 10 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 7.5(c) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

(a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and

(b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Principal Paying Agent or the Trustee or the Registrar and notice to that effect has been given to the Noteholders in accordance with Condition 14.

8. TAXATION

All payments of principal and interest in respect of the Notes, Receipts and Coupons by the Issuer will be made without withholding or deduction for or on account of any present or future taxes, assessments, other governmental charges or duties of whatever nature imposed or levied by or on behalf of Australia (if the Issuer is NAB) or New Zealand (if the Issuer is BNZ) or any political sub-division thereof or any authority thereof or therein and any Tax Jurisdiction having power to tax unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; except that the foregoing obligation to pay additional amounts shall not apply to any such tax, assessment, governmental charge or duty:

(a) which is payable otherwise than by deduction or withholding from payments of principal of and interest on such Note, Receipt or Coupon;

(b) which is payable (other than in respect of New Zealand resident withholding tax) by reason of the Noteholder, Receiptholder or Couponholder or beneficial owner having, or having had, some personal or business connection with Australia (if the Issuer is NAB), New Zealand (if the Issuer is BNZ) or (in all cases) a Tax Jurisdiction (other than mere ownership of or receipt of payment under the Notes, Receipts or Coupons or the fact that payments are, or for the purposes of taxation are deemed to be, from sources in, or secured in, Australia (if the Issuer is NAB), New Zealand (if the Issuer is BNZ), or (in all cases) a Tax Jurisdiction);

(c) which could lawfully be avoided if the Noteholder, Receiptholder or Couponholder or beneficial owner had provided the Issuer or a Paying Agent or any tax authority with any certification, tax identification number, name and address details or had complied with another reporting requirement including the provision of information concerning nationality, tax residence, identity, and/or other tax exemption status (but has not been so avoided solely by reason of such Noteholder's, Receiptholder's, Couponholder's or beneficial owner's failure to do so);

(d) which is payable by reason of a change in law that becomes effective more than thirty days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 6.7);

(e) which is an estate, inheritance, gift, sales, transfer, personal property or similar tax, assessment or other charge;

(f) which is payable, if the Issuer is NAB, by reason of the Noteholder, Receiptholder or Couponholder or beneficial owner of such Note being an associate of the Issuer for the purposes of section 128F of the Income Tax Assessment Act 1936 of Australia (the **Australian Tax Act**);

(g) which is payable, if the Issuer is BNZ, by reason of the Noteholder, Receiptholder or Couponholder or beneficial owner of such Note, Receipt or Coupon being associated with the Issuer, or deriving interest jointly with a New Zealand resident, for the purposes of the approved issuer levy and non-resident withholding tax rules in the Income Tax Act 2007 of New Zealand or any modification or equivalent thereof;

(h) which, if the Issuer is BNZ, is payable solely by reason of the relevant Note, Receipt or Coupon being presented for payment in New Zealand;

(i) which, if the Issuer is NAB, is imposed or withheld as a consequence of a determination having been made under Part IVA of the Australian Tax Act (or any modification thereof or provision substituted therefor) by the Commissioner of Taxation of the Commonwealth of Australia that withholding tax is payable in respect of a payment in circumstances where the payment would not have been subject to withholding tax in the absence of the scheme which was the subject of that determination;

(j) which, if the Issuer is BNZ, is imposed or withheld as a consequence of the New Zealand Inland Revenue Department applying section BG 1 of the Income Tax Act 2007 of New Zealand (or any modification or equivalent thereof) with the consequence that withholding tax is payable in respect of a payment in circumstances where the payment would not have been subject to withholding tax in the absence of the application of such provision;

(k) (if the Issuer is BNZ) where such withholding or deduction is for or on account of New Zealand resident withholding tax;

(l) with respect to any payment of principal of or interest (including original issue discount) on the Notes, Receipts and Coupons by the Issuer to any Noteholder, Receiptholder or Couponholder who is a fiduciary or partnership or other than the sole beneficial owner of any such payment to the extent that a beneficiary or settlor with respect to such fiduciary, a member of such a partnership or any other beneficial owner would not have been entitled to the additional amounts had such beneficiary, settlor, member or beneficial owner been the holder of such Notes, Receipts and Coupons; or

(m) any combination of (a) through (l) above.

As used herein:

(i) **Tax Jurisdiction** means in relation to any Tranche of Notes issued by a borrowing office of NAB which is not located in Australia, the jurisdiction in which such borrowing office is located; and

(ii) the **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 Trustee or the Principal Paying Agent on or prior to such 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 Noteholders in accordance with Condition 14.

For the avoidance of doubt, any amounts to be paid on the Notes, Receipts and Coupons will be paid net of any deduction or withholding imposed or required pursuant to Sections 1471 through 1474 of the Code, any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code, and no additional amounts will be required to be paid on account of any such deduction or withholding.

The remaining provisions of this Condition 8 only apply if the Issuer is BNZ. Where used in the remaining provisions of this Condition 8, **interest** means interest (as defined under the Income Tax Act 2007 of New Zealand or any modification or equivalent thereof) for withholding tax purposes, which currently includes the excess of the redemption amount over the issue price of any Note, as well as interest paid on such Note.

BNZ may be required by law to deduct New Zealand resident withholding tax from the payment of interest to a Noteholder, Receiptholder or Couponholder, if:

(a) the person deriving the interest is a resident of New Zealand for income tax purposes or is otherwise subject to the New Zealand resident withholding tax rules (a **New Zealand Noteholder**); and

(b) at the time of such payment, the New Zealand Noteholder does not have RWT-exempt status (as defined in the Income Tax Act 2007 of New Zealand).

Prior to any date on which interest is payable or the Maturity Date, any New Zealand Noteholder:

(A) must notify the Issuer or any Paying Agent, that the New Zealand Noteholder is the holder of a Note, Receipt or Coupon; and

(B) must notify the Issuer or a Paying Agent, of any circumstances, and provide the Issuer or the relevant Paying Agent, with any information (including, in the case of a New Zealand Noteholder that is not resident in New Zealand for income tax purposes, whether the Note is held for the purposes of a business they carry on in New Zealand through a fixed establishment in New Zealand) that may enable the Issuer to make payment of interest to the New Zealand Noteholder without deduction on account of New Zealand resident withholding tax.

The New Zealand Noteholder must notify the Issuer prior to any date on which interest is payable, of any change in the New Zealand Noteholder's circumstances from those previously notified that could affect the payment or withholding obligations of the Issuer in respect of this Note, Receipt or Coupon. By accepting payment of the full face amount of a Note, Receipt or Coupon, as the case may be or any interest thereon, the New Zealand Noteholder indemnifies the Issuer for all purposes in respect of any liability the Issuer may incur for not deducting any amount from such payment on account of New Zealand resident withholding tax.

Only a New Zealand Noteholder will be obliged to make the notification referred to above and no other holder will be required to make any certification that it is not a New Zealand Noteholder.

9. PRESCRIPTION

The Notes (whether in bearer or registered form), Receipts and Coupons will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 8) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 6.2 or any Talon which would be void pursuant to Condition 6.2.

10. EVENTS OF DEFAULT AND ENFORCEMENT

10.1 Events of Default relating to Senior Notes

This Condition 10.1 shall apply only to Senior Notes and references to "Notes" in this Condition 10.1 shall be construed accordingly.

The Trustee at its discretion may, and if so requested in writing by the holders of at least one-quarter in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to being indemnified and/or secured and/or pre-funded to its satisfaction), (but in the case of the happening of any of the events described in paragraphs (c), (d), (e), (f), (h), (i), or (j) inclusive below, only if the Trustee shall have certified in writing to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Noteholders), give notice in writing to the Issuer that the Notes are, and the Notes shall, unless such event shall have been cured by the Issuer prior to the Issuer's receipt of the notice in writing from the Trustee, thereupon immediately become, due and repayable at their Early Redemption Amount together with accrued interest as provided in the Trust Deed if any of the following events (each an **Event of Default**) shall occur:

(a) default by the Issuer in any payment when due of principal on the Notes or any of them and the default continues for a period of seven days;

(b) default by the Issuer in payment when due of any instalment of interest on the Notes or any of them and the default continues for a period of 30 days;

(c) a failure by the Issuer to perform or observe any of its other obligations under the Conditions or the Trust Deed and the failure continues for the period of 30 days next following the service by the Trustee on the Issuer of notice requiring the same to be remedied;

(d) a distress or execution or other legal process is levied or enforced upon or sued out or put in force against any part of the property, assets or revenues of the Issuer and such distress or execution or other legal process, as the case may be, is not discharged or stayed within 14 days of having been so levied, enforced or sued out;

(e) an encumbrancer takes possession or a receiver or administrator is appointed of the whole or any part of the undertaking, property, assets or revenues of the Issuer (other than in respect of monies borrowed or raised on a non-recourse basis);

(f) the Issuer (i) becomes insolvent or is unable to pay its debts as they mature; or (ii) applies for or consents to or suffers the appointment of a liquidator or receiver or administrator of the Issuer or of the whole or any part of the undertaking, property, assets or revenues of the Issuer (other than in respect of monies borrowed or raised on a non-recourse basis); or (iii) takes any proceeding under any law for a readjustment or deferment of its obligations or any part thereof or makes or enters into a general assignment or any arrangement or composition with or for the benefit of creditors;

(g) an order is made or an effective resolution passed for (in the case of Senior Notes issued by NAB) a Winding Up (as defined in Condition 3.2) of NAB, or (in the case of Senior Notes issued by BNZ) a Liquidation of BNZ (as defined in Condition 3.3), in any such case other than under or in connection with a scheme of amalgamation or reconstruction not involving a bankruptcy or insolvency;

(h) a moratorium shall be agreed or declared in respect of any indebtedness of the Issuer, or any governmental authority or agency shall have condemned, seized or compulsorily purchased or expropriated all or a substantial part of the assets of or capital of the Issuer;

(i) (where the Issuer is NAB) the Issuer (i) ceases to carry on a banking business in Australia, or the Issuer's authority under the Banking Act or any amendment or re-enactment thereof to carry on banking business in Australia is revoked; or (ii) enters into an arrangement or agreement for any sale or disposal of the whole of its business by amalgamation or otherwise other than, in the case of (ii) only, (a) under or in connection with a scheme of amalgamation or reconstruction not involving a bankruptcy or insolvency which results in a substitution of the principal debtor under the Notes, Receipts and Coupons pursuant to Condition 15; or (b) with the consent of the Noteholders by Extraordinary Resolution; or

(j) (where the Issuer is BNZ) the Issuer (i) ceases to carry on general banking business in New Zealand; or (ii) ceases to be registered as a bank in New Zealand; or (iii) enters into any arrangement or agreement for any sale or disposal of the whole of its business by amalgamation or otherwise other than, in the case of (iii) only, (a) under or in connection with a scheme of amalgamation or reconstruction not involving a bankruptcy or insolvency which results in a substitution of the principal debtor under the Notes, Receipts and Coupons pursuant to Condition 15; or (b) with the consent of the Noteholders by Extraordinary Resolution.

Notwithstanding any other provision of this Condition 10.1, no Event of Default (other than Condition 10.1(g)) in respect of the Notes shall occur solely on account of any failure by the Issuer to perform or observe any of its obligations in relation to, or the agreement or declaration of any moratorium with respect to, or the taking of any proceeding in respect of, any share, note or other security or instrument constituting Tier 1 Capital (as defined in Condition 10A.16 in respect of Notes issued by NAB and as defined in Condition 7.2 in respect of Notes issued by BNZ) or Tier 2 Capital (as defined in Condition 10A.16 in respect of Notes issued by NAB and as defined in Condition 7.2 in respect of Notes issued by BNZ).

10.2 Events of Default relating to Subordinated Notes issued by NAB

The provisions of, and the defined terms contained within, this Condition 10.2 apply only to Subordinated Notes issued by NAB and references to "Notes" and "Subordinated Notes" in this Condition 10.2 shall be construed accordingly.

The following are Events of Default in relation to Notes:

(a) a Winding Up Default (as defined below) occurs and is continuing other than, in any case, for the purposes of a consolidation, amalgamation, merger or reconstruction (the terms of which have been approved by the shareholders of NAB or by a court of competent jurisdiction) under which the continuing or resulting corporation effectively assumes the entire obligations of NAB under the Notes; and

(b) NAB fails to pay any amount of principal or interest in respect of the Notes when scheduled to be paid and the default continues for a period of seven days (in respect of a payment of principal) or 30 days (in respect of a payment of interest) unless the failure is the result of NAB not being Solvent (as defined in this Condition 10.2) at the time of that payment or NAB would not be Solvent as a result of making that payment (except to the extent that NAB can make such payment and remain Solvent thereafter).

To the extent that a payment is not required to be made due to Condition 3.2, the amount is not due and payable and failure to pay such amount does not give rise to an Event of Default.

Solvent means, in the case of NAB, that each of the following is the case:

(a) that NAB can pay its debts as they fall due; and

(b) its Assets exceed its Liabilities.

A certificate as to whether NAB is Solvent (at any particular time or throughout any particular period) signed by two Directors of NAB or the auditors of NAB or, in a Winding Up of NAB, its liquidator, will, in the absence of manifest error, be conclusive evidence against and binding on NAB, the Trustee, the Noteholders, Couponholders and Receiptholders in respect of the matters certified. In the absence of such certificate, the Trustee and any holder of Subordinated Notes is entitled to assume (unless the contrary is proved) that NAB is, and will be after any payment, Solvent, and the Trustee shall incur no liability by reason of acting or refraining from acting in reliance upon such assumption.

Assets means, in respect of NAB, its total non-consolidated gross assets as shown by its latest published audited financial statements but adjusted for events subsequent to the date of such financial statements in such manner and to such extent as its Directors, its auditors or its liquidator may determine to be appropriate.

Liabilities means, in respect of NAB, its total non-consolidated gross liabilities as shown by its latest published audited financial statements but adjusted for events subsequent to the date of such financial statements in such manner and to such extent as its Directors, its auditors or its liquidator may determine to be appropriate.

Winding Up Default means, in relation to NAB:

(i) an order is made by a court of competent jurisdiction in Australia for the Winding Up of NAB which order is not successfully appealed or permanently stayed within 60 days of the making of the order; or

(ii) an effective resolution is passed by shareholders or members for the Winding Up of NAB in Australia.

No events other than those outlined at Condition 10.2(a) and Condition 10.2(b) above shall constitute Events of Default in relation to Subordinated Notes.

10.2A Events of Default relating to Subordinated Notes issued by BNZ

The provisions of, and the defined terms contained within, this Condition 10.2A shall apply only to Subordinated Notes issued by BNZ and references to "Notes" and "Subordinated Notes" in this Condition 10.2A shall be construed accordingly.

The following are Events of Default in relation to Notes:

(a) the Commencement of Liquidation (as defined in this Condition 10.2A); and

(b) BNZ fails to pay any amount of principal or interest in respect of the Notes when scheduled to be paid and the default continues for a period of seven days (in respect of a payment of principal) or 30 days (in respect of a payment of interest) unless, at any time prior to the earlier of the Maturity Date or the Liquidation of BNZ (as defined in Condition 3.3), the failure is the result of BNZ not being Solvent (as defined in this Condition 10.2A) at the time that payment falls due or BNZ would not be Solvent as a result of making that payment (except to the extent that BNZ can make such payment and remain Solvent thereafter).

To the extent that a payment is not required to be made due to Condition 3.3, the amount is not due and payable and failure to pay such amount does not give rise to an Event of Default.

Commencement of Liquidation means the commencement of Liquidation of BNZ (being, where the Liquidation of BNZ (as defined in Condition 3.3) is under the New Zealand Companies Act (as defined in Condition 3.3), the time at which a liquidator is appointed).

Solvent means, in the case of BNZ, that BNZ is able to satisfy the solvency test contained in section 4 of the New Zealand Companies Act (as defined in Condition 3.3).

A certificate as to whether BNZ is Solvent (at any particular time or throughout any particular period) signed by two Directors of BNZ or the auditors of BNZ or, in a Liquidation of BNZ, its liquidator, will, in the absence of manifest error, be conclusive evidence against and binding on BNZ, the Trustee, the Noteholders, Couponholders and Receiptholders in respect of the matters certified. In the absence of such certificate, the Trustee and any holder of Subordinated Notes is entitled to assume (unless the contrary is proved) that BNZ is, and will be after any payment, Solvent, and the Trustee shall incur no liability by reason of acting or refraining from acting in reliance upon such assumption.

No events other than those outlined at Condition 10.2A(a) and Condition 10.2A(b) above shall constitute Events of Default in relation to Subordinated Notes.

10.3 Consequences of an Event of Default relating to Subordinated Notes issued by NAB

This Condition 10.3 shall apply only to Subordinated Notes issued by NAB and references to "Notes" in this Condition 10.3 shall be construed accordingly.

(a) Only in the case of the occurrence of the Event of Default specified in Condition 10.2(a) above, the Trustee at its discretion may (in addition to taking any of the actions specified in Condition 10.3(b) below), and if so requested in writing by the holders of at least one-quarter in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to being indemnified and/or secured and/or pre-funded to its satisfaction) (i) give notice in writing to NAB that each Note is, and each Note shall thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest as provided in the Trust Deed and/or (ii) (subject to Condition 3.2 and the provisions of the Trust Deed) prove in the Winding Up of NAB.

(b) In the case of the occurrence of an Event of Default specified in Condition 10.2(b), the Trustee at its discretion may, and if so requested in writing by the holders of at least one-quarter in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to being indemnified and/or secured and/or pre-funded to its satisfaction), take action:

(i) to recover the amount that NAB has so failed to pay, provided that the Issuer may only be compelled to pay that amount to the extent that it is, and after the payment would remain, Solvent (as defined in Condition 10.2); or

(ii) to obtain an order for specific performance of any other obligation in respect of the Notes; or

(iii) for the Winding Up of NAB.

Any amount not paid due to Condition 3.2, Condition 10.3(b)(i) or because, under Condition 10.2(b), the failure to pay that amount does not give rise to an Event of Default, remains a debt owing to the holder by the Issuer until it is paid and shall be payable on the first date on which the relevant Condition would no longer apply (whether or not such date is otherwise a payment date).

Neither holders of Notes nor the Trustee on their behalf has any right to accelerate payment or any other remedy (including any right to sue for damages which has the same economic effect as acceleration) as a consequence of an Event of Default other than as set out in this Condition 10.3.

10.3A Consequences of an Event of Default relating to Subordinated Notes issued by BNZ

This Condition 10.3A shall apply only to Subordinated Notes issued by BNZ and references to "Notes" in this Condition 10.3A shall be construed accordingly.

(a) Only in the case of the occurrence of the Event of Default specified in Condition 10.2A(a) above, the Trustee at its discretion may (in addition to taking any of the actions specified in Condition 10.3A(b) below), and if so requested in writing by the holders of at least one-quarter in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to being indemnified and/or secured and/or pre-funded to its satisfaction) (i) give notice in writing to BNZ that each Note is, and each Note shall thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest as provided in the Trust Deed and/or (ii) (subject to Condition 3.3 and the provisions of the Trust Deed) prove in the Liquidation of BNZ.

(b) In the case of the occurrence of an Event of Default specified in Condition 10.2A(b), the Trustee at its discretion may, and if so requested in writing by the holders of at least one-quarter in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to being indemnified and/or secured and/or pre-funded to its satisfaction), take action:

(i) to recover the amount that BNZ has so failed to pay, provided that BNZ may only be compelled to pay an amount at any time before the earlier of the Maturity Date or the Liquidation of BNZ to the extent that it is, and after the payment would remain, Solvent (as defined in Condition 10.2A); or

(ii) to obtain an order for specific performance of any other obligation in respect of the Notes; or

(iii) for the Liquidation of BNZ.

Any amount not paid due to Condition 3.3, Condition 10.3A(b)(i) or because, under Condition 10.2A(b), the failure to pay that amount does not give rise to an Event of Default, remains a debt owing to the holder by BNZ until it is paid and shall be payable on the first date on which the relevant Condition would no longer apply (whether or not such date is otherwise a payment date).

Neither holders of Notes nor the Trustee on their behalf has any right to accelerate payment or any other remedy (including any right to sue for damages which has the same economic effect as acceleration) as a consequence of an Event of Default other than as set out in this Condition 10.3A.

10.4 Enforcement

(a) **Senior Notes**

This Condition 10.4(a) shall apply only to Senior Notes and references to "Notes" in this Condition 10.4(a) shall be construed accordingly.

The Trustee may at any time, at its discretion and without notice, take such proceedings or any action against the Issuer as it may think fit to enforce the provisions of the Trust Deed, the Notes, the Receipts and the Coupons, but it shall not be bound to take any such proceedings or any other action under or in relation to the Trust Deed, the Notes, the Receipts or the Coupons unless (i) it shall have been so directed by an Extraordinary Resolution or so requested in writing by the holders of at least one-quarter in nominal amount of the Notes then outstanding and (ii) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

(b) **Subordinated Notes**

(i) This Condition 10.4(b)(i) shall apply only to Subordinated Notes issued by NAB and references to "Notes" in this Condition 10.4(b)(i) shall be construed accordingly.

The Trustee may at its discretion and shall if so requested in writing by the holders of at least one quarter in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution (subject in each case to being indemnified and/or secured and/or pre-funded to its satisfaction) institute such proceedings or take any action against NAB as it may think fit to enforce any obligation, condition or provision binding on NAB under the Trust Deed or the Notes (other than any obligation for payment of any principal or interest in respect of the Notes) provided that NAB shall not by virtue of any such proceedings or such action (save for any proceedings for the Winding Up (as defined in Condition 3.2) of NAB) be obliged to pay (i) any sum or sums representing or measured by reference to principal or interest in respect of the Notes sooner than the same would otherwise have been payable by it or (ii) any damages (save in respect of the Trustee's fees and expenses incurred by it in its personal capacity).

(ii) This Condition 10.4(b)(ii) shall apply only to Subordinated Notes issued by BNZ and references to "Notes" in this Condition 10.4(b)(ii) shall be construed accordingly.

The Trustee may at its discretion and shall if so requested in writing by the holders of at least one quarter in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution (subject in each case to being indemnified and/or secured and/or pre-funded to its satisfaction) institute such proceedings or take any action against BNZ as it may think fit to enforce any obligation, condition or provision binding on BNZ under the Trust Deed or the Notes (other than any obligation for payment of any principal or interest in respect of the Notes) provided that BNZ shall not by virtue of any such proceedings or such action (save for any proceedings for the Liquidation of BNZ (as defined in Condition 3.3)) be obliged to pay (i) any sum or sums representing or measured by reference to principal or interest in respect of the Notes sooner than the same would otherwise have been payable by it or (ii) any damages (save in respect of the Trustee's fees and expenses incurred by it in its personal capacity).

(c) **General**

No Noteholder, Receiptholder or Couponholder shall be entitled to institute proceedings directly against the Issuer or prove in (i) (in the case of Notes issued by NAB) the Winding Up (as defined in Condition 3.2) of NAB, or (ii) (in the case of Notes issued by BNZ) the Liquidation of BNZ (as defined in Condition 3.3), in each case, unless the Trustee, having become bound so to do fails or is unable to do so within a reasonable period and such failure or inability is continuing, in which event any Noteholder, Receiptholder or Couponholder may, on giving an indemnity and/or security satisfactory to the Trustee, in the name of the Trustee (but not otherwise) himself institute such proceedings and/or prove in (i) (in the case of Notes issued by NAB) the Winding Up (as defined in Condition 3.2) of NAB, or (ii) (in the case of Notes issued by BNZ) the Liquidation of BNZ (as defined in Condition 3.3), to the same extent and in the same jurisdiction (but not further or otherwise than the Trustee would have been entitled to do so in respect of the Notes, Receipts and Coupons and/or the Trust Deed).

10A. CONVERSION OR WRITE-OFF OF SUBORDINATED NOTES ISSUED BY NAB ON NON-VIABILITY OF NAB

The provisions of, and the defined terms contained within, this Condition 10A apply only to Subordinated Notes issued by NAB and references to "Notes" and "Subordinated Notes" in this Condition 10A shall be construed accordingly. The Schedule to these Conditions (including the defined terms therein) shall be deemed to form part of, and be incorporated in, this Condition 10A.

10A.1 Non-Viability Trigger Event

A **Non-Viability Trigger Event** occurs when APRA has provided a written determination (**Non-Viability Determination**) to NAB that:

(a) the conversion or write-off of Relevant Capital Instruments of NAB is necessary because without the conversion or write-off, APRA considers that NAB would become non-viable; or

(b) without a public sector injection of capital into, or equivalent support with respect to, NAB, APRA considers that NAB would become non-viable.

The date on which a Non-Viability Trigger Event occurs under Condition 10A.1(a) or 10A.1(b) is a **Conversion Date**.

10A.2 Relevant Tier 1 Capital Instruments to be converted or written-off first where permitted

(a) Where, on the Conversion Date, a Non-Viability Trigger Event occurs under Condition 10A.1(a), NAB must immediately convert or write-off:

(i) all Relevant Capital Instruments then outstanding (including the Subordinated Notes in accordance with this Condition 10A.2); or

(ii) where the Issuer satisfies APRA that the conversion or write-off of a proportion of Relevant Capital Instruments will be sufficient to ensure that NAB does not become non-viable, that proportion.

(b) Where Condition 10A.2(a)(ii) applies, NAB must immediately Convert or Write-Off an aggregate nominal amount of Subordinated Notes in accordance with Condition 10A.3 or Condition 10A.10 (whichever is applicable) and the aggregate nominal amount of other Relevant Tier 2 Capital Instruments which will be converted or be written-off, such amount to be determined on the following basis:

(i) first, NAB must convert or write-off all Relevant Tier 1 Capital Instruments; and

(ii) second, to the extent the amount of Relevant Capital Instruments required to be converted or written-off exceeds the aggregate nominal amount of Relevant Tier 1 Capital Instruments (and unless APRA has withdrawn the Non-Viability Determination), NAB must convert or write-off Relevant Tier 2 Capital Instruments (including Subordinated Notes in accordance with either Condition 10A.3 or Condition 10A.10 (whichever is applicable)), in an aggregate nominal amount equal to the amount of that excess and, in doing so:

(A) NAB will endeavour to treat Noteholders on an approximately proportionate basis but may discriminate to take account of logistical considerations and the need to effect the Conversion or Write-Off of Subordinated Notes and conversion or write-off of other Relevant Tier 2 Capital Instruments immediately; and

(B) where the Specified Currency of Relevant Tier 2 Capital Instruments is not the same for all Relevant Tier 2 Capital Instruments, may treat them as if converted into a single currency of NAB's choice at such rate of exchange as NAB considers reasonable but may make adjustments among Noteholders and holders of other Relevant Tier 2 Capital Instruments having regard to the need to effect Conversion immediately.

(c) Where, on the Conversion Date, a Non-Viability Trigger Event occurs under Condition 10A.1(b), NAB must immediately convert or write-off all Relevant Capital Instruments then outstanding (including the Subordinated Notes) in accordance with this Condition 10A.2.

10A.2A General provisions relating to Conversion and Write-Off

(a) A Non-Viability Determination takes effect, and NAB must perform the obligations in respect of the determination, immediately on the day it is received by NAB, whether or not such day is a Business Day (as defined in the Schedule to these Conditions).

(b) To the extent that a Subordinated Note has been Converted or Written-Off in part then:

(i) the Early Redemption Amount, the Final Redemption Amount, the Optional Redemption Amount, the Residual Redemption Amount, the Specified Denomination and any related amount shall be reduced in the same proportion as the nominal amount Converted or Written-Off in respect of that Subordinated Note bears to the nominal amount of that Subordinated Note before such Conversion or Write-Off;

(ii) for the purposes of any interest calculation, the Calculation Amount of such Subordinated Note and, in the case of a Fixed Rate Note or a Fixed Reset Note (as applicable), any applicable Fixed Coupon Amount and any related amount shall be reduced in the same proportion as the nominal amount Converted or Written-Off in respect of that Subordinated Note bears to the nominal amount of that Subordinated Note before such Conversion or Write-Off; and

(iii) where the Conversion Date is not an Interest Payment Date, then the amount of interest payable in respect of that Subordinated Note on each Interest Payment Date falling after that Conversion Date will be reduced and calculated on the nominal amount of that Subordinated Note as reduced on the date of the Conversion or Write-Off.

(c) In Converting or Writing-Off Subordinated Notes, NAB may make any decisions with respect to the identity of Noteholders at that time as may be necessary or desirable to ensure Conversion or Write-Off occurs in an orderly manner, including disregarding any transfers of Subordinated Notes that have not been settled or registered at that time.

(d) If a Subordinated Note is Converted or Written-Off, the Noteholder must immediately present and surrender that Subordinated Note (together, in the case of a Subordinated Note that is a Definitive Bearer Note, with such Receipts, Coupons and Talons as are attached thereto) to the specified office of, in the case of a Subordinated Note that is a Definitive Bearer Note, any Paying Agent, or, in the case of a Subordinated Note that is a Registered Note, the Registrar and:

(i) where such Subordinated Note is Converted or Written-Off in full, the Paying Agent or Registrar (as the case may be) shall cancel or arrange for the cancellation of such Subordinated Note; and

(ii) where such Subordinated Note is Converted or Written-Off in part, the Paying Agent or Registrar (as the case may be) shall:

(A) where such Subordinated Note is a Global Note, endorse or arrange for the endorsement of the Global Note to reflect the reduction in the nominal amount represented by the Global Note on account of the Conversion or Write-Off; and

(B) where such Subordinated Note is a Definitive Note, cancel or arrange for the cancellation of the Definitive Note and deliver or arrange for the delivery of a new Definitive Note reflecting the nominal amount of such Subordinated Note remaining following that Conversion or Write-Off,

but no failure or delay in such presentation and surrender, cancellation, endorsement or issue shall prevent, impede or delay the Conversion or Write-Off of any Subordinated Notes required by Condition 10A.

(e) **Written-Off** means, with respect to a nominal amount of Subordinated Notes, the rights of the Noteholder in relation to such nominal amount of Subordinated Notes are written-off and immediately and irrevocably terminated (and Write-Off when used herein has a corresponding meaning).

10A.3 Conversion of Subordinated Notes

Subject to Condition 10A.10 where "Write-Off only – Applicable" is specified in the applicable Final Terms applying to Subordinated Notes, but notwithstanding any other provision in these Conditions, on the Conversion Date, in respect of a Subordinated Note, the relevant nominal amount (as determined under Condition 10A.2) of that Subordinated Note will convert immediately and irrevocably into Ordinary Shares (in a number determined under clause 1.1(a) of the Schedule to these Conditions) and where only a portion of a Subordinated Note is converted, the nominal amount of that Subordinated Note shall be reduced by the amount converted accordingly. The conversion will occur in accordance with the terms set out in the Schedule to these Conditions (the **Conversion** and **Convert**, **Converted** and **Converting** when used herein have corresponding meanings).

10A.4 Noteholder acknowledgements relating to Conversion and Write-Off

Each Noteholder irrevocably:

(a) consents to becoming a member of NAB upon the Conversion of Subordinated Notes as required by Condition 10A.3 and agrees to be bound by the constitution of NAB, in each case in respect of the Ordinary Shares issued on Conversion;

(b) acknowledges and agrees that it is obliged to accept Ordinary Shares upon a Conversion notwithstanding anything that might otherwise affect a Conversion of the Subordinated Notes including:

(i) any change in the financial position of NAB since the issue of the Subordinated Notes;

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

(iii) any breach by NAB of any obligation in connection with the Subordinated Notes;

(c) acknowledges and agrees that where Condition 10A.2 applies:

(i) there are no other conditions to a Non-Viability Trigger Event occurring as and when provided in Condition 10A.1;

(ii) Conversion must occur immediately on the Non-Viability Trigger Event and that may result in disruption or failures in trading or dealings in the Subordinated Notes;

(iii) it will not have any rights to vote in respect of any Conversion; and

(iv) the Ordinary Shares issued on Conversion may not be quoted at the time of issue, or at all;

(d) acknowledges and agrees that where Condition 10A.5 or Condition 10A.10 applies, no other conditions or events will affect the operation of that Condition and the Noteholder will not have any rights to vote in respect of any Write-Off under that Condition and has no claim against NAB arising in connection with the application of that Condition;

(e) acknowledges and agrees that a Noteholder has no right to request a Conversion of any nominal amount of any Subordinated Notes or to determine whether (or in what circumstances) the Subordinated Notes are Converted; and

(f) acknowledges and agrees that none of the following shall prevent, impede or delay the Conversion or (where relevant) Write-Off of the nominal amount of Subordinated Notes:

(i) any failure to or delay in the conversion or write-off of other Relevant Capital Instruments;

(ii) any failure or delay in giving a Non-Viability Trigger Event Notice;

(iii) any failure or delay in quotation of the Ordinary Shares to be issued on Conversion;

(iv) any obligation to treat Noteholders proportionally or to make the determinations or adjustments in accordance with Condition 10A.2(b); and

(v) any decision as to the identity of Noteholders whose Subordinated Notes are to be Converted or Written-Off in accordance with Conditions 10A.2 and 10A.2A(c).

10A.5 Write-Off due to failure to Convert

If a nominal amount of Subordinated Notes held by a Noteholder is required to Convert under Condition 10A.3 and, for any reason (including an Inability Event) Conversion has not been effected within five Business Days (as defined in the Schedule to these Conditions) after the Conversion Date, to the extent NAB has not Converted that nominal amount then, notwithstanding any other provisions of these Conditions or the applicable Final Terms:

(a) Conversion of that nominal amount of Subordinated Notes on account of the Non-Viability Trigger Event will not occur on that date or on any future date;

(b) the rights of the Noteholder (including to payment of any principal or interest) in relation to such nominal amount of Subordinated Notes are Written-Off with effect on and from the Conversion Date; and

(c) where only a portion of a Subordinated Note is Written-Off under this Condition 10A.5, the nominal amount of that Subordinated Note shall be reduced by the amount Written-Off accordingly.

10A.6 Non-Viability Trigger Event Notice

As soon as practicable after the occurrence of a Non-Viability Trigger Event and no later than five Business Days (as defined in the Schedule to these Conditions) after the occurrence of the Non-Viability Trigger Event, NAB must give notice of the Non-Viability Trigger Event (a **Non-Viability Trigger Event Notice**) to the Trustee and the Noteholders which states the Conversion Date, the aggregate nominal amount of Subordinated Notes Converted or Written-Off and the aggregate nominal amount of Relevant Tier 2 Capital Instruments converted or written-off.

10A.7 Provision of information

Where a nominal amount of Subordinated Notes held by a Noteholder is required to be Converted under Condition 10A.3, a Noteholder of such Subordinated Notes wishing to receive Ordinary Shares must, no later than the Conversion Date, have provided to NAB (i) its name and address (or the name and address of any person in whose name it directs the Ordinary Shares to be issued) for entry into any register of title and receipt of any certificate or holding statement in respect of any Ordinary Shares (ii) the Noteholder's security account details in CHESS (being the Clearing House Electronic Subregister System operated by ASX or its affiliates or any system that replaces it relevant to the Subordinated Notes) or such other account to which the Ordinary Shares may be credited and (iii) such other information as is reasonably requested by NAB for the purposes of enabling it to issue the Conversion Number of Ordinary Shares to the Noteholder. NAB has no duty to seek or obtain such information.

If for any reason (whether or not due to the fault of a Noteholder) NAB has not received any information required to be provided by the Noteholder under this Condition 10A.7 by the time such information is required in order for Ordinary Shares to be issued on the Conversion Date, NAB will issue the Ordinary Shares in respect of that Noteholder to a nominee in accordance with Condition 10A.9 and the provisions of Condition 10A.9 shall apply, *mutatis mutandis*, to such Ordinary Shares.

10A.8 Failure to convert

Subject to Condition 10A.5 and Condition 10A.9, if, in respect of a Conversion of a Subordinated Note, NAB fails to issue the Conversion Number of Ordinary Shares in respect of the nominal amount of that Subordinated Note to, or in accordance with the instructions of, the relevant Noteholder or a nominee where Condition 10A.9 applies, the nominal amount of that Subordinated Note which would otherwise be subject to Conversion remains, for the purposes of these Conditions, on issue until:

(i) the Ordinary Shares are issued to, or in accordance with the instructions of, the Noteholder; or

(ii) the Subordinated Note is Written-Off in accordance with these Conditions,

provided, however, that the sole right of the Noteholder in respect of such nominal amount of such Subordinated Note is its right to be issued the Ordinary Shares upon Conversion (subject to its compliance with Condition 10A.7 or to receive proceeds from their sale pursuant to Condition 10A.9, as applicable) and the remedy of a Noteholder in respect of NAB's failure to issue the Ordinary Shares is limited (subject always to Condition 10A.5) to seeking an order for specific performance of NAB's obligation to issue the Ordinary Shares to the Noteholder or where Condition 10A.9 applies to the nominee and to receive such proceeds of sale, in each case, in accordance with the conditions of the Subordinated Notes.

This Condition 10A.8 does not affect the obligation of NAB to issue the Ordinary Shares when required in accordance with these Conditions.

10A.9 Issue to nominee

If any Subordinated Notes are required to be Converted under Condition 10A.3 and:

(a) the Noteholder has notified the Issuer that it does not wish to receive Ordinary Shares as a result of the Conversion (whether entirely or to the extent specified in the notice), which notice may be given at any time prior to the Conversion Date;

(b) the Subordinated Notes are held by a person NAB believes in good faith may not be a resident of Australia (a **Foreign Holder**); or

(c) if for any reason (whether or not due to the fault of a Noteholder):

  (i) NAB has not received any information required by it in accordance with Condition 10A.7 so as to impede NAB issuing the Ordinary Shares to a Noteholder on the Conversion Date; or

  (ii) a FATCA Withholding is required to be made in respect of Ordinary Shares issued on the Conversion of such Subordinated Notes,

then, on the Conversion Date,

(d) where subparagraph (a), (b) or (c)(ii) applies, NAB is obliged to issue the Ordinary Shares to the Noteholder only to the extent (if at all) that:

  (i) where subparagraph (a) applies, the Noteholder has notified NAB that it wishes to receive them; or

(ii) where subparagraph (b) applies, NAB is satisfied that the laws of both Australia and the Foreign Holder's country of residence permit the issue of the Ordinary Shares to the Foreign Holder (but as to which NAB is not bound to enquire), either unconditionally or after compliance with conditions which NAB, in its absolute discretion, regards as acceptable and not unduly onerous; or

(iii) where subparagraph (c)(ii) applies, the issue is net of the FATCA Withholding,

and to the extent NAB is not obliged to issue Ordinary Shares to the Noteholder, NAB will issue the balance of the Ordinary Shares to the nominee in accordance with subparagraph (e) of this Condition 10A.9;

(e) otherwise, subject to applicable law, NAB will issue the balance of Ordinary Shares in respect of that Noteholder to a nominee appointed by NAB (which nominee may not be NAB or a Related Entity (as defined in Condition 10A.16) of NAB) and, subject to applicable law:

(i) where subparagraph (c)(i) applies, the nominee will hold Ordinary Shares in an aggregate amount equal to the aggregate number to be issued in respect of those Noteholders and will transfer Ordinary Shares to a Noteholder who, within 30 days of the Conversion Date, provides the nominee with the information required to be provided by the Noteholder under Condition 10A.7 (as if a reference in subparagraph (iii) of Condition 10A.7 to NAB is a reference to the nominee and a reference to the issue of Ordinary Shares is a reference to the transfer of Ordinary Shares);

(ii) the nominee will as soon as reasonably possible (or, where paragraph (c)(i) applies, to the extent that the nominee has not already transferred Ordinary Shares to the relevant Noteholder under Condition 10A.9(e)(i) above at the end of the period of 30 days referred to in paragraph 10A.9(e)(i) above, as soon as reasonably possible after the expiration of that period), sell the Ordinary Shares it receives and pay a cash amount equal to the net proceeds received, after deducting any applicable brokerage, stamp duty and other taxes and charges, to the Noteholder; and

(iii) where Condition 10A.9(c)(ii) applies, the nominee shall deal with Ordinary Shares the subject of a FATCA Withholding and any proceeds of their disposal in accordance with FATCA.

The issue of Ordinary Shares to such nominee will satisfy all obligations of NAB in connection with the Conversion, the Subordinated Notes will be deemed Converted and on and from the issue of Ordinary Shares the rights of a Noteholder the subject of this Condition 10A.9 are limited to its rights in respect of the Ordinary Shares or their net cash proceeds as provided in this Condition;

(f) nothing in this Condition 10A.9 shall affect the Conversion of the Subordinated Notes of a Noteholder which is not a person to which any of subparagraphs (a) to (c) (inclusive) applies; and

(g) for the purposes of this Condition 10A.9, without prejudice to the obligations of NAB and the nominee under this Condition 10A.9, neither NAB nor the nominee owes any obligations or duties to the Noteholders in relation to the price at which Ordinary Shares are sold or has any liability for any loss suffered by a Noteholder as a result of the sale of Ordinary Shares.

10A.10 Write-Off of Subordinated Notes

If "Write-Off only – Applicable" is specified in the applicable Final Terms, then this Condition 10A.10 shall apply to the Subordinated Notes and, for the avoidance of doubt, Condition 10A.3 and Conditions 10A.4(a), (b), (c)(ii), (c)(iii), (c)(iv), (e) and (f)(iii), 10A.5, 10A.7, 10A.8 and 10A.9 shall not apply to the Subordinated Notes.

On the Conversion Date the rights of Noteholders (including to payment of any principal or interest) in relation to the relevant nominal amount (as determined under Condition 10A.2) of the Subordinated Notes will be Written-Off.

Where only a portion of a Subordinated Note is Written-Off, the nominal amount of that Subordinated Note shall be reduced by the amount Written-Off accordingly.

10A.11 Ordinary Shares issued upon Conversion

Each Ordinary Share issued to a relevant Noteholder upon Conversion will rank equally with all other fully paid Ordinary Shares from the date of such issue.

10A.12 Substitution of Approved NOHC as issuer of Ordinary Shares

Where:

(a) either of the following occurs:

(i) a takeover bid is made to acquire all or some of the Ordinary Shares and such offer is, or becomes, unconditional, all regulatory approvals necessary for the acquisition to occur have been obtained and either:

(A) the bidder has at any time during the offer period, a relevant interest in more than 50 per cent. of the Ordinary Shares on issue; or

(B) the Directors of NAB, acting as a board, issue a statement that at least a majority of its Directors who are eligible to do so have recommended acceptance of such offer (in the absence of a higher offer); or

(ii) a court orders the holding of meeting(s) to approve a scheme of arrangement under Part 5.1 of the Corporations Act, which scheme would result in a person having a relevant interest in more than 50 per cent. of the Ordinary Shares that will be on issue after the scheme is implemented and:

(A) all classes of members of NAB pass all resolutions required to approve the scheme by the majorities required under the Corporations Act to approve the scheme; and

(B) all conditions to the implementation of the scheme, including any necessary regulatory approval (but not including approval of the scheme by the court) have been satisfied or waived; and

(b) the bidder or the person having a relevant interest in the Ordinary Shares in NAB after the scheme is implemented (or any entity that Controls the bidder or the person having the relevant interest) is (or on completion in respect of the bid, or on implementation of the scheme, will be) an Approved NOHC,

then NAB and the Trustee may without the further authority, assent or approval of Noteholders (but with the prior written approval of APRA):

(c) amend these Conditions and the Schedule such that, unless APRA otherwise agrees, on the date the nominal amount of a Subordinated Note is to be Converted:

(i) each Subordinated Note that is being Converted in whole will be automatically transferred by each Noteholder free from encumbrance to the Approved NOHC (or another member of the company which is a holding company (as defined in the Corporations Act) of NAB) (the **Transferee**) on the date the Conversion is to occur;

(ii) in respect of each Subordinated Note that is being Converted only in part, on the date the Conversion is to occur:

(A) the nominal amount of the Subordinated Note that is being Converted shall be reduced to an amount equal to the non-Converted portion of the nominal amount of such Subordinated Note; and

(B) the Approved NOHC will be taken to hold a new Subordinated Note with a nominal amount equal to the Converted portion of the nominal amount of the Subordinated Note being Converted,

provided that any failure or delay by a Noteholder or any other party in complying with the provisions of Condition 10A.12(c) shall not prevent, impede or delay the Conversion or Write-Off of Subordinated Notes;

(iii) each Noteholder (or in the circumstances contemplated in Condition 10A.9, the nominee) of a Subordinated Note or portion thereof being Converted will be issued a number of ordinary shares in the capital of the Approved NOHC determined as if references in these Conditions and the Schedule to NAB were references to the Approved NOHC and the Ordinary Shares were to ordinary shares in the capital of the Approved NOHC (**Approved NOHC Ordinary Shares**); and

(iv) as between NAB and the Approved NOHC, each Subordinated Note held or taken to be held by the Approved NOHC as a result of the transfer will be automatically Converted into a number of Ordinary Shares such that the issued ordinary share capital of the Issuer held by the Transferee by reason of this Condition 10A.12(c)(iv) increases by the amount by which the issued ordinary share capital of the Approved NOHC increases on Conversion; and

(d) make such other amendments as in NAB's reasonable opinion are necessary and appropriate to effect the substitution of an Approved NOHC as the issuer of the ordinary shares on Conversion in the manner contemplated by these Conditions, including, where the terms upon which the Approved NOHC acquires NAB are such that the number of ordinary shares in the capital of the Approved NOHC on issue immediately after the substitution differs from the number of Ordinary Shares on issue immediately before the substitution (not involving any cash payment or other distribution to or by the holders of any such shares), an adjustment to any relevant VWAP or Issue Date VWAP consistent with the principles of adjustment set out in the Schedule.

10A.13 Further substitutions

After a substitution under Condition 10A.12, the Approved NOHC and the Trustee may, without the authority, approval or assent of the Noteholders, effect a further substitution in accordance with Condition 10A.12 (with necessary changes).

10A.14 Notice to Noteholders

NAB or the Approved NOHC must notify the Noteholders of the particulars of any substitution according to Condition 10A.12 or Condition 10A.13 in writing as soon as practicable after the substitution.

10A.15 Acknowledgement of Noteholders

Each Noteholder irrevocably acknowledges and agrees that an Approved NOHC may in accordance with these Conditions be substituted for NAB as issuer of the Ordinary Shares on Conversion and that if such a substitution is effected, the Noteholder is obliged to accept ordinary shares in that Approved NOHC on a Conversion, and will not receive Ordinary Shares in NAB.

10A.16 Definitions

In these Conditions insofar as they relate to Notes issued by NAB:

Approved NOHC means an entity which:

(a) is a non-operating holding company within the meaning of the Banking Act; and

(b) has agreed for the benefit of Noteholders:

(i) to issue fully paid ordinary shares in its capital under all circumstances when NAB would otherwise have been required to Convert a nominal amount of Subordinated Notes, subject to the same terms and conditions as set out in these Conditions (with all necessary modifications); and

(ii) to use all reasonable endeavours to procure quotation of Approved NOHC Ordinary Shares issued upon Conversion of Relevant Subordinated Notes on ASX.

Control has the meaning given in the Corporations Act.

FATCA means sections 1471 through 1474 of the Code (as defined in Condition 6.1 above) (or any consolidation, amendment, re-enactment or replacement of those sections) and including any current or future regulations or official interpretations issued, agreements entered into pursuant to section 1471(b) of the Code or non-U.S. laws enacted or regulations or practices adopted pursuant to any intergovernmental agreement in connection with the implementation of those sections.

FATCA Withholding means any withholding or deduction imposed or required pursuant to Sections 1471 through 1474 of the Code, any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code.

Inability Event means NAB is prevented by applicable law or order of any court or action of any government authority (including regarding the insolvency, winding up or other external administration of NAB) or any other reason from Converting Subordinated Notes.

Issuer Group means NAB and its Controlled entities.

Ordinary Shares has the meaning given to it in the Schedule to these Conditions.

Regulatory Capital means a Tier 1 Capital Instrument or a Tier 2 Capital Instrument.

Related Entity has the meaning given by APRA from time to time.

Relevant Capital Instruments means each of:

(a) Relevant Tier 1 Capital Instruments; and

(b) Relevant Tier 2 Capital Instruments.

Relevant Tier 1 Capital Instrument means a Tier 1 Capital Instrument that in accordance with its terms or by operation of law is capable of being written-off or converted into Ordinary Shares when a Non-Viability Determination is made.

Relevant Tier 2 Capital Instrument means a Tier 2 Capital Instrument that in accordance with its terms or by operation of law is capable of being written-off or converted into Ordinary Shares when a Non-Viability Determination is made.

Tier 1 Capital means the Tier 1 Capital of NAB (on a Level 1 basis) or the Issuer Group (on a Level 2 basis) as defined in Prudential Standard APS 111 *Capital Adequacy: Measurement of Capital* made on 1 July 2025 under Banking (prudential standard) determination No. 1 of 2025 (whether such capital is issued before or after the date of that standard).

Tier 1 Capital Instrument means a share, note or other security or instrument constituting Tier 1 Capital (as defined in this Condition 10A.16), and on and from 1 January 2027, includes each Transitional Additional Tier 1 Capital Instrument as defined in Attachment H to Prudential Standard APS 111 *Capital Adequacy: Measurement of Capital* proposed to be made by APRA in the form announced in the letter entitled "*Finalising the removal of Additional Tier 1 capital*" published on 4 December 2025, or a replacement or successor thereof.

Tier 2 Capital means the Tier 2 Capital of NAB (on a Level 1 basis) or the Issuer Group (on a Level 2 basis) as defined by APRA from time to time.

Tier 2 Capital Instrument means a share, note or other security or instrument constituting Tier 2 Capital (as defined in this Condition 10A.16).

11. REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent (in the case of Bearer Notes, Receipts or Coupons) or the Registrar (in the case of Registered Notes) upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

12. AGENTS

The names of the initial Agents and their initial specified offices are set out below. If any additional Agents are appointed in connection with any Series, the names of such Agents will be specified in Part B of the applicable Final Terms.

The Issuer is entitled, with the prior written approval of the Trustee (not to be unreasonably withheld), to vary or terminate the appointment of any Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts, provided that:

(a) there will at all times be a Principal Paying Agent and a Registrar;

(b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent (in the case of Bearer Notes) and a Transfer Agent (in the case of Registered Notes) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority;

(c) so long as any of the Registered Global Notes payable in a Specified Currency other than U.S. dollars are held through DTC or its nominee, there will at all times be an Exchange Agent with a specified office in London; and

(d) BNZ undertakes that it will ensure that it maintains a Paying Agent in a jurisdiction other than the jurisdiction in which it is incorporated.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 6.6. Notice of any variation, termination, appointment or change in Agents will be given to the Noteholders promptly by the Issuer in accordance with Condition 14.

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and, in certain circumstances specified therein, of the Trustee and do not assume any obligation to, or relationship of agency or trust with, any Noteholders, Receiptholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

13. EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Principal Paying 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 Note to which it appertains) a further Talon, subject to the provisions of Condition 9.

14. NOTICES

All notices regarding the Bearer Notes will be deemed to be validly given if published (a) in a leading English language daily newspaper of general circulation in London, and (b) if and for so long as the Bearer Notes are admitted to trading on, and listed on the Regulated Market of the Luxembourg Stock Exchange, a daily newspaper of general circulation in Luxembourg and/or the Luxembourg Stock Exchange's website, *www.luxse.com*. It is expected that any such newspaper publication will be made in the *Financial Times* in London and the *Luxemburger Wort* or the *Tageblatt* in Luxembourg. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Bearer Notes are for the time being listed or by which they have been admitted to trading. 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 required newspapers. If publication as provided above is not practicable, a notice will be given in such other manner, and will be deemed to have been given on such date, as the Trustee shall approve.

All notices regarding the Registered Notes will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Registered Notes are admitted to trading on a stock exchange and the rules of that stock exchange (or any other relevant authority) so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg and/or DTC and/or the CMU Service, be substituted for such publication in such newspaper(s), the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or DTC for communication by them to the holders of the Notes and/or the persons shown in an Issue Position Report issued by the CMU Service on the second business day preceding the date of despatch of such notice as holding interests in the relevant Global Note. Notwithstanding the foregoing provisions of this paragraph, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice or notices will be published in a daily newspaper of general circulation in the place or places required by those rules. Any notice delivered to Euroclear and/or Clearstream, Luxembourg and/or DTC and/or the persons shown in the relevant Issue Position Report shall be deemed to have been given to the holders of the Notes on such day as is specified in the applicable Final Terms. If no day is specified, such notices will be deemed to have been delivered on the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg and/or DTC and/or the persons shown in the relevant Issue Position Report.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes). Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Principal Paying Agent or the Registrar through Euroclear and/or Clearstream, Luxembourg and/or DTC and/or, in the case of Notes lodged with the CMU Service, by delivery by such holder of such notice to the CMU Lodging Agent in Hong Kong, as the case may be, in such manner as the Principal Paying Agent, the Registrar and Euroclear and/or Clearstream, Luxembourg and/or DTC and/or the CMU Lodging Agent and/or the CMU Service, as the case may be, may approve for this purpose.

15. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER, DETERMINATION AND SUBSTITUTION

The Trust Deed contains provisions for convening meetings of the Noteholders (including by way of teleconference or video conference) to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of, or waiver with respect to, the Notes, the Receipts, the Coupons or any of the provisions of the Trust Deed (A) subject, in the case of modifications of, or waivers with respect to, Subordinated Notes issued by NAB and the relative Receipts and Coupons, to any required prior written approval of APRA which may be required, (B) provided that no Extraordinary Resolution or any other resolution that may affect the eligibility of Subordinated Notes issued by NAB to continue to be treated as Tier 2 Capital (as defined in Condition 10A.16) shall be of any effect unless the prior written approval of APRA has been obtained, and (C) provided that, in the case of Subordinated Notes issued by BNZ, no Extraordinary Resolution or any other resolution that may modify or waive compliance with the terms of such Subordinated Notes shall be of any effect unless the RBNZ has been given at least five working days' prior notice of such modification or waiver by BNZ and BNZ has provided any information and supporting documentation required by the RBNZ's prudential regulatory requirements to the RBNZ including a signed opinion from BNZ's New Zealand legal counsel confirming that, once the modification or waiver is in effect, such Subordinated Notes will continue to qualify as Tier 2 Capital (as defined in Condition 7.2).

Subject to the above, such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Issuer if required in writing by Noteholders holding not less than ten per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, the Receipts or the Coupons or the Trust Deed (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, the Receipts or the Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed by the Noteholders will be binding on all the Noteholders, whether or not they are present at any meeting and whether or not they voted on the resolution, and on all Receiptholders and Couponholders.

The Trust Deed provides that (i) a resolution passed at a meeting duly convened and held by or on behalf of the Noteholder(s) of not less than three-fourths of the persons eligible to vote at such meeting, (ii) a resolution in writing signed by or on behalf of the Noteholders of not less than three-fourths in principal amount of the Notes for the time being outstanding or (iii) consents given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Trustee) by or on behalf of the Noteholder(s) of not less than three-fourths in principal amount of the Notes for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Noteholders.

Subject (a) in the case of Subordinated Notes issued by NAB, to any required prior written approval of APRA, and (b) in the case of Subordinated Notes issued by BNZ, to any requirement for BNZ to notify the RBNZ,

the Trustee may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or the Trust Deed, or determine, without any such consent as aforesaid, that any Event of Default or Potential Event of Default (as defined in the Trust Deed) shall not be treated as such, where, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders or may agree, without any such consent as aforesaid, to any modification which is of a formal, minor or technical nature or to correct a manifest error or an error which in the opinion of the Trustee is proven.

In addition, the Trustee shall be obliged to concur with the Issuer in effecting any Benchmark Amendments or Benchmark Replacement Conforming Changes (as applicable) in the circumstances and as otherwise set out in Condition 5.5 or Condition 5.2(b)(ii)(E) (as applicable) without the consent of the Noteholders, Receiptholders and Couponholders and the reference in the first paragraph of this Condition 15 to meetings of the Noteholders shall not apply to any Benchmark Amendments made pursuant to Condition 5.5(iii) or Benchmark Replacement Conforming Changes made pursuant to Condition 5.2(b)(ii)(E) (as applicable), which, in each case, shall be made without Noteholder consent as specified therein. Any such modification, waiver, authorisation or determination shall be binding on the Noteholders, the Receiptholders and the Couponholders and (unless the Trustee otherwise agrees) shall be notified to the Noteholders in accordance with Condition 14 as soon as practicable thereafter. In relation to any amendments to be made to these Conditions pursuant to Condition 10A.12, the Trustee may act or rely on the advice or opinion of NAB or any certificate, report or information (whether addressed to the Trustee or not) obtained from NAB and shall not be responsible for any liability occasioned by so acting or relying.

In connection with the exercise by it of any of its trusts, powers, authorities or discretions (including, without limitation, any modification, waiver, authorisation or determination or substitution), the Trustee shall have regard to the general interests of the Noteholders as a class (but shall not have regard to any interests arising from circumstances particular to individual Noteholders, Receiptholders or Couponholders whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders, Receiptholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder, Receiptholder or Couponholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders, Receiptholders or Couponholders except to the extent already provided for in Condition 8 and/or any undertaking or covenant given in addition to, or in substitution for, Condition 8 pursuant to the Trust Deed.

The Trust Deed provides that, in respect of Senior Notes only, the Trustee may, without the consent of the Noteholders, Receiptholders or Couponholders agree with the Issuer, to the substitution in place of the Issuer (or of any previous substitute under this Condition) as the principal debtor under the Senior Notes and the relative Receipts, any Coupons and the Trust Deed of another company, being a subsidiary of the Issuer, subject to (a) the Senior Notes being unconditionally and irrevocably guaranteed by NAB (in the case of Notes issued by NAB) or BNZ (in the case of Notes issued by BNZ), (b) the Trustee being satisfied that the interests of the Noteholders will not be materially prejudiced by the substitution and (c) certain other conditions set out in the Trust Deed being complied with.

The Trust Deed provides that in connection with any scheme of amalgamation or reconstruction of the Issuer not involving the bankruptcy or insolvency of the Issuer and (A) where the Issuer does not survive the amalgamation or reconstruction or (B) where all or substantially all of the assets and business of the Issuer will be disposed of or succeeded to by another entity (whether by operation of law or otherwise), the Trustee shall, in the case of Senior Notes only if requested by the Issuer (in its sole discretion), without the consent of the Noteholders, the Receiptholders or the Couponholders, agree with the Issuer to the substitution in place of the Issuer as the principal debtor under the Senior Notes and the relative Receipts, any Coupons and the Trust Deed of another company (the **Substituted Debtor**) being the entity with and into which the Issuer amalgamates or the entity to which all or substantially all of the business and assets of the Issuer is transferred,

or succeeded to, pursuant to such scheme of amalgamation or reconstruction (whether by operation of law or otherwise), subject to:

(i) the Substituted Debtor entering into a supplemental trust deed in form and manner satisfactory to the Trustee agreeing to be bound by the Trust Deed with any consequential amendments which the Trustee may deem appropriate as fully as if the Substituted Debtor had been named in the Trust Deed as principal debtor of the Senior Notes in place of the Issuer;

(ii) the Substituted Debtor acquiring or succeeding to pursuant to such scheme of amalgamation or reconstruction all or substantially all of the assets and business of the Issuer;

(iii) confirmations being received by the Trustee from each of Moody's Investors Service Limited and S&P Global Ratings, a division of S&P Global Inc. that the substitution will not adversely affect the rating of the Senior Notes; and

(iv) the Issuer and the Substituted Debtor complying with such other requirements as the Trustee may reasonably require in order to give effect to the mandatory substitution envisaged in this Condition 15.

For the purposes of this Condition 15, a modification or waiver of the Notes will require APRA's prior written approval only if the modification or waiver may affect the eligibility of the Notes to continue to be treated as Tier 2 Capital (as defined in Condition 10A.16). Any provisions in these Conditions of the Notes requiring APRA approval for a particular course of action do not and should not imply that APRA has given its consent or approval as at the Issue Date.

The RBNZ must be notified by BNZ of any modifications or waivers of the Subordinated Notes issued by BNZ at least five working days prior to the modification or waiver being made. Such notification must be accompanied by any information and supporting documentation required by the RBNZ's prudential regulatory requirements including a signed opinion from BNZ's New Zealand legal counsel confirming that, once the modification or waiver is in effect, such Subordinated Notes will continue to qualify as Tier 2 Capital (as defined in Condition 7.2).

Holders of Subordinated Notes issued by BNZ should note that BNZ would not be able to comply with the RBNZ notification requirement as required in the circumstances described in this Condition 15 and that, consequently, no such modification or waiver (as applicable) could be made or given, if the effect of any such modification or waiver (as applicable) would be that the Subordinated Notes would no longer qualify as Tier 2 Capital (as defined in Condition 7.2).

16. INDEMNIFICATION OF THE TRUSTEE AND TRUSTEE CONTRACTING WITH THE ISSUER

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking any action unless indemnified and/or secured and/or pre-funded to its satisfaction.

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (a) to enter into business transactions with each Issuer and/or any of their respective subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, either Issuer and/or any of their respective subsidiaries, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders, Receiptholders or Couponholders and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

17. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders, the Receiptholders or the Couponholders to create and issue further securities (the **Fungible Notes**) having terms and conditions the same as the Notes or the same in all respects save for the amount, the Issue Date, the Issue Price and date of the first payment of interest thereon and the date from which interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding Notes; provided, however, that (a) such Fungible Notes are, for purposes of U.S. federal income taxation (regardless of whether any holders of Fungible Notes are subject to the U.S. federal income tax laws), either (i) not issued with original issue discount or are issued with a *de minimis* amount of original issue discount as defined in U.S. Treasury Regulations Section 1.1273-1(d) or (ii) issued in a "qualified reopening" or are otherwise considered part of the same issue for U.S. federal tax purposes, (b) the consolidation of the Fungible Notes into a single series with the outstanding Notes would not cause the holders of the Notes to become subject to any certification requirements or information reporting to which they would not be subject absent such consolidation and (c) in the case of Subordinated Notes issued by NAB, the Fungible Notes meet the requirements of APRA to be eligible to be treated as Tier 2 Capital (as defined in Condition 10A.16) and, in the case of Subordinated Notes issued by BNZ, the Fungible Notes meet the requirements of the RBNZ to be eligible to be treated as Tier 2 Capital (as defined in Condition 7.2).

18. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

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

19. GOVERNING LAW AND SUBMISSION TO JURISDICTION

19.1 Governing law

The Trust Deed, the Notes, the Receipts and the Coupons and any non-contractual obligations arising out of or in connection with them shall be governed by and construed in accordance with, English law, except for (A) Clause 19.1 of the Trust Deed, Conditions 3.2 and 10A and the conversion mechanisms set out in the Schedule to these Conditions, which are governed by, and shall be construed in accordance with, the laws of the State of Victoria and the Commonwealth of Australia and (B) Clause 19.2 of the Trust Deed and Condition 3.3, which are governed by, and shall be construed in accordance with, the laws of New Zealand. The Agency Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law.

19.2 Submission to jurisdiction

Each Issuer irrevocably agrees, for the benefit of the Trustee, the Noteholders, the Receiptholders and the Couponholders, that the courts of England are to have exclusive jurisdiction to settle any disputes (including a dispute relating to any non-contractual obligations) which may arise out of or in connection with the Trust Deed, the Notes, the Receipts and/or the Coupons and accordingly submits to the exclusive jurisdiction of the English courts.

Each Issuer waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. To the extent allowed by law, the Trustee, the Noteholders, the Receiptholders and the Couponholders, may take any suit, action or proceedings arising out of or in connection with the Trust Deed, the Notes, the Receipts and the Coupons (including any proceedings relating to any non-contractual obligations arising out of or in connection with the Trust Deed, the Notes, the Receipts and the Coupons) (together referred to as **Proceedings**), in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

19.3 Appointment of Process Agent

NAB and BNZ appoint National Australia Bank Limited, London Branch, at (i) unless an alternative address has been notified to Noteholders in accordance with Condition 14, its office at The Scalpel, 52 Lime Street, London EC3M 7AF, or (ii) if an alternative address has been notified to Noteholders in accordance with Condition 14, such other address as has been so notified, as their respective agent for service of process. Each of NAB and BNZ undertakes that, in the event of National Australia Bank Limited, London Branch ceasing so to act or ceasing to be registered in England, NAB or BNZ, as the case may be, will appoint another person approved by the Trustee as its agent for service of process in England in respect of any Proceedings. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

19.4 Other documents

Each Issuer has in the Trust Deed and the Agency Agreement submitted to the jurisdiction of the English courts and appointed an agent for service of process in terms substantially similar to those set out above.

SCHEDULE

SUBORDINATED NOTE CONVERSION MECHANISMS

1.1 Conversion

If NAB must Convert a nominal amount of a Subordinated Note in accordance with Condition 10A (a **Relevant Subordinated Note**), then the following provisions shall apply:

(a) on the Conversion Date, NAB will, for the Nominal Amount of the Relevant Subordinated Note held by the Noteholder, allot and issue that number of fully paid ordinary shares in the capital of NAB (**Ordinary Shares**) which is the lesser of the number calculated according to the following formula and the Maximum Conversion Number:

$$\frac{\text{Nominal Amount}}{(1 - \text{CD}) \times \text{VWAP during the VWAP Period}}$$

(the **Conversion Number**)

where:

Nominal Amount means, in respect of a Relevant Subordinated Note, all or such lesser nominal amount of that Relevant Subordinated Note determined by NAB in accordance with Condition 10A.2 to be the proportionate allocation of the aggregate nominal amount required to be Converted to that Relevant Subordinated Note;

CD means the Conversion Discount specified in the applicable Final Terms;

Maximum Conversion Number means in respect of the Nominal Amount of a Relevant Subordinated Note the number calculated according to the following formula:

$$\text{Maximum Conversion Number} = \frac{\text{Nominal Amount}}{(\text{Issue Date VWAP} \times \text{Relevant Fraction})};$$

VWAP means, subject to any adjustments under clause 1.2 of this Schedule, the average of the daily volume weighted average sale prices (such average being rounded to the nearest full cent) of Ordinary Shares sold on ASX during the VWAP Period or on the relevant days (and, where the Specified Currency of the Nominal Amount in respect of the Relevant Subordinated Note is not Australian dollars, with each such daily price converted into the Specified Currency on the basis of the closing spot price on each day of calculation in the VWAP Period for the sale of the Australian dollar against the purchase of such Specified Currency as published by Bloomberg (or a replacement or equivalent information vendor) or otherwise determined by NAB (acting in good faith and in a commercially reasonable manner)) 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 Operating Rules, or any overseas trades or trades pursuant to the exercise of options over Ordinary Shares;

VWAP Period means the latest period of five Business Days (or such other period specified in the applicable Final Terms) on which trading in Ordinary Shares took place immediately preceding (but not including) the Conversion Date;

Relevant Fraction means 0.2;

Issue Date VWAP means the VWAP during the period of 20 Business Days or such other period specified in the applicable Final Terms on which trading in Ordinary Shares took place immediately preceding (but not including) the first date on which Notes of the Series of which the Relevant

Subordinated Notes form part were issued (the **Issue Date VWAP Date**), as adjusted in accordance with clauses 1.4 to 1.7 (inclusive) of this Schedule;

(b) any calculation under paragraph (a) shall be rounded to four decimal places provided that if the total number of additional Ordinary Shares to be allotted to a Noteholder in respect of the aggregate Nominal Amount of its holding of Relevant Subordinated Notes upon Conversion includes a fraction of an Ordinary Share, that fraction of an Ordinary Share will be disregarded; and

(c) on the Conversion Date NAB will:

(i) redeem the Nominal Amount of each Relevant Subordinated Note held by the Noteholder;

(ii) apply the proceeds of the redemption of the Nominal Amount of each Relevant Subordinated Note on behalf of the Noteholder in subscription for the Conversion Number of Ordinary Shares; and

(iii) issue to the relevant Noteholder, in respect of the Nominal Amount of each Relevant Subordinated Note held by that Noteholder, a number of Ordinary Shares that is equal to the Conversion Number,

and the rights of the Noteholder (including to payment of interest with respect to such Nominal Amount, both in the future and as accrued but unpaid as at the Conversion Date) in relation to the Nominal Amount that is being Converted will be immediately and irrevocably terminated.

The Noteholder irrevocably directs NAB to take all such action in accordance with the above provisions as is necessary to immediately effect Conversion accordingly and NAB will take all steps, including updating any register, required to record the Conversion.

Nothing in this clause creates any obligation to pay any amount in respect of the redemption of the Nominal Amount of any Relevant Subordinated Note except by way of the application of the proceeds of that redemption in subscription for the Conversion Number of Ordinary Shares.

1.2 Adjustments to VWAP

For the purposes of calculating the VWAP in this Schedule:

(a) where, on some or all of the Business Days in the relevant VWAP Period, Ordinary Shares have been quoted on ASX as cum dividend or cum any other distribution or entitlement and a Nominal Amount of Relevant Subordinated Notes will Convert into Ordinary Shares after the date those Ordinary Shares no longer carry that dividend or any other distribution or entitlement, then the VWAP on the Business Days on which those Ordinary Shares have been quoted cum dividend or cum any other distribution or entitlement shall be reduced by an amount (the **Cum Value**) equal to:

(i) (in the case of a dividend or other distribution), the amount of that dividend or other distribution including, if the dividend or 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 Income Tax Assessment Acts 1936 and 1997 of Australia;

(ii) (in the case of any other entitlement that is not a dividend or other distribution under clause 1.2(a)(i) which is traded on ASX on any of those Business Days), the volume weighted average sale price of all such entitlements sold on ASX during the VWAP Period on the Business 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 Directors of NAB (or a committee authorised by them); and

(b) where, on some or all of the Business Days in the VWAP Period, Ordinary Shares have been quoted on ASX as ex dividend or ex any other distribution or entitlement, and a Nominal Amount of Relevant Subordinated Notes will Convert into Ordinary Shares in respect of which the relevant dividend or other distribution or entitlement would be payable, the VWAP on the Business Days on which those Ordinary Shares have been quoted ex dividend or ex any other distribution or entitlement shall be increased by the Cum Value.

1.3 Adjustments to VWAP for divisions and similar transactions

Where during the relevant VWAP Period there is a change in the number of Ordinary Shares on issue as a result of a subdivision, consolidation or reclassification of NAB's share capital not involving any cash payment or other distribution to or by the holders of Ordinary Shares (**Reorganisation**), in calculating the VWAP for that VWAP Period the VWAP on each Business Day in the relevant VWAP Period which falls before the date on which trading in Ordinary Shares is conducted on a post Reorganisation basis shall be adjusted by multiplying such daily VWAP by the following formula:

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

where:

A means the aggregate number of Ordinary Shares immediately before the Reorganisation; and

B means the aggregate number of Ordinary Shares immediately after the Reorganisation.

1.4 Adjustments to Issue Date VWAP

For the purposes of determining the Issue Date VWAP in respect of a Relevant Subordinated Note, adjustments to the VWAP will be made in accordance with clauses 1.2 and 1.3 during the VWAP Period for the Issue Date VWAP. On and from the Issue Date VWAP Date, adjustments to the Issue Date VWAP:

(a) may be made in accordance with clauses 1.5 to 1.7 (inclusive); and

(b) if so made, will cause an adjustment to the Maximum Conversion Number by operation of the formula in clause 1.1(a).

1.5 Adjustments to Issue Date VWAP for bonus issues

(a) Subject to clause 1.5(b), if after the Issue Date VWAP Date in respect of a Relevant Subordinated Note, NAB makes a *pro rata* bonus issue of Ordinary Shares to holders of Ordinary Shares generally, the Issue Date VWAP in respect of the Relevant Subordinated Notes will be adjusted in accordance with the following formula:

$$V = V_o \times \frac{RD}{RD + RN}$$

where:

V means the Issue Date VWAP applicable to the Relevant Subordinated Notes immediately after the application of this formula;

$\mathbf{V_o}$ means the Issue Date VWAP applicable to the Relevant Subordinated Notes immediately prior to the application of this formula;

RD means the number of Ordinary Shares on issue immediately prior to the allotment of new Ordinary Shares pursuant to the bonus issue; and

RN means the number of Ordinary Shares issued pursuant to the bonus issue.

(b) Clause 1.5(a) does not apply to Ordinary Shares issued as part of a bonus share plan, employee or executive share plan, executive option plan, share top up plan, share purchase plan or a dividend reinvestment plan.

(c) For the purpose of clause 1.5(a), an issue will be regarded as a *pro rata* issue notwithstanding that NAB does not make offers to some or all holders of Ordinary Shares with registered addresses outside Australia, provided that in so doing NAB is not in contravention of the ASX Listing Rules.

(d) No adjustments to the Issue Date VWAP will be made under this clause 1.5 for any offer of Ordinary Shares not covered by clause 1.5(a), including a rights issue or other essentially *pro rata* issue.

(e) The fact that no adjustment is made for an issue of Ordinary Shares except as covered by clause 1.5(a) shall not in any way restrict NAB from issuing 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 Noteholders or otherwise requiring any consent or concurrence.

1.6 Adjustment to Issue Date VWAP for divisions and similar transactions

(a) If at any time after the Issue Date VWAP Date in respect of the Relevant Subordinated Notes there is a change in the number of Ordinary Shares on issue as a result of a Reorganisation, NAB shall adjust the Issue Date VWAP applicable to the Relevant Subordinated Notes by multiplying the Issue Date VWAP applicable on the Business Day immediately before the date of any such Reorganisation by the following formula:

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

where:

A means the aggregate number of Ordinary Shares immediately before the Reorganisation; and

B means the aggregate number of Ordinary Shares immediately after the Reorganisation.

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

1.7 No adjustment to Issue Date VWAP in certain circumstances

Despite the provisions of clauses 1.5 and 1.6, no adjustment shall be made to the Issue Date VWAP where such adjustment (rounded if applicable) would be less than one per cent. of the Issue Date VWAP then in effect.

1.8 Effect and announcement of adjustments

Any adjustment made by NAB to the VWAP or the Issue Date VWAP under this Schedule is effective and binding on the Trustee and the Noteholders and these Conditions will be construed accordingly. NAB will notify the Trustee and the Noteholders of any adjustment to the VWAP or the Issue Date VWAP under this Schedule within 10 Business Days of NAB determining the adjustment.

1.9 Listing Ordinary Shares issued on Conversion

NAB shall use all reasonable endeavours to procure a quotation of the Ordinary Shares issued upon Conversion of a Nominal Amount of Relevant Subordinated Notes on ASX. The Noteholder agrees not to trade Ordinary Shares issued on Conversion (except as permitted by the Corporations Act, other applicable laws and the ASX Listing Rules) until NAB has taken such steps as are required by the Corporations Act, other applicable laws and the ASX Listing Rules for the shares to be freely tradeable without such further disclosure or other action and agrees to allow NAB to impose a holding lock or refuse to register a transfer in respect of Ordinary Shares until such time.

1.10 Definitions

(a) Notwithstanding Condition 5.7, in this Schedule:

Business Day means a day which is both (i) a day on which banks are open for general banking business in Melbourne and Sydney (not being a Saturday, Sunday or public holiday in that place) and (ii) a day which is a business day for the purposes of the ASX Listing Rules;

ASX means ASX Limited or the securities market operated by it, as the context requires, or any successor;

ASX Listing Rules means the listing rules of ASX as amended, varied or waived (whether in respect of NAB or generally) from time to time;

ASX Operating Rules means the market operating rules of ASX as amended, varied or waived (whether in respect of NAB or generally) from time to time.

(b) If the principal securities exchange on which Ordinary Shares are listed becomes 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 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).

Schedule 3 – Description of the rights and liabilities attaching to Ordinary Shares

The rights and liabilities that attach to Ordinary Shares are set out in the constitution of the Issuer ("**Constitution**"). These rights and liabilities are also regulated by the Corporations Act, the ASX Listing Rules and general law.

The following is a summary of the main rights attaching to Ordinary Shares:

- the right to one vote per Ordinary Share at general meetings of the Issuer (or a fraction of a vote in proportion to the amount paid up on that Ordinary Share);
- the right to transfer Ordinary Shares, in accordance with the Constitution;
- subject to the rights of holders carrying preferred rights, the right to receive dividends in proportion to the amount paid up on that Ordinary Share, if and when the Directors determine to pay them;
- the right to receive information required to be distributed under the Corporations Act and the ASX Listing Rules; and
- subject to the rights of holders carrying preferred rights, the right to participate in a surplus of assets on a winding up of the Issuer.

The Issuer's ability to pay a dividend may be restricted by Australian law and by the terms of prior ranking securities.