

Information Memorandum



ACT
Government

Chief Minister, Treasury and
Economic Development

Australian Capital Territory

Australian Dollar Domestic Debt Issuance Programme

for the issue of debt instruments
representing short and medium term debt obligations

Dealers

Australia and New Zealand
Banking Group Limited
ABN 11 005 357 522

Commonwealth Bank of Australia
ABN 48 123 123 124

Deutsche Bank AG, Sydney Branch
ABN 13 064 165 162

National Australia Bank Limited
ABN 12 004 044 937

UBS AG, Australia Branch
ABN 47 088 129 613

Westpac Banking Corporation
ABN 33 007 457 141

28 June 2017

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Important Notice

This Information Memorandum supersedes in its entirety the Information Memorandum issued in connection with the Programme (as defined below) and dated 15 August 2012.

Introduction

This Information Memorandum relates to a debt issuance programme (“**Programme**”) established by the Australian Capital Territory (“**Issuer**”) for the issue from time to time of electronic promissory notes (“**EPNs**”), short term notes (“**STNs**”), medium term notes (“**MTNs**”) (as more particularly described below and together, the “**Notes**”).

The Issuer may also issue notes, bonds or other debt instruments otherwise than under the Programme.

Issuer’s responsibility

This Information Memorandum has been prepared by and issued by the Issuer. The Issuer accepts responsibility for the information contained in this Information Memorandum other than the information provided by the Dealers, the Registrar and the other Agents (each as defined in the section entitled “Summary of the Programme” below) in relation to their respective descriptions (if applicable) in the section entitled “Directory” below.

Place of issuance

Subject to applicable laws, regulations and directives, it is the current intention of the Issuer that it will issue Notes under the Programme only in Australia. EPNs may not be offered, or transferred, to persons outside of Australia. There is no limit to the aggregate principal amount of Notes that may be issued and outstanding under the Programme.

Terms and conditions of issue

Each issue of Notes will be made pursuant to such documentation as the Issuer may determine. This Information Memorandum describes the issue of Notes in registered form in Australia. The Issuer may publish a supplement to this Information Memorandum (or additional Information Memoranda) which describe the issue of Notes (or particular classes of Notes) not described in this Information Memorandum.

Notes will be issued in one or more Tranches (each a “**Tranche**”) under one or more series (each a “**Series**”). Tranches of Notes within a particular Series may have various issue dates, issue prices and (if applicable) interest commencement dates and, in respect of the first interest payment (if any), different interest payment amounts, but will otherwise be issued on identical terms and conditions. In particular, a pricing supplement (“**Pricing Supplement**”) will be issued for each Tranche of Notes (other than EPNs and STNs) and will contain details of the aggregate principal amount, the interest (if any) payable, the issue price, issue date and maturity date of the Tranche of Notes, together with any other terms and conditions not contained in this Information Memorandum which apply to that Tranche of Notes. A Pricing Supplement or a supplement to this Information Memorandum may also supplement, amend, modify or replace any statement or information set out in or incorporated by reference in this Information Memorandum or a supplement to this Information Memorandum. An STN Supplement (“**STN Supplement**”) may be issued for a Tranche of STNs and may contain additional terms and conditions not contained in this Information Memorandum which apply to that Tranche of STNs.

Documents incorporated by reference

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

Information Memorandum and to any other document incorporated by reference collectively and to any of them individually.

The following documents are incorporated in, and taken to form part of, this Information Memorandum:

- the most recently published financial statements of the Issuer;
- all amendments and supplements to this Information Memorandum (including but not limited to, each STN Supplement and each Pricing Supplement) prepared by the Issuer from time to time; and
- all documents published by the Issuer and expressly stated to be incorporated in this Information Memorandum by reference.

Any statement contained in this Information Memorandum or in any of the documents incorporated by reference in, and forming part of, this Information Memorandum, shall be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in any document subsequently incorporated by reference modifies or supersedes such statement. Copies of documents which are incorporated by reference in this Information Memorandum may be obtained from the Issuer (at its respective office specified in the section entitled "Directory" below) or from such other person specified in an STN Supplement or Pricing Supplement.

Investors should review, amongst other things, the documents which are incorporated by reference in this Information Memorandum when deciding whether or not to subscribe for, purchase or otherwise deal in any Notes or any rights in respect of any Notes.

References to internet site addresses

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

No independent verification

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

Apart from the foregoing, none of the Dealers, the Registrar or the other Agents has independently verified the information contained in this Information Memorandum. Accordingly, no representation, warranty or undertaking, express or implied, is made, and no responsibility is accepted, by them as to the accuracy or completeness of this Information Memorandum or any further information supplied by the Issuer in connection with the Programme or any Notes. In particular, the Dealers, the Registrar and the other Agents expressly do not undertake to review the financial condition or affairs of the Issuer or any of its affiliates at any time or to advise any holder of a Note of any information coming to their attention with respect to the Issuer or its affiliates and make no representation as to the ability of the Issuer to comply with its obligations under the Notes.

No authorisation

No person has been authorised to give any information or make any representations not contained in, or consistent with, this Information Memorandum in connection with the Issuer, the Programme or the issue or sale of the Notes and, if given or made, such information or representation must not be relied on as having been authorised by the Issuer, the Dealers or any Agent.

Intending purchasers to make independent investment decision and obtain tax advice

This Information Memorandum contains only summary information concerning the Notes. Neither the information contained in this Information Memorandum nor any other information supplied in connection

with the Programme or the issue of any Notes is intended to provide the basis of any credit or other evaluation in respect of the Issuer or the Notes and should not be considered or relied on as a recommendation or a statement of opinion (or a report of either of those things) by any of the Issuer, any Dealers, the Registrar or the other Agents (or, without limitation, their respective subsidiaries, related entities, officers or employees) that any recipient of this Information Memorandum or any other information supplied in connection with the Programme or the issue of Notes should subscribe for, purchase or otherwise deal in any Notes or any rights in respect of any Notes.

Potential investors contemplating subscribing for, purchasing or otherwise dealing in any Notes, or any rights in respect of any Notes under the Programme, should:

- make and rely upon (and shall be taken to have made and relied upon) its own independent investigation of the financial condition and affairs of, and its own appraisal of the creditworthiness of, the Issuer;
- determine for themselves the relevance of the information contained in this Information Memorandum and any other information supplied in connection with the Programme or the issue of any Notes, and must base their investment decision solely upon their independent assessment and such investigations as they consider necessary; and
- consult their own tax advisers concerning the application of any tax laws applicable to their particular situation.

No advice is given in respect of the legal or taxation treatment of investors in connection with investment in any Notes or rights in respect of them and each investor is advised to consult (and shall be taken to have consulted) its own professional adviser.

Risks

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

No offer

This Information Memorandum does not, and is not intended to, constitute an offer or invitation by or on behalf of the Issuer, the Dealers, the Registrar or any Agent (or, without limitation, their respective subsidiaries, related entities, officers or employees) to any person to subscribe for, purchase or otherwise deal in any Notes (or any rights in respect of any Notes) nor is it intended to be used for the purpose of or in connection with offers or invitations to subscribe for, purchase or otherwise deal in any Notes.

Selling restrictions and no disclosure

Neither this Information Memorandum nor any other disclosure document in relation to the Notes has been, or will be, lodged with the Australian Securities and Investments Commission (“**ASIC**”). A person may not make or invite an offer of the Notes for issue or sale in Australia (including an offer or invitation which is received by a person in Australia) or distribute or publish this Information Memorandum or any other offering material or advertisement relating to the Notes in Australia unless the minimum aggregate consideration payable by each offeree is at least A\$500,000 (or its equivalent in another currency, in each case disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or Chapter 7 of the Corporations Act and such action complies with all applicable laws and regulations (see the section entitled “Selling Restrictions” below).

This Information Memorandum is not a prospectus or other disclosure document for the purposes of the Corporations Act.

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

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

No registration or approval by authority in the United States

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (“**Securities Act**”) or with any securities regulatory authority of any state or other jurisdiction of the United States of America. The Notes may not be offered, sold or transferred at any time, within the United States of America, its territories or possessions or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the Securities Act (“**Regulation S**”)) except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act.

Agency and distribution arrangements

The Issuer has agreed to pay the Agents’ fees for undertaking their respective roles and reimburse them for certain of their expenses incurred in connection with the Programme.

The Issuer may also pay a Dealer a fee in respect of the Notes subscribed by it, may agree to reimburse the Dealers for certain expenses incurred in connection with this Programme and may indemnify the Dealers against certain liabilities in connection with the offer and sale of Notes.

The Issuer, the Dealers and the Agents, and their respective subsidiaries, related entities, directors, officers and employees may have pecuniary or other interests in the Notes and may also have interests pursuant to other arrangements and may receive fees, brokerage and commissions and may act as a principal in dealing in any Notes.

The distribution and use of this Information Memorandum, including any STN Supplement or Pricing Supplement, and advertisement or other offering material, and the offer or sale of Notes may be restricted by law in certain jurisdictions and intending purchasers and other investors should inform themselves about them and observe any such restrictions.

None of the Issuer, the Dealers, the Registrar or any Agent (or, without limitation, their respective subsidiaries, related entities, officers or employees) represents that this Information Memorandum may be lawfully distributed, or that any Notes may be lawfully offered in compliance with any applicable registration or other requirements in any jurisdiction, or under an exemption available in such jurisdiction, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by any of the Issuer, the Dealers, the Registrar or any Agents which would permit a public offering of any Notes or distribution of this Information Memorandum or any such document in any jurisdiction where action for that purpose is required.

References to credit ratings

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

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

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

Currencies

In this Information Memorandum references to “AUD”, “A\$”, or “Australian dollars” are to the lawful currency of the Commonwealth of Australia.

Currency of information

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

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

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

Summary of the Programme

The following is a brief summary only and should be read in conjunction with the rest of this Information Memorandum and, in relation to any Notes, the Terms and Conditions of the Notes and in conjunction with any applicable STN Supplement or relevant MTN Pricing Supplement. A term used below but not otherwise defined has the meaning given to it in the Terms and Conditions. A reference to an “STN Supplement” or “Pricing Supplement” does not limit the provisions or features of this Programme which may be supplemented, amended, modified or replaced by a supplement in respect of a particular Tranche or Series of Notes.

Issuer: Australian Capital Territory, a body politic under the Crown created by the *Australian Capital Territory (Self-Government) Act 1988 (Cwlth)*.

Description: A non-underwritten debt issuance programme (“**Programme**”) under which, the Issuer may elect to issue a variety of debt in Australia. These debt instruments (“**Notes**”) will be either short term notes (“**STNs**”), electronic promissory notes (“**EPNs**”) or medium term notes (“**MTNs**”). The features of the Notes are described in greater detail elsewhere in this Information Memorandum.

Programme Limit: Unlimited.

Programme Term: The term of the Programme continues until terminated by the Issuer giving thirty (30) days’ notice to the then current Dealers appointed to the Programme or earlier by agreement between the Issuer and such Dealers.

Dealers: Australia and New Zealand Banking Group Limited

Commonwealth Bank of Australia

Deutsche Bank AG, Sydney Branch

National Australia Bank Limited

UBS AG, Australia Branch

Westpac Banking Corporation

Additional Dealers may be appointed from time to time by the Issuer for any Tranche of Notes or to the Programme generally. The Issuer may also issue Notes directly to purchasers or investors (as applicable) procured by it.

*Current details and particulars of each Dealer’s applicable Australian Business Number (“**ABN**”) and Australian financial services licence (“**AFSL**”) number are set out in the section entitled “Directory” below.*

Registrar: Austraclear Services Limited (ABN 28 003 284 419) and/or any other persons appointed by the Issuer to establish and maintain the Register (as defined below) on the Issuer’s behalf from time to time (“**Registrar**”). Details of additional appointments in respect of a Tranche or Series of Notes will be set out in the relevant Pricing Supplement.

A Registrar may also provide issue and paying agency services with respect to each Series or Tranche of Notes initially lodged and held through or predominantly through the Austraclear System.

Calculation Agent:

If a Calculation Agent is required for the purpose of calculating any amount or making any determination regarding a Series or Tranche of Notes, such appointment will be notified in any applicable STN Supplement or in the relevant Pricing Supplement. The Issuer may terminate the appointment of the Calculation Agent, appoint additional or other Calculation Agents or elect to have no Calculation Agent. Where no Calculation Agent is appointed the calculation of interest, principal and other payments in respect of the relevant Notes will be made by the Issuer.

Agents:

Each Registrar, Calculation Agent and any other person appointed by the Issuer to perform other agency functions with respect to a Series or Tranche of Notes. Details of such appointment will be set out in any applicable STN Supplement or in the relevant Pricing Supplement.

Types of Notes:

Notes may be STNs, EPNs or MTNs.

STNs will be issued at a discount.

MTNs may be Fixed Rate MTNs, Floating Rate MTNs, Index Linked MTNs, Zero Coupon MTNs or in other form as specified in the relevant Pricing Supplement. They may be issued at par or at a discount or premium.

Form of Notes:

Except as otherwise set out in any applicable STN Supplement or relevant Pricing Supplement, Notes will be in registered uncertificated form and will be debt obligations of the Issuer.

EPNs are debt obligations created by contract as evidenced by the Austraclear Regulations, Austraclear procedures, determinations and practice notes, user guides and instructions and directions contained in the Austraclear System (together "**Austraclear Rules**"). The Notes are created in, and may only be traded between members of, the Austraclear System in accordance with the Austraclear Rules. No physical Note will be issued except in accordance with the Austraclear Rules.

The Notes (other than EPNs) to be issued will be constituted by, and owing under, the deed entitled Note Deed Poll dated 16 May 2008, as amended, supplemented or replaced from time to time ("**Note Deed Poll**"), or such other deed poll executed by the Issuer as may be specified in an applicable Pricing Supplement and will take the form of entries in a register ("**Register**") maintained by the Registrar.

Each recipient of the Information Memorandum must make its own enquiries regarding the operation of the Austraclear System and the risks associated with owning and dealing in the Notes through the Austraclear System. Neither the Issuer nor the Dealers will be liable for any loss, liability or expense that any purchaser of a Note may incur as a result of a failure or ineffectiveness of the Austraclear System or the Austraclear

Rules or of any failure by any person (other than the Issuer) to comply with the Austraclear Rules.

The Notes will be created on the basis that a Note may only be uplifted from the Austraclear System in accordance with the Austraclear Rules.

Short term notes:

STNs will be issued at a discount and will not bear interest.

Tenor: STNs will be issued with a minimum tenor of one day and a maximum tenor of 364 days.

Issuance: STNs may be issued to Dealers by any of the following methods:

- requesting the Dealers to bid by competitive tender;
- tap issuance following an unsolicited bid by a Dealer; or
- requesting the Dealers to bid at a rate set by the Issuer.

Purchase: Purchases of STNs must be settled through the Austraclear System in accordance with the Austraclear Regulations. The purchase price for each STN will be the amount determined on a discount basis in accordance with the following formula (unless the Issuer and the relevant Dealers otherwise agree):

$$\text{Purchase Price} = \frac{\text{FV} \times 36500}{36500 + (\text{Y} \times \text{T})}$$

where:

FV = the face value of the STN;

Y= the Bid Rate offered by the relevant Dealer or set by the Issuer;

T = the Tenor of the STN expressed in days.

STN Terms and Conditions: The terms and conditions of the STNs are set out in the section entitled “STN Terms and Conditions” below and may be modified or supplemented in writing by agreement between the Issuer and the relevant purchasing Dealers at the time of issue. Any such changes may be set out in an STN Supplement.

The STNs of any Series may be described as “STNs”, “Notes”, “Short Term Notes”, “CP” or by any other marketing name.

EPNs:

EPNs will be issued at a discount and will not bear interest.

Tenor: EPNs will be issued with a minimum tenor as specified in the Austraclear Regulations and a maximum tenor of 364 days.

Issuance: EPNs may be issued in the same manner as STNs.

Purchase: Purchases of EPNs must be settled through the Austraclear System in accordance with the Austraclear Regulations. The purchase price for each EPN will be the

amount agreed between the parties and is expected to be determined in the same manner as STNs.

EPN Terms and Conditions: The terms and conditions of the EPNs are contained in the rules and regulations of Austraclear and all investors should familiarise themselves with those rules before investing in EPNs.

The EPNs of any Series may be described as “EPN”, “Electronic Promissory Notes”, “E-Notes” or any other marketing name.

Medium term notes:

MTNs may be Fixed Rate MTNs, Floating Rate MTNs, Index Linked MTNs, Zero Coupon MTNs or other forms of Structured MTNs. They may be issued at par or at a discount or premium as described in the relevant Pricing Supplement.

Tenor: MTNs will be issued with a minimum tenor of 365 days and there will be no maximum tenor (or as otherwise specified in the relevant Pricing Supplement).

Issuance and Purchase: MTNs may be issued at any price on a fully or partly paid basis, as specified in the relevant Pricing Supplement.

MTN Terms and Conditions: The terms and conditions of the MTNs are set out in the section entitled “MTN Terms and Conditions” below and may be modified or supplemented as set out in the relevant Pricing Supplement.

The MTNs of any Series may be described as “MTNs”, “Notes”, “Bonds”, “Instruments”, “Indexed Notes”, “Amortising Notes”, “FRNs”, “Zero Coupon Notes” or by any other marketing name specified in the relevant Pricing Supplement.

Issuance in Series:

Notes will be issued in Series. Each Series may comprise one or more Tranches having various issue dates, issue prices and (if applicable) interest commencement dates and, in respect of the first interest payment (if any), different interest payment amounts, but will otherwise be issued on identical terms and conditions. The Notes of each Tranche of a Series are intended to be fungible with the other Tranches of Notes of that Series.

Currency of Notes:

Australian dollars. Subject to any applicable legal or regulatory requirements, Notes (other than STNs and EPNs) may also be denominated in such other freely transferable and freely convertible currency (each an “**Alternate Currency**”) as may be agreed between the Issuer and the relevant Dealer.

Payments in respect of MTNs may be made in, or limited to, a currency or currencies other than the currency in which the MTNs are denominated, all as set out in the relevant Pricing Supplement.

Denominations:

Notes (other than EPNs) will be issued in denominations of A\$10,000 (or an amount in an Alternate Currency) unless otherwise specified in a STN Supplement or the relevant Pricing Supplement.

EPNs will be issued in denominations of A\$500,000 or such other amount permitted by the rules and regulations of Austraclear.

Status and ranking:

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

Title:

Title to Notes passes when details of the transfer are entered in the Register.

Notes which are held in the Austraclear System will be registered in the name of Austraclear Ltd (ABN 94 002 060 773) ("**Austraclear**"). Title to the Notes which are held in the Austraclear System will be determined in accordance with the rules and regulations of that system.

No certificate or other evidence of title will be issued to holders of the Notes unless the Issuer determines that certificates should be available or it is required to do so pursuant to any applicable law or regulation.

Clearing Systems:

EPNs will be issued in and traded on the Austraclear System.

Notes (other than EPNs) may be transacted either within or outside any Clearing System (as defined below).

The Issuer may apply to Austraclear Ltd (ABN 94 002 060 773) ("**Austraclear**") for approval for Notes to be traded on the clearing and settlement system operated by it ("**Austraclear System**").

The Issuer may also apply to the settlement system operated by Euroclear Bank S.A./N.V. ("**Euroclear**"), the settlement system operated by Clearstream Banking S.A. ("**Clearstream, Luxembourg**") or any other clearing system outside Australia specified in the relevant Pricing Supplement (the Austraclear System, Euroclear, Clearstream, Luxembourg and any other clearing system specified in the relevant Pricing Supplement, each a "**Clearing System**") for approval for Notes (other than EPNs) to be traded on such clearing and settlement system.

Approval by a Clearing System is not a recommendation or endorsement by that Clearing System of such Notes and upon approval, the Notes will be traded through the relevant Clearing System in accordance with the rules and regulation of that Clearing System.

Interests in the Notes (other than EPNs) traded in the Austraclear System may be held for the benefit of Euroclear or Clearstream, Luxembourg. In these circumstances, entitlements in respect of holdings of interests in Notes in Euroclear would be held in the Austraclear System by a nominee of Euroclear (currently HSBC Custody Nominees (Australia) Limited) while entitlements in respect of holdings of interests in Notes in Clearstream, Luxembourg would be held in the Austraclear System by a nominee of J.P. Morgan Chase Bank, N.A. as custodian for Clearstream Luxembourg.

The rights of a holder of interests in a Note (other than EPNs) held through Euroclear or Clearstream, Luxembourg are subject to the respective rules and regulations for accountholders of Euroclear and Clearstream, Luxembourg, the terms and conditions of agreements between Euroclear and Clearstream, Luxembourg and their respective nominee and the rules and regulations of the Austraclear System. In addition, any transfer of interests in a Note, which is held through Euroclear or Clearstream, Luxembourg will, to the extent such transfer will be recorded on the Austraclear System, be subject to the Corporations Act and the requirements for minimum consideration summarised as set out in the Terms and Conditions.

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

Selling restrictions:

The offer, sale and delivery of Notes and the distribution of this Information Memorandum and other material in relation to any Notes are subject to such restrictions as may apply in any country in connection with the offer and sale of a particular Tranche or Series of Notes.

In particular, restrictions on the offer or sale of Notes in Australia, the United States of America, the United Kingdom, the European Economic Area, Hong Kong, Singapore, Japan and New Zealand are set out in the section entitled "Selling Restrictions" below.

Restrictions on the offer, sale and/or distribution of Notes may also be set out in the relevant STN Supplement or Pricing Supplement.

Transfer procedure:

Notes (other than EPNs) may only be transferred in whole in accordance with the Terms and Conditions.

Transfers of Notes held in the Austraclear System will be made in accordance with the rules and regulations of the Austraclear System.

Payments and Record Date:

Payments of principal in respect of STNs and MTNs will be made to the persons whose names are entered in the Register as at 10.00am (Sydney time) on the payment date. Payments of interest in respect of MTNs will be made to the persons whose names are entered in the Register as at the close of business on the relevant Record Date.

Payments in respect of EPNs will be made in accordance with the rules and regulations of the Austraclear System.

Payments to persons who hold interests or rights in respect of any Notes held in the Austraclear System will be made in accordance with the rules and regulations of the Austraclear System.

If Notes are not lodged in a Clearing System, payments will be made to the account of the registered holder noted in the Register. If no account is notified, then payments will be made by cheque mailed on the Business Day immediately preceding

the relevant payment date to the registered holder at its address appearing in the Register on the Record Date.

Redemption:

EPNs and STNs may not be redeemed prior to their stated maturity. MTNs may be redeemed prior to their stated maturity as described in the MTN Terms and Conditions.

Notes held in the Austraclear System will be redeemed through the Austraclear System in a manner consistent with the rules and regulations of the Austraclear System.

Stamp duty:

Any stamp duty incurred at the time of issue of the Notes will be for the account of the Issuer. Any stamp duty incurred on a transfer of Notes will be for the account of the relevant Holder.

As at the date of this Information Memorandum, stamp duty is not payable in any Australian State or Territory on the issue, transfer or redemption of the Notes. However, investors are advised to seek independent advice regarding any stamp duty or other taxes imposed by another jurisdiction upon the transfer of Notes, or interests in Notes, in Australia or in any jurisdiction outside of Australia.

Australian taxation:

A brief overview of the Australian taxation treatment of payments of interest on the Notes and certain other matters is set out in the section entitled "Taxation" below. However, investors should obtain their own taxation advice regarding the taxation issues arising from investing in any Notes.

Withholding tax:

Unless otherwise specified in any relevant Pricing Supplement for a particular Tranche of Notes all payments in respect of the Notes will be made without deduction or withholding for, or on account of Taxes imposed by a relevant jurisdiction unless a withholding or deduction is required by law. In the event that any such deduction or withholding is made in respect of the MTNs (but not the STNs), the Issuer will, save in certain limited circumstances provided in Condition 13.3 ("Withholding tax exemptions"), be required to pay additional amounts to cover the amounts so deducted. It is the Issuer's intention that STNs and MTNs will be issued in a manner which will seek to satisfy the public offer test in section 128F of the Income Tax Assessment Act.

See the section entitled "Taxation" below for more information.

Payments in respect of the EPNs will be governed by the Austraclear Rules.

TFNs and ABNs:

The Issuer will deduct amounts from payments of interest at the prescribed rate if an Australian resident investor, or a non-resident who holds the Notes at or through a permanent establishment in Australia, has not supplied an appropriate Tax File Number ("TFN"), Australian Business Number ("ABN") or exemption details as may be necessary to enable the payment to be made without withholding or deduction.

Listing:

The Issuer does not currently intend that the Notes will be listed on any stock exchange. However, an application may be made for the Issuer to be admitted to the official list of and/or Notes of a particular Series to be quoted on, the Australian Securities

Exchange operated by ASX Limited (ABN 98 008 504 532) (“**ASX**”) or on any other stock or securities exchange (in accordance with applicable laws, regulations and directives).

Any MTNs which are quoted on the ASX will not be transferred through, or registered on, the Clearing House Electronic Sub-Register System (“**CHESS**”) operated by ASX Settlement Pty Limited (ABN 49 008 504 532) and will not be “Approved Financial Products” for the purposes of that system.

The applicable Pricing Supplement in respect of the issue of any Tranche of MTNs will specify whether or not Notes of a Series will be quoted on any stock or securities exchange.

Credit rating:

S&P Global Ratings has assigned a long-term rating of “AAA” and a short-term rating of “A- 1+” to the Programme.

Structured MTNs may have a different credit rating to the other Notes. Where an individual Tranche or Series of Notes is rated, the rating may not necessarily be the same as the ratings specified above.

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

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

Governing law:

The Notes and all related documentation (other than the Agency and Registry Services Agreement), will be governed by the laws of the Australian Capital Territory.

The Australian Capital Territory

The Australian Capital Territory, is a body politic under the Crown established by section 7 of the *Australian Capital Territory (Self-Government) Act 1988 (Cwlth)* (“**ACT**” or “**Territory**”).

The Australian Capital Territory is the home of Canberra, Australia’s national capital.

Territory when used in a geographical sense, means the Australian Capital Territory, and when used in any other sense, means the body politic.

The ACT was granted self-government by the Commonwealth Parliament in 1988 with the passage of the *Australian Capital Territory (Self-Government) Act 1988 (Cwlth)*. Until self-government took effect on 11 May 1989, the ACT was administered by the Federal Government by the Minister for Territories, under section 122 of the Constitution.

The ACT is governed by the elected Legislative Assembly. The first ACT Legislative Assembly was elected in May 1989.

ACT Form of Government

Governance in the Territory, like the rest of Australia, incorporates the key features of the Westminster system.

The Legislative Assembly performs both state or territory functions, as well as municipal or local government functions. This makes it a unique parliament within Australia governing areas such as education, health and criminal justice as well as undertaking local council functions such as maintenance of roads and waste management.

The Legislative Assembly is made up of members who serve a fixed four-year term. Members are elected by the people of the ACT.

The Assembly has power to elect a Chief Minister and Speaker, to make laws, to scrutinise the executive, to investigate and debate matters of public importance, to review the actions of the government and to oversee government finances.

The Assembly is unusual in that the Crown does not play a direct part in the legislation process. When a bill is passed by the Assembly, the Speaker asks for it to be notified on the Legislation Register (www.legislation.act.gov.au) and it becomes an act, or law, of the ACT.

The Chief Minister, who is the leader of the government, fulfils the roles equivalent to those performed by both a state premier and a town or city mayor. The Chief Minister appoints ministers to form the executive and allocates portfolios to each minister.

It is the executive, or cabinet, whose function it is to collectively govern and administer the territory, implement all territory laws, and develop and manage the budget. It delivers these services with the assistance of the ACT Public Service.

The judicial function in the ACT is performed by judges of the Supreme Court and magistrates of the Magistrates Court. The judges and magistrates are appointed in accordance with law and can only be removed in exceptional circumstances. The judiciary is responsible for dispensing justice in the ACT and ensuring the rule of law.

Administrative Structure

In accordance with the provisions of the *Public Sector Management Act 1994*, the Chief Minister establishes administrative units. The Chief Minister allocates responsibilities to each Minister and

determines which administrative units are responsible for particular Government functions. These are the 'Administrative Arrangements'.

The Minister responsible for the Treasury portfolio is the Treasurer.

The Treasury portfolio functions are conducted through the administrative unit currently referred to as the ACT Chief Minister, Treasury and Economic Development Directorate. As a result of machinery of government changes, administrative units will be renamed and restructured from time-to-time.

Treasury provides strategic financial and economic advice and services to the ACT Government with the aim of improving the Territory's financial position and economic management. It plays a leading role in promoting accountability and transparency in the delivery of services to the community and the management of resources.

Treasury is responsible for the management of the Territory's financial assets and liabilities including the borrowings and investments of the ACT Government. Territory borrowings are undertaken and managed by Treasury. A centralised approach has been established for the Territory's debt raising and debt management activities to provide for an efficient and effective debt management function.

Debt management objectives include: managing the Government's liquidity and finance payment obligations; meeting the ongoing capital requirements of the Government; raising capital at a competitive cost in line with peers, having regard to the Territory's credit rating and issuer profile; establishing bond lines of select debt maturity and volume; maximising investor participation and diversification; and minimising interest rate volatility and refinancing risk.

Borrowing Authority

The *Financial Management Act 1996 (ACT)* ("**FMA**") provides for the financial management of the government of the Territory, to provide for the scrutiny of that management by the Legislative Assembly, to specify financial reporting requirements for the government of the Territory, and for related purposes.

The authority and powers in relation to Territory borrowings are provided for in Part 6 of the FMA.

Treasury has established the Programme for the raising of Territory borrowings. Notes issued in accordance with the terms and conditions of the Programme are issued in the name of the Australian Capital Territory, the issuing legal entity.

STN Terms and Conditions

The following are the terms and conditions which, as supplemented, amended, modified or replaced by any applicable STN Supplement, will apply to each STN constituted by the Note Deed Poll (“**STN Conditions**”).

References to the STN Supplement in these terms and conditions do not limit the provisions which may be supplemented, amended, modified or replaced by an STN Supplement in relation to a particular series of STNs.

1 Interpretation

1.1 Definitions

In these Conditions the following expressions have the following meanings:

Agency Agreement means:

- (a) the agreement entitled “The ASX Austraclear Registry and IPA Services Agreement” dated 31 March 2010 between the Issuer and the Registrar in relation to the STNs;
- (b) any other agreement between the Issuer and a Registrar in relation to the establishment and maintenance of a Register (and/or the performance of any payment or other duties) for any issue of STNs; and/or
- (c) any other agency agreement entered into by the Issuer in relation to an issue of STNs.

Agent means the Registrar and any additional agent appointed under an Agency Agreement.

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

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

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

Business Day means a day on which banks are open for general banking business in Canberra and Sydney (not being a Saturday, Sunday or public holiday in that place) and, if an STN is to be issued or paid on that day, a day on which the Austraclear System is operating.

Conditions means, in respect of an STN, these terms and conditions as amended, supplemented, modified or replaced by the STN Supplement applicable to such STN and references to a particular numbered Condition shall be construed accordingly.

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

FATCA means:

- (a) section 1471 to 1474 of the U.S. Internal Revenue Code of 1986 or any associated regulations;

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

Information Memorandum in respect of an STN means:

- (a) the information memorandum, disclosure document (as defined in the Corporations Act) or other offering document referred to in any applicable STN Supplement; or
- (b) if there is no applicable STN Supplement, the most recent information memorandum, disclosure document or other offering document which describes the debt issuance programme referred to in Condition 2.1 (“Programme”).

Issue Date means the date on which an STN is issued, as recorded in the Register.

Issuer means the Australian Capital Territory.

Maturity Date means, the date on which an STN matures, as recorded in the Register.

Note Deed Poll means the deed poll entitled “Note Deed Poll” executed by the Issuer on 16 May 2008, as amended, supplemented or replaced from time to time.

Register means the register, including any branch register, of holders of STNs established and maintained by or on behalf of the Issuer under an Agency Agreement.

Registrar means Austraclear Services Limited (ABN 28 003 284 419) or any other person appointed by the Issuer under an Agency Agreement to maintain the Register and perform any payment and other duties as specified in that agreement.

Series means an issue of STNs made up of one or more Tranches all of which form a single Series and are issued on the same Conditions except that the Issue Date may be different in respect of different Tranches of a Series.

Specified Office means the office specified in the Information Memorandum or any other address notified to STN Holders from time to time.

STN means a short term debt obligation issued or to be issued by the Issuer which is constituted by, and owing under the Note Deed Poll, the details of which are recorded in, and evidenced by, entry in, the Register.

STN Holder means, in respect of an STN, each person whose name is entered in the Register as the holder of that STN.

For the avoidance of doubt, where an STN is held in the Austraclear System, references to an STN Holder include the operator of that system or a nominee for that operator or a common depositary for the Austraclear System (in each case acting in accordance with the rules and regulations of that system).

STN Supplement means, in respect of a Tranche, any amendment or variation of these Conditions which is acknowledged in writing by the Issuer as being an STN Supplement for the purposes of that Tranche.

Taxes means taxes, levies, imposts, charges and duties (including stamp and transaction duties) imposed by any authority together with any related interest, penalties, fines and expenses in connection with them except those imposed on, or calculated having regard to, the net income of an STN Holder.

Tranche means an issue of STNs specified as such in any applicable STN Supplement issued on the same Issue Date and on the same Conditions.

1.2 References to certain general terms

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

- (a) a group of persons is a reference to any two or more of them jointly and to each of them individually;
- (b) an agreement, representation or warranty in favour of two or more persons is for the benefit of them jointly and each of them individually;
- (c) a document (including these Conditions) includes any amendment, variation or replacement of it;
- (d) anything (including any amount) is a reference to the whole and each part of it;
- (e) a “**law**” includes common law, principles of equity, any decree and any statute or other law made by any parliament (and a statute or other law made by parliament includes any regulation or other instruments under it, and any consolidation, amendment, re-enactment or replacement of it);
- (f) a “**directive**” includes a treaty, official directive, request, regulation, guideline or policy (whether or not having the force of law) with which responsible participants in the relevant market generally comply;
- (g) “**Australian dollars**” or “**A\$**” is a reference to the lawful currency of Australia;
- (h) EPNs of any Series may be described as “EPN”, “Electronic Promissory Notes”, “E-Notes” or any other marketing name specified in the relevant STN Supplement;
- (i) a time of day is a reference to Canberra time;
- (j) a “**person**” includes an individual, a firm, a body corporate, an unincorporated association and an authority;
- (k) a particular person includes a reference to the person’s executors, administrators, successors, substitutes (including persons taking by novation) and assigns; and
- (l) the words “**including**”, “**for example**” or “**such as**” when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind.

1.3 References to particular terms

Unless the contrary intention appears, in these Conditions:

- (a) a reference to the Issuer, the Registrar, or another Agent is a reference to the person so specified in any applicable STN Supplement or, if none, the Register;
- (b) a reference to the Agency Agreement is a reference to the Agency Agreement applicable to the STNs of the relevant Series;
- (c) a reference to an STN is a reference to an STN of a particular Series issued by the Issuer;
- (d) a reference to an STN Holder is a reference to the holder of STNs of a particular Series; and

- (e) a reference to a particular date that is not a Business Day is a reference to that date adjusted by being postponed to the first following day that is a Business Day (or by being adjusted in accordance with any other convention specified in any applicable STN Supplement).

1.4 References to principal

Unless the contrary intention appears, any reference to "principal" is taken to include, any additional amounts in respect of principal which may be payable under Condition 9 ("Taxation") and any other amount in the nature of principal payable in respect of the STNs under these Conditions.

1.5 Number

The singular includes the plural and vice versa.

1.6 Headings

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

1.7 Terms defined in STN Supplement

Terms which are defined in any applicable STN Supplement as having a defined meaning have the same meaning when used in these Conditions, but if the applicable STN Supplement gives no meaning or specifies that the definition is "Not Applicable", then that definition is not applicable to the STNs.

2 Introduction

2.1 Programme

STNs are issued under a debt issuance programme established by the Issuer.

2.2 STN Supplement

STNs are issued in Series. A Series may comprise one or more Tranches having one or more Issue Dates and on conditions otherwise identical. A Tranche may be the subject of a STN Supplement which supplements, amends or replaces these Conditions. If there is any inconsistency between these Conditions and any applicable STN Supplement, the applicable STN Supplement prevails.

Copies of any applicable STN Supplement are available for inspection or on request by an STN Holder or prospective STN Holder during normal business hours at the Specified Office of the Issuer or the Registrar.

2.3 Types of STNs

An STN is a short term debt obligation issued at a discount to its principal amount.

2.4 Denomination

STNs are issued in a single denomination of A\$10,000 unless otherwise specified in any applicable STN Supplement.

2.5 Currency

STNs are denominated in Australian dollars.

2.6 Austraclear System

STNs may be held in the Austraclear System, in which case the rights of a person holding an interest in the STNs lodged in the Austraclear System are subject to the rules and regulations of that system.

3 Form

3.1 Constitution under Note Deed Poll

STNs are debt obligations of the Issuer constituted by, and owing under, the Note Deed Poll.

3.2 Form

STNs are issued in registered form by entry in the Register.

3.3 No certificates

No certificates will be issued to STN Holders unless the Issuer determines that certificates should be available or are required by any applicable law.

4 Status

4.1 Status of STNs

STNs constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer.

4.2 Ranking

STNs rank equally among themselves and at least equally with all other unsubordinated and unsecured obligations of the Issuer, except for liabilities mandatorily preferred by law.

5 Title and transfer of STNs

5.1 Title

Title to STNs passes when details of the transfer are entered in the Register.

5.2 Effect of entries in Register

Each entry in the Register in respect of an STN constitutes:

- (a) an unconditional and irrevocable undertaking by the Issuer to the STN Holder to pay principal and any other amount in accordance with these Conditions; and
- (b) an entitlement to the other benefits given to STN Holders under these Conditions in respect of the relevant STN.

5.3 Register conclusive as to ownership

Entries in the Register in relation to an STN constitute conclusive evidence that the person so entered is the absolute owner of the STN subject to correction for fraud or error.

5.4 Non-recognition of interests

Except as required by law, the Issuer and the Registrar must treat the person whose name is entered in the Register as the holder of an STN as the absolute owner of that STN. This

Condition applies whether or not an STN is overdue and despite any notice of ownership, trust or interest in the STN.

5.5 Joint holders

Where two or more persons are entered in the Register as the joint holders of an STN then they are taken to hold the STN as joint tenants with rights of survivorship, but the Registrar is not bound to register more than four persons as joint holders of an STN.

5.6 Restricted transfers

- (a) STNs may be transferred in whole but not in part; and
- (b) STNs may not be transferred to an unincorporated association.

5.7 Compliance with laws

STNs may only be transferred if:

- (a) the offer or invitation giving rise to the transfer does not constitute an offer or invitation for which disclosure is required to be made to investors under Parts 6D.2 or 7.9 of the Corporations Act; and
- (b) the transfer complies with any applicable law or directive of the jurisdiction where the transfer takes place.

5.8 Transfer procedures

Interests in STNs held in the Austraclear System are transferable only in accordance with the rules and regulations of that system.

Application for the transfer of STNs not held in the Austraclear System must be made by the lodgment of a transfer form with the Registrar at its Specified Office. Transfer forms must be in the form available from the Registrar. Each transfer form must be:

- (a) duly completed;
- (b) accompanied by any evidence the Registrar may require to establish that the transfer form has been duly executed; and
- (c) signed by, or on behalf of, both the transferor and the transferee.

Transfers will be registered without charge provided all applicable Taxes have been paid.

Transfers will not be registered later than close of business eight calendar days prior to the Maturity Date of the STNs.

5.9 Effect of transfer

Upon registration and entry of the transferee in the Register, the transferor ceases to be entitled to future benefits under these Conditions in respect of the transferred STNs and the transferee becomes so entitled in accordance with Condition 5.2 ("Effect of entries in Register").

5.10 Austraclear as STN Holder

If Austraclear is recorded in the Register as the STN Holder, each person in whose Security Record (as defined in the Austraclear Regulations) an STN is recorded is taken to acknowledge in favour of the Issuer, the Registrar and Austraclear that:

- (a) the Registrar's decision to act as the Registrar of that STN is not a recommendation or endorsement by the Registrar or Austraclear in relation to that STN, but only indicates that the Registrar considers that the holding of the STN is compatible with the performance by it of its obligations as Registrar under an Agency Agreement; and
- (b) the STN Holder does not rely on any fact, matter or circumstance contrary to paragraph (a).

5.11 Estates

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

5.12 Transfer of unidentified STNs

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

6 Redemption

6.1 Redemption

Each STN is redeemable by the Issuer on the Maturity Date at its outstanding principal amount unless:

- (a) the STN has been previously redeemed; or
- (b) the STN has been purchased and cancelled.

6.2 Purchase

The Issuer may at any time purchase STNs in the open market or otherwise and at any price. If purchases are made by tender, tenders must be available to all STN Holders alike. STNs purchased under this Condition 6.2 may be held, resold or cancelled at the discretion of the purchaser and (if the STNs are to be cancelled, the Issuer), subject to compliance with any applicable law or regulatory requirement.

7 General provisions

7.1 Summary of payment provisions

Payments in respect of STNs must be made in accordance with Condition 8 ("Payments").

7.2 Payments subject to law

All payments are subject to applicable law, but without prejudice to the provisions of Condition 9 ("Taxation").

7.3 Payments on business days

If a payment:

- (a) is due on an STN on a day which is not a Business Day then the due date for payment is the next Business Day; or

- (b) is to be made to an account on a Business Day on which banks are not open for general banking business in the place in which the account is located, then the due date for payment will be the first following day on which banks are open for general banking business in that place,

and in either case, the STN Holder is not entitled to any additional payment in respect of that delay.

7.4 Currency indemnity

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

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

8 Payments

8.1 Payment of principal

Payments of principal in respect of an STN will be made to each person registered at 10.00 am on the payment date as the holder of an STN.

8.2 Payments to accounts

Payments in respect of STNs will be made:

- (a) if the STNs are held in the Austraclear System, by crediting on the payment date, the amount due to:
 - (i) the account of Austraclear (as the STN Holder) in Australia as previously notified to the Issuer and the Registrar; or
 - (i) if requested by Austraclear, the accounts of the persons in whose Security Record (as defined in the Austraclear Regulations) an STN is recorded in the country of the currency in which the STN is denominated as previously notified by Austraclear to the Issuer and the Registrar in accordance with Austraclear Regulations; and
- (b) if the STNs are not held in the Austraclear System, by crediting on the payment date, the amount then due under each STN to an account in the country of the currency in which the STN is denominated previously notified by the STN Holder to the Issuer and the Registrar.

8.3 Payments by cheque

If the STN Holder has not notified the Registrar of an account to which payments to it must be made by the close of business on the Business Day immediately before the Maturity Date, payments in respect of the STN will be made by cheque sent by prepaid post on the Business Day immediately before the payment date, at the risk of the registered STN Holder, to the STN Holder (or to the first named joint holder of the STN) at its address appearing in the Register at

the close of business on that Business Day. Cheques sent to the nominated address of an STN Holder are taken to have been received by the STN Holder on the payment date and, no further amount is payable by the Issuer in respect of the STNs as a result of the STN Holder not receiving payment on the due date.

9 Taxation

9.1 No set-off, counterclaim or deductions

All payments in respect of the STNs must be made in full without set-off or counterclaim, and without any withholding or deduction in respect of Taxes, unless required by law or made for or on account of FATCA.

9.2 Withholding tax

If a law requires the Issuer to withhold or deduct an amount in respect of Taxes or for or on account of FATCA from a payment in respect of the STNs such that the STN Holder would not actually receive on the due date the full amount provided for under the STNs, then the Issuer agrees to deduct the amount for the Taxes or for or on account of FATCA but is under no obligation to increase the amounts payable to compensate the holder for such deduction or withholding.

10 Time limit for claims

A claim against the Issuer for a payment under an STN is void unless made within 10 years from the date on which payment first became due.

11 Agents

11.1 Role of Agents

In acting under an Agency Agreement, each Agent acts solely as agent of the Issuer and does not assume any obligations towards or relationship of agency or trust for or with any STN Holder.

11.2 Appointment and replacement of Agents

Subject to Condition 11.4 ("Required Agents"), the Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint a successor.

11.3 Change of Agent

Notice of any change of an Agent or its Specified Offices must promptly be given to the STN Holders by the Issuer or the Agent on its behalf.

11.4 Required Agents

The Issuer must at all times maintain a Registrar.

12 Variation

Any Condition may be amended without the consent of the STN Holders if the amendment:

- (a) is of a formal, minor or technical nature;
- (b) is made to correct a manifest error;

- (c) is made to cure any ambiguity or correct or supplement any defective or inconsistent provision and, in the reasonable opinion of the Issuer, is not materially prejudicial to the interests of the STN Holders; or
- (d) only applies to STNs issued by it after the date of amendment.

13 Further issues

The Issuer may from time to time, without the consent of the STN Holders, issue further STNs having the same Conditions as the STNs of any Series in all respects (or in all respects except for the first payment of interest) so as to form a single series with the STNs of that Series.

14 Notices

14.1 Notices to STN Holders

All notices and other communications to STN Holders must be in writing and must be left at the address of or sent by prepaid post (airmail, if appropriate) to the address of the STN Holder (as shown in the Register at the close of business on the day which is three Business Days before the date of the notice or communication) and may also be:

- (a) given by an advertisement published in the “The Australian Financial Review” or “The Australian”; or
- (b) if any applicable STN Supplement specifies an additional or alternate newspaper, given by an advertisement published in that newspaper.

14.2 Notices to the Issuer and the Agents

All notices and other communications to the Issuer or an Agent must be in writing and may be left at the address of, or sent by prepaid post (airmail, if appropriate) to, the Specified Office of the Issuer or the Agent.

14.3 When effective

Notices and other communications take effect from the time they are taken to be received unless a later time is specified in them.

14.4 Deemed receipt - publication in newspaper

If published in a newspaper, a notice or other communication is taken to be received on the first date that publication has been made in all the required newspapers.

14.5 Deemed receipt - postal

A notice or other communication sent by post is taken to be received three Business Days after posting.

15 Governing law

15.1 Governing law

STNs are governed by the law in force in the Australian Capital Territory.

15.2 Jurisdiction

The Issuer submits, and each STN Holder is taken to have submitted, to the non-exclusive jurisdiction of the courts of the Australian Capital Territory and courts of appeal from them. The Issuer waives any right it has to object to an action being brought in those courts including by claiming that the action has been brought in an inconvenient forum or that those courts do not have jurisdiction.

15.3 Serving documents

Without preventing any other method of service, any document in a court action may be served on a party by being delivered to or left at that party's address specified in the details or their address for service of notices under Condition 14 ("Notices").

MTN Terms and Conditions

The following are the terms and conditions which, as supplemented, amended, modified or replaced by the relevant Pricing Supplement, apply to each MTN constituted by the Note Deed Poll ("**MTN Conditions**"). References to the "Pricing Supplement" in these terms and conditions do not limit the provisions which may be supplemented, amended, modified or replaced by the Pricing Supplement in relation to a particular Series of MTNs.

1 Interpretation

1.1 Definitions

In these Conditions the following expressions have the following meanings:

Act means the *Australian Capital Territory (Self-Government) Act 1988 (Cwlth)*.

Additional Amount means an additional amount payable by the Issuer under Condition 13.2 ("Withholding tax").

Agency Agreement means:

- (a) the agreement entitled "The ASX Austraclear Registry and IPA Services Agreement" dated 31 March 2010 between the Issuer and the Registrar in relation to the MTNs;
- (a) any other agreement between the Issuer and the Registrar in relation to the establishment and maintenance of a Register (and/or the performance of any payment or other duties) for any issue of MTNs; and/or
- (b) any other agency agreement entered into by the Issuer in relation to an issue of MTNs.

Agent means the Registrar, the Calculation Agent and any additional agent appointed under an Agency Agreement.

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

- (a) the issue price specified in the Pricing Supplement; and
- (b) the amount resulting from the application of the amortisation yield specified in the Pricing Supplement (compounded annually) to the issue price (as specified in the Pricing Supplement) from (and including) the Issue Date specified in the Pricing Supplement to (but excluding) the date fixed for redemption or (as the case may be) the date the MTN becomes due and repayable.

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

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

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

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

Business Day means a day on which banks are open for general banking business in Canberra and Sydney and in each (if any) Relevant Financial Centre specified in the Pricing Supplement (not being a Saturday, Sunday or public holiday in that place) and, if an MTN is to be issued or paid on that day, a day on which each Clearing System is operating.

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

- (a) **Floating Rate Convention** means that the date is postponed to the next following day which is a Business Day unless that day falls in the next calendar month, in which event:
 - (i) that date is brought forward to the first preceding day that is a Business Day; and
 - (ii) each subsequent Interest Payment Date is the last Business Day in the month which falls the number of months or other period specified as the Interest Period in the Pricing Supplement after the preceding applicable Interest Payment Date occurred;
- (b) **Following Business Day Convention** means that the date is postponed to the first following day that is a Business Day;
- (c) **Modified Following Business Day Convention or Modified Business Day Convention** means that the date is postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date is brought forward to the first preceding day that is a Business Day;
- (d) **Preceding Business Day Convention** means that the date is brought forward to the first preceding day that is a Business Day; and
- (e) **No Adjustment** means that the relevant date must not be adjusted in accordance with any Business Day Convention.

If no convention is specified in the Pricing Supplement, the Following Business Day Convention applies. Different conventions may be specified in relation to, or apply to, different dates.

Calculation Agent means the Registrar or any other person specified in the Pricing Supplement as the party responsible for calculating the Interest Rate and other amounts required to be calculated under these Conditions.

Conditions means, in respect of an MTN, these terms and conditions as amended, supplemented, modified or replaced by the Pricing Supplement applicable to such MTN and references to a particular numbered Condition shall be construed accordingly.

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

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

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

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

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

where:

- "Y₁" is the year, expressed as a number, in which the first day of the Calculation Period falls;
 - "Y₂" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
 - "M₁" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;
 - "M₂" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
 - "D₁" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and
 - "D₂" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;
- (f) if "**30E/360**" or "**Eurobond Basis**" is so specified means, the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

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

where:

- “**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;
- “**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- “**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;
- “**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- “**D₁**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and
- “**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;
- (g) if “**RBA Bond Basis**” or “**Australian Bond Basis**” is so specified, means one divided by the number of Interest Payment Dates in a year (or, where the Calculation Period does not constitute an Interest Period, the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of:
- (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366; and
 - (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365)); and
- (h) any other day count fraction specified in the Pricing Supplement.

Denomination means the notional face value of an MTN specified in the Pricing Supplement.

Event of Default means an event so described in Condition 15 (“Events of Default”).

Extraordinary Resolution has the meaning given in the Meetings Provisions.

FATCA means:

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

Fixed Rate MTN means an MTN on which interest is calculated at a fixed rate payable in arrear on a fixed date or fixed dates in each year and on redemption (or on any other dates as specified in the Pricing Supplement).

Floating Rate MTN means an MTN on which interest is calculated at a floating rate payable 1, 2, 3, 6, or 12 monthly or in respect of any other period (or on any date specified in the Pricing Supplement).

Index Linked MTN means an MTN in respect of which the amount payable in respect of interest is calculated by reference to an index or a formula or both as specified in the Pricing Supplement.

Information Memorandum in respect of an MTN means the information memorandum, disclosure document (as defined in the Corporations Act) or other offering document referred to in the Pricing Supplement.

Instalment Amounts has the meaning given in the Pricing Supplement.

Instalment MTN means an MTN which is redeemable in one or more instalments, as specified in the Pricing Supplement.

Interest Commencement Date means, for an MTN, the Issue Date of the MTN or any other date so specified in the Pricing Supplement.

Interest Determination Date has the meaning given in the Pricing Supplement.

Interest Payment Date means each date so specified in, or determined in accordance with, the Pricing Supplement.

Interest Period means each period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next Interest Payment Date. However:

- (a) the first Interest Period commences on (and includes) the Interest Commencement Date; and
- (b) the final Interest Period ends on (but excludes) the Maturity Date.

Interest Rate means, for an MTN, the interest rate (expressed as a percentage per annum) payable in respect of that MTN specified in the Pricing Supplement or calculated or determined in accordance with these Conditions and the Pricing Supplement.

ISDA Definitions means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. (as supplemented, amended and updated as at the Issue Date of the first Tranche of the MTNs of the Series).

Issue Date means the date on which an MTN is, or is to be issued, as specified in, or determined in accordance with, the Pricing Supplement.

Issuer means the Australian Capital Territory.

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

Maturity Date means, the date so specified in, or determined in accordance with, the Pricing Supplement.

Meetings Provisions means the provisions relating to meetings of MTN Holders set out in the schedule to the Note Deed Poll.

MTN means a medium term debt obligation issued or to be issued by the Issuer which is constituted by, and owing under the Note Deed Poll, the details of which are recorded in, and evidenced by, entry in, the Register.

MTN Holder means, in respect of an MTN, each person whose name is entered in the Register as the holder of that MTN.

For the avoidance of doubt, where an MTN is held in the Austraclear System, references to an MTN Holder include the operator of that system or a nominee for that operator or a common depositary for the Austraclear System (in each case acting in accordance with the rules and regulations of that system).

Note Deed Poll means the deed poll entitled "Note Deed Poll" executed by the Issuer on 16 May 2008, as amended, supplemented or replaced from time to time.

Offshore Associate means an associate (as defined in section 128F of the Tax Act) of the Issuer that is either:

- (a) a non-resident of Australia which does not acquire the MTNs in carrying on a business at or through a permanent establishment in Australia; or
- (b) a resident of Australia that acquires the MTNs in carrying on a business at or through a permanent establishment outside Australia.

Partly Paid MTN means an MTN in relation to which the initial subscription moneys are payable to the Issuer in two or more instalments.

Pricing Supplement means, in respect of a Tranche, the pricing supplement specifying the relevant issue details in relation to it.

Record Date means, the close of business in the place where the Register is maintained on the eighth calendar day before the payment date or any other date so specified in the Pricing Supplement.

Redemption Amount means:

- (a) for an MTN (other than a Zero Coupon MTN or a Structured MTN), the outstanding principal amount as at the date of redemption;
- (b) for a Zero Coupon MTN, the Amortised Face Amount calculated as at the date of redemption; and
- (c) for a Structured MTN, the amount determined by the Calculation Agent in the manner specified in the Pricing Supplement,

and also includes any final instalment and any other amount in the nature of a redemption amount specified in, or determined in accordance with, the Pricing Supplement or these Conditions.

Reference Banks means the institutions so described in the Pricing Supplement or, if none, four major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate.

Reference Rate has the meaning given in the Pricing Supplement.

Register means the register, including any branch register, of holders of MTNs established and maintained by or on behalf of the Issuer under an Agency Agreement.

Registrar means Austraclear Services Limited (ABN 28 003 284 419) or any other person appointed by the Issuer under an Agency Agreement to maintain the Register and perform any payment and other duties as specified in that agreement.

Regular Period means:

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

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

Related Entity has the meaning it has in the Corporations Act.

Relevant Screen Page means:

- (a) the page, section or other part of a particular information service (including the Reuters Monitor Money Rates Service and the Dow Jones Telerate Service) specified as the Relevant Screen Page in the Pricing Supplement; or
- (b) any other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate.

Relevant Tax Jurisdiction means Australia or a political sub-division of it.

Relevant Time has the meaning given in the Pricing Supplement.

Series means an issue of MTNs made up of one or more Tranches all of which form a single Series and are issued on the same Conditions except that the Issue Date and Interest Commencement Date may be different in respect of different Tranches of a Series.

Specified Office means the office specified in the Information Memorandum or any other address notified to MTN Holders from time to time.

Structured MTN means:

- (a) an Index Linked MTN; or
- (b) an Instalment MTN.

Tax Act means the *Income Tax Assessment Act 1936 (Cwlth)* and where applicable, the *Income Tax Assessment Act 1997 (Cwlth)*.

Taxes means taxes, levies, imposts, charges and duties (including stamp and transaction duties) imposed by any authority together with any related interest, penalties, fines and expenses in connection with them except if imposed on, or calculated having regard to, the net income of an MTN Holder.

Tranche means an issue of MTNs specified as such in the Pricing Supplement issued on the same Issue Date and on the same Conditions.

Zero Coupon MTN means an MTN which does not carry entitlement to periodic payment of interest before the redemption date of the MTN and which is issued at a discount to its principal amount.

1.2 References to certain general terms

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

- (a) a group of persons is a reference to any two or more of them jointly and to each of them individually;

- (b) an agreement, representation or warranty in favour of two or more persons is for the benefit of them jointly and each of them individually;
- (c) a document (including these Conditions) includes any amendment, variation or replacement of it;
- (d) anything (including any amount) is a reference to the whole and each part of it; and
- (e) a **“law”** includes common law, principles of equity, any decree and any statute or other law made by any parliament (and a statute or other law made by parliament includes any regulation or other instruments under it, and any consolidation, amendment, re-enactment or replacement of it);
- (f) a **“directive”** includes

a treaty, official directive, request, regulation, guideline or policy (whether or not having the force of law) with which responsible participants in the relevant market generally comply;
- (g) **“Australian dollars”** or **“A\$”** is a reference to the lawful currency of Australia;
- (h) MTNs of any Series may be described as **“MTNs”**, **“Notes”**, **“Bonds”**, **“Instruments”**, **“Indexed Notes”**, **“Amortising Notes”**, **“FRNs”**, **“Zero Coupon Notes”** or by any other marketing name specified in the relevant Pricing Supplement;
- (i) a time of day is a reference to Canberra time;
- (j) a **“person”** includes an individual, a firm, a body corporate, an unincorporated association and an authority;
- (k) a particular person includes a reference to the person’s executors, administrators, successors, substitutes (including persons taking by novation) and assigns; and
- (l) the words **“including”**, **“for example”** or **“such as”** when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind.

1.3 References to particular terms

Unless the contrary intention appears, in these Conditions:

- (a) a reference to the Issuer, the Registrar, the Calculation Agent or another Agent is a reference to the person so specified in the Pricing Supplement;
- (b) a reference to the Agency Agreement is a reference to the Agency Agreement applicable to the MTNs of the relevant Series;
- (c) a reference to an MTN is a reference to an MTN of a particular Series issued by the Issuer specified in the Pricing Supplement;
- (d) a reference to an MTN Holder is a reference to the holder of MTNs of a particular Series;
- (e) if the MTNs are Zero Coupon MTNs or Structured MTNs which do not bear interest, references to interest are not applicable; and
- (f) a reference to a particular date is a reference to that date adjusted in accordance with the applicable Business Day Convention.

1.4 References to principal and interest

Unless the contrary intention appears, in these Conditions:

- (a) any reference to "principal" is taken to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 13 ("Taxation"), any premium payable in respect of an MTN, and any other amount in the nature of principal payable in respect of the MTNs under these Conditions;
- (b) the principal amount of an MTN issued at a discount is to be taken as at any time to equal the lesser of:
 - (i) its Denomination; and
 - (ii) if specified in the Pricing Supplement, its Amortised Face Amount at that time;
- (c) the principal amount of an MTN which is to vary by reference to a schedule or formula (where such determination has been previously made in accordance with these Conditions) is to be taken as at any time to equal its varied amount;
- (d) the principal amount of a Partly Paid MTN is to be taken to equal its paid up principal amount;
- (e) the principal amount of an Instalment MTN at any time is to be taken to be its Denomination less the total instalments repaid to the extent that such instalments relate to a repayment of principal; and
- (f) any reference to "interest" is taken to include any Additional Amounts and any other amount in the nature of interest payable in respect of the MTNs under these Conditions.

1.5 Number

The singular includes the plural and vice versa.

1.6 Headings

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

1.7 Terms defined in Pricing Supplement

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

2 Introduction

2.1 Programme

MTNs are issued under a debt issuance programme established by the Issuer.

2.2 Pricing Supplement

MTNs are issued in Series. A Series may comprise one or more Tranches having one or more Issue Dates and on conditions otherwise identical (other than in respect of the first payment of interest). A Tranche is the subject of a Pricing Supplement which supplements, amends or replaces these Conditions. If there is any inconsistency between these Conditions and the Pricing Supplement, the Pricing Supplement prevails.

Copies of the Pricing Supplement are available for inspection or on request by an MTN Holder or prospective MTN Holder during normal business hours at the Specified Office of the Issuer or the Registrar.

2.3 Types of MTNs

An MTN is either:

- (a) a Fixed Rate MTN;
- (b) a Floating Rate MTN;
- (c) a Zero Coupon MTN; or
- (d) a Structured MTN (being either an Index Linked MTN or an Instalment MTN),

or a combination of the above (or any other type of debt obligation), as specified in the relevant Pricing Supplement.

2.4 Denomination

MTNs are issued in a single Denomination as specified in the Pricing Supplement.

2.5 Currency

MTNs are denominated in the currency specified in the Pricing Supplement.

2.6 Austraclear System

MTNs may be held in the Austraclear System, in which case the rights of a person holding an interest in the MTNs lodged in the Austraclear System are subject to the rules and regulations of that system.

MTNs may be held in any other clearing system if specified in the applicable MTN Supplement. If MTNs are held in a clearing system other than the Austraclear System, a reference in these Conditions to Austraclear will be read to be a reference to that nominated clearing system.

3 Form

3.1 Constitution under Note Deed Poll

MTNs are debt obligations of the Issuer constituted by, and owing under, the Note Deed Poll.

3.2 Form

MTNs are issued in registered form by entry in the Register.

3.3 No certificates

No certificates will be issued to MTN Holders unless the Issuer determines that certificates should be available or are required by any applicable law.

4 Status

4.1 Status

MTNs constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer.

4.2 Ranking

MTNs rank equally among themselves and at least equally with all other unsubordinated and unsecured obligations of the Issuer, except for liabilities mandatorily preferred by law.

5 Title and transfer of MTNs

5.1 Title

Title to MTNs passes when details of the transfer are entered in the Register.

5.2 Effect of entries in Register

Each entry in the Register in respect of an MTN constitutes:

- (a) an unconditional and irrevocable undertaking by the Issuer to the MTN Holder to pay principal and (if applicable) interest and any other amount in accordance with these Conditions; and
- (b) an entitlement to the other benefits given to MTN Holders under these Conditions in respect of the relevant MTN.

5.3 Register conclusive as to ownership

Entries in the Register in relation to an MTN constitute conclusive evidence that the person so entered is the absolute owner of the MTN subject to correction for fraud or error.

5.4 Non-recognition of interests

Except as required by law, the Issuer and the Registrar must treat the person whose name is entered in the Register as the holder of an MTN as the absolute owner of that MTN. This Condition applies whether or not an MTN is overdue and despite any notice of ownership, trust or interest in the MTN.

5.5 Joint holders

Where two or more persons are entered in the Register as the joint holders of an MTN then they are taken to hold the MTN as joint tenants with rights of survivorship, but the Registrar is not bound to register more than four persons as joint holders of an MTN.

5.6 Restricted transfers

- (a) MTNs may be transferred in whole but not in part.
- (b) MTNs may not be transferred to an unincorporated association.

5.7 Compliance with laws

MTNs may only be transferred if:

- (a) the offer or invitation giving rise to the transfer does not constitute an offer or invitation for which disclosure is required to be made to investors under Parts 6D.2 or 7.9 of the Corporations Act; and
- (b) the transfer complies with any applicable law or directive of the jurisdiction where the transfer takes place.

5.8 Transfer procedures

Interests in MTNs held in the Austraclear System are transferable only in accordance with the rules and regulations of that system.

Application for the transfer of MTNs not held in the Austraclear System must be made by the lodgment of a transfer form with the Registrar at its Specified Office. Transfer forms must be in the form available from the Registrar. Each transfer form must be:

- (a) duly completed;
- (b) accompanied by any evidence the Registrar may require to establish that the transfer form has been duly executed; and
- (c) signed by, or on behalf of, both the transferor and the transferee.

Transfers will be registered without charge provided all applicable Taxes have been paid.

Transfers will not be registered later than close of business eight calendar days prior to the Maturity Date of the MTNs.

5.9 Effect of transfer

Upon registration and entry of the transferee in the Register the transferor ceases to be entitled to future benefits under these Conditions in respect of the transferred MTNs and the transferee becomes so entitled in accordance with Condition 5.2 ("Effect of entries in Register").

5.10 CHESS

MTNs listed on the Australian Securities Exchange operated by ASX Limited (ABN 98 008 624 691) are not transferred through, or registered on, the Clearing House Electronic Subregister System operated by ASX Settlement Pty Limited (ABN 49 008 504 532) and are not "Approved Financial Products" for the purposes of that system.

5.11 Austraclear as MTN Holder

If Austraclear is recorded in the Register as the MTN Holder, each person in whose Security Record (as defined in the Austraclear Regulations) an MTN is recorded is taken to acknowledge in favour of the Issuer, the Registrar and Austraclear that:

- (a) the Registrar's decision to act as the Registrar of that MTN is not a recommendation or endorsement by the Registrar or Austraclear in relation to that MTN, but only indicates that the Registrar considers that the holding of the MTN is compatible with the performance by it of its obligations as Registrar under an Agency Agreement; and
- (b) the MTN Holder does not rely on any fact, matter or circumstance contrary to paragraph (a).

5.12 Estates

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

5.13 Transfer of unidentified MTNs

Where the transferor executes a transfer of less than all MTNs registered in its name, and the specific MTNs to be transferred are not identified, the Registrar may (subject to the limit on minimum holdings) register the transfer in respect of such of the MTNs registered in the name

of the transferor as the Registrar thinks fit, provided the aggregate principal amount of the MTNs registered as having been transferred equals the aggregate principal amount of the MTNs expressed to be transferred in the transfer.

6 Fixed Rate MTNs

This Condition 6 ("Fixed Rate MTNs") applies to the MTNs only if the Pricing Supplement states that it applies.

6.1 Interest on Fixed Rate MTNs

Each Fixed Rate MTN bears interest on its outstanding principal amount from (and including) its Interest Commencement Date to (but excluding) its Maturity Date at the Interest Rate. Interest is payable in arrear on each Interest Payment Date.

6.2 Fixed Coupon Amount

Unless otherwise specified in the Pricing Supplement, the amount of interest payable on each Interest Payment Date in respect of the preceding Interest Period is the Fixed Coupon Amount specified in the Pricing Supplement.

6.3 Calculation of interest payable

The amount of interest payable in respect of a Fixed Rate MTN for any period for which a Fixed Coupon Amount is not specified in the Pricing Supplement is calculated by multiplying the Interest Rate for that period, the outstanding principal amount of the Fixed Rate MTN and the applicable Day Count Fraction.

7 Floating Rate MTNs

This Condition 7 ("Floating Rate MTNs") applies to the MTNs only if the Pricing Supplement states that it applies.

7.1 Interest on Floating Rate MTNs

Each Floating Rate MTN bears interest on its outstanding principal amount from (and including) its Interest Commencement Date to (but excluding) its Maturity Date at the Interest Rate.

Interest is payable in arrear:

- (a) on each Interest Payment Date; or
- (b) if no Interest Payment Date is specified in the Pricing Supplement, each date which falls the number of months or other period specified as the Specified Period in the Pricing Supplement after the preceding Interest Payment Date (or in the case of the first Interest Payment Date, after the Interest Commencement Date).

7.2 Interest Rate determination

The Interest Rate payable in respect of a Floating Rate MTN must be determined by the Calculation Agent in accordance with these Conditions.

7.3 Fallback Interest Rate

Unless otherwise specified in the Pricing Supplement, if, in respect of an Interest Period, the Calculation Agent is unable to determine a rate in accordance with Condition 7.2 ("Interest Rate

determination”), the Interest Rate for the Interest Period is the Interest Rate applicable to the Floating Rate MTNs during the immediately preceding Interest Period.

7.4 ISDA Determination

If ISDA Determination is specified in the Pricing Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate applicable to the Floating Rate MTNs for each Interest Period is the sum of the Margin and the ISDA Rate.

In this Condition:

- (a) “**ISDA Rate**” means for an Interest Period, a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction if the Calculation Agent for the Floating Rate MTNs were acting as Calculation Agent for that Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:
 - (i) the Floating Rate Option, the Designated Maturity and the Reset Date are as specified in the Pricing Supplement; and
 - (ii) the Period End Dates are each Interest Payment Date, the Spread is the Margin and the Floating Rate Day Count Fraction is the Day Count Fraction; and
- (b) “Swap Transaction”, “Floating Rate”, “Calculation Agent” (except references to “Calculation Agent for the Floating Rate MTNs”), “Floating Rate Option”, “Designated Maturity”, “Reset Date”, “Period End Date”, “Spread” and “Floating Rate Day Count Fraction” have the meanings given to those terms in the ISDA Definitions.

7.5 Screen Rate Determination

If Screen Rate Determination is specified in the Pricing Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate applicable to the Floating Rate MTNs for each Interest Period is the sum of the Margin and the Screen Rate.

In this Condition, “**Screen Rate**” means, for an Interest Period, the quotation offered for the Reference Rate appearing on the Relevant Screen Page at the Relevant Time on the Interest Determination Date. However:

- (a) if there is more than one offered quotation displayed on the Relevant Screen Page at the Relevant Time on the Interest Determination Date, the “**Screen Rate**” means the rate calculated by the Calculation Agent as the average of the offered quotations. If there are more than five offered quotations, the Calculation Agent must exclude the highest and lowest quotations (or in the case of equality, one of the highest and one of the lowest quotations) from its calculation;
- (b) if an offered quotation is not displayed by the Relevant Time on the Interest Determination Date or if it is displayed but the Calculation Agent determines that there is an obvious error in that rate, the “**Screen Rate**” means:
 - (i) the rate the Calculation Agent calculates as the average mid-rate of the Reference Rates that each Reference Bank quoted to the leading banks in the Relevant Financial Centre specified in the Pricing Supplement at the Relevant Time on the Interest Determination Date; or
 - (ii) where the Calculation Agent is unable to calculate a rate under paragraph (i) because it is unable to obtain at least two quotes, the rate the Calculation Agent calculates as the average of the rates (being the nearest equivalent to the Reference Rate) quoted by two or more banks chosen by the Calculation Agent in the Relevant Financial Centre at approximately the Relevant Time on

the Interest Determination Date for a period equivalent to the Interest Period to leading banks carrying on business in the Relevant Financial Centre in good faith; or

- (c) if the Pricing Supplement specifies an alternative method for the determination of the Screen Rate Determination, then that alternative method applies.

7.6 BBSW Rate Determination

If BBSW Rate Determination is specified in the Pricing Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate applicable to the Floating Rate MTNs for each Interest Period is the sum of the Margin and the BBSW Rate.

In this Condition, “**BBSW Rate**” means, for an Interest Period, the rate for prime bank eligible securities having a tenor closest to the Interest Period which is designated as the “AVG MID” on the Reuters Screen BBSW Page (or any replacement page) at approximately 10:15 am on the first day of that Interest Period. However, if such rate does not appear on the Reuters Screen BBSW Page (or any replacement page) by 10.30 am on that day, or if it does appear but the Calculation Agent determines that there is an obvious error in that rate, “**BBSW Rate**” means the rate determined by the Calculation Agent having regard to comparable indices then available. The rate calculated or determined by the Calculation Agent will be expressed as a percentage rate per annum and will be rounded up, if necessary, to the next higher one ten-thousandth of a percentage point (0.0001 per cent.).

7.7 Interpolation

If the Pricing Supplement states that "Linear Interpolation" applies to an Interest Period, the Interest Rate for that Interest Period is determined through the use of straight line interpolation by reference to two ISDA Rates, Screen Rates, BBSW Rates or other floating rates specified in the Pricing Supplement.

The first rate must be determined as if the Interest Period were the period of time for which rates are available next shorter than the length of the Interest Period (or any alternative Interest Period specified in the Pricing Supplement).

The second rate must be determined as if the Interest Period were the period of time for which rates are available next longer than the length of the Interest Period (or any alternative Interest Period specified in the Pricing Supplement).

8 Structured MTNs

This Condition 8 (“Structured MTNs”) applies to the MTNs only if the Pricing Supplement states that it applies.

8.1 Interest on Structured MTNs

Each interest bearing Structured MTN bears interest on its outstanding principal amount from (and including) its Interest Commencement Date to (but excluding) its Maturity Date at the Interest Rate.

Interest is payable in arrear:

- (a) on each Interest Payment Date; or
- (b) if no Interest Payment Date is specified in the Pricing Supplement, on each date which falls the number of months or other period specified as the Specified Period in the Pricing Supplement after the preceding Interest Payment Date (or in the case of the first Interest Payment Date, after the Interest Commencement Date).

8.2 Interest Rate

The Interest Rate payable in respect of an interest bearing Structured MTN must be determined in the manner specified in the Pricing Supplement.

9 General provisions applicable to interest

9.1 Maximum or Minimum Interest Rate

If the Pricing Supplement specifies a “Maximum Interest Rate” or “Minimum Interest Rate” for any Interest Period then, the Interest Rate for the Interest Period must not be greater than the maximum, or be less than the minimum, so specified.

9.2 Calculation of Interest Rate and interest payable

The Calculation Agent must, as soon as practicable after determining the Interest Rate in relation to each Interest Period for each Floating Rate MTN and interest bearing Structured MTN, calculate the amount of interest payable for the Interest Period in respect of the outstanding principal amount of that MTN.

Unless otherwise specified in the Pricing Supplement, the amount of interest payable is calculated by multiplying the product of the Interest Rate for the Interest Period and the outstanding principal amount of the MTN by the applicable Day Count Fraction.

The rate determined by the Calculation Agent must be expressed as a percentage rate per annum.

9.3 Calculation of other amounts

If the Pricing Supplement specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent must, as soon as practicable after the time at which that amount is to be determined, calculate the amount in the manner specified in the Pricing Supplement.

9.4 Notification of Interest Rate, interest payable and other items

The Calculation Agent must notify the Issuer, the Registrar, the MTN Holders, each other Agent and any stock or securities exchange or other relevant authority on which the MTNs are listed of:

- (a) each Interest Rate, the amount of interest payable and each other amount, item or date calculated or determined by it together with the Interest Payment Date; and
- (b) any amendment to any amount, item or date referred to in paragraph (a) arising from any extension or reduction in any Interest Period or calculation period.

The Calculation Agent must give notice under this Condition as soon as practicable after it makes its determination. However, it must give notice of each Interest Rate, the amount of interest payable and each Interest Payment Date by the fourth day of the Interest Period.

The Calculation Agent may amend its determination of any amount, item or date (or make appropriate alternative arrangements by way of adjustment) as a result of the extension or reduction of the Interest Period or calculation period without prior notice but must notify the Issuer, the Registrar, the MTN Holders, each other Agent and each stock or securities exchange or other relevant authority on which the MTNs are listed after doing so.

9.5 Determination final

The determination by the Calculation Agent of all amounts, rates and dates falling to be determined by it under these Conditions is, in the absence of wilful default, bad faith or manifest

or proven error, final and binding on the Issuer, the Registrar, each MTN Holder and each other Agent.

9.6 Rounding

For the purposes of any calculations required under these Conditions (unless otherwise specified in the Pricing Supplement):

- (a) all percentages resulting from the calculations must be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.);
- (b) all figures resulting from those calculations must be rounded to five decimal places (with halves being rounded up); and
- (c) all amounts that are due and payable must be rounded (with halves being rounded up) to:
 - (i) in the case of Australian dollars, one cent; and
 - (ii) in the case of any other currency, the lowest amount of that currency available as legal tender in the country of that currency.

10 Redemption

10.1 Scheduled redemption

Each MTN is redeemable by the Issuer on the Maturity Date at its Redemption Amount unless:

- (a) the MTN has been previously redeemed;
- (b) the MTN has been purchased and cancelled; or
- (c) the Pricing Supplement states that the MTN has no fixed maturity date.

10.2 Partly paid MTNs

Each Partly Paid MTN is redeemable on the Maturity Date in accordance with the Pricing Supplement.

10.3 Instalment MTNs

Each Instalment MTN is partially redeemable in the Instalment Amounts and on the Instalment Dates specified in the Pricing Supplement. The principal amount of each Instalment MTN is reduced by the Instalment Amount with effect from the related Instalment Date.

10.4 Early redemption for taxation reasons

The Issuer may redeem all (but not some) of the MTNs of a Series in whole before their Maturity Date at the Redemption Amount and any interest accrued on it to (but excluding) the redemption date if the Issuer is required under Condition 13.2 ("Withholding tax") to pay an Additional Amount in respect of an MTN.

However, the Issuer may only do so if:

- (a) the Issuer has given at least 15 days' (and no more than 60 days') (or any other period specified in the Pricing Supplement) notice to the Registrar, the MTN Holders, each other Agent and any stock or securities exchange or other relevant authority on which the MTNs are listed;

- (b) before the Issuer gives the notice under paragraph (a), the Registrar has received:
 - (i) a certificate signed by two directors of the Issuer; and
 - (ii) an opinion of independent legal advisers of recognised standing in the jurisdiction of incorporation of the Issuer,

that the Issuer would be required under Condition 13.2 (“Withholding tax”) to pay an Additional Amount on the next payment due in respect of the MTNs;
- (c) in the case of Fixed Rate MTNs, no notice of redemption is given earlier than 90 days before the earliest date on which the Issuer would be obliged to pay Additional Amounts; and
- (d) in the case of Floating Rate MTNs and Structured MTNs bearing a floating rate of interest:
 - (i) the proposed redemption date is an Interest Payment Date; and
 - (ii) no notice of redemption is given earlier than 60 days before the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay Additional Amounts.

This Condition 10.5 (“Early redemption at the option of MTN Holders (MTN Holder put)”) applies to the MTNs only if the Pricing Supplement states that it applies.

10.5 Early redemption at the option of MTN Holders (MTN Holder put)

If the Pricing Supplement states that an MTN Holder may require the Issuer to redeem all or some of the MTNs of a Series held by that MTN Holder before their Maturity Date, the Issuer must redeem the MTNs specified by the MTN Holder at the Redemption Amount and any interest accrued on it to (but excluding) the redemption date if the following conditions are satisfied:

- (a) the amount of MTNs to be redeemed is a multiple of their Denomination;
- (b) the MTN Holder has given at least 30 days’ (and no more than 60 days’) (or any other period specified in the Pricing Supplement) notice, to the Issuer and the Registrar by delivering to the Specified Office of the Registrar during normal business hours a completed and signed redemption notice in the form obtainable from the Specified Office of the Registrar together with any evidence the Registrar may require to establish title of the MTN Holder to the MTN;
- (c) the notice referred to in paragraph (b) specifies an account in the country of the currency in which the MTN is denominated to which the payment should be made or an address to where a cheque for payment should be sent;
- (d) the redemption date is an Early Redemption Date (Put) specified in the Pricing Supplement; and
- (e) any other condition specified in the Pricing Supplement is satisfied.

An MTN Holder may not require the Issuer to redeem any MTN under this Condition 10.5 if the Issuer has given notice that it will redeem that MTN under Condition 10.4 (“Early redemption for taxation reasons”) or Condition 10.6 (“Early redemption at the option of the Issuer (Issuer call)”).

This Condition 10.6 (“Early redemption at the option of the Issuer (Issuer call)”) applies to the MTNs only if the Pricing Supplement states that it applies.

10.6 Early redemption at the option of the Issuer (Issuer call)

If the Pricing Supplement states that the Issuer may redeem all or some of the MTNs of a Series before their Maturity Date under this Condition, the Issuer may redeem so many of the MTNs specified in the Pricing Supplement at the Redemption Amount and any interest accrued on it to (but excluding) the redemption date.

However, the Issuer may only do so if:

- (a) the amount of MTNs to be redeemed is, or is a multiple of, their Denomination;
- (b) the Issuer has given at least 30 days' (and no more than 60 days') (or any other period specified in the Pricing Supplement) notice to the Registrar, the MTN Holders, each other Agent and any stock or securities exchange or other relevant authority on which the MTNs are listed;
- (c) the proposed redemption date is an Early Redemption Date (Call) specified in the Pricing Supplement; and
- (d) any other condition specified in the Pricing Supplement is satisfied.

10.7 Partial redemptions

If only some of the MTNs are to be redeemed under Condition 10.6 ("Early redemption at the option of the Issuer (Issuer call)"), the MTNs to be redeemed must be specified in the notice and selected:

- (a) in a fair and reasonable manner; and
- (b) in compliance with any applicable law, directive or requirement of any stock or securities exchange or other relevant authority on which the MTNs are listed.

10.8 Effect of notice of redemption

Any notice of redemption given under this Condition 10 ("Redemption") is irrevocable.

10.9 Late payment

If an amount is not paid under this Condition 10 ("Redemption") when due, then:

- (a) for an MTN (other than a Zero Coupon MTN or a Structured MTN), interest continues to accrue on the unpaid amount (both before and after any demand or judgment) at the default rate specified in the Pricing Supplement (or, if no default rate is specified, the last applicable Interest Rate) until the date on which payment is made to the MTN Holder;
- (b) for a Zero Coupon MTN, the obligation to pay the amount is replaced by an obligation to pay the Amortised Face Amount recalculated as at the date on which payment is made to the MTN Holder; and
- (c) for a Structured MTN as specified in the Pricing Supplement:
 - (i) interest continues to accrue at the default rate specified in the Pricing Supplement (or, if no default rate is specified, the last applicable Interest Rate) until the date on which payment is made to the MTN Holder; or
 - (ii) the obligation to pay the amount is replaced by an obligation to pay an amount determined in the manner specified in the Pricing Supplement.

10.10 Purchase

The Issuer may at any time purchase MTNs in the open market or otherwise and at any price. If purchases are made by tender, tenders must be available to all MTN Holders alike. MTNs purchased under this Condition 10.10 may be held, resold or cancelled at the discretion of the purchaser and (if the MTNs are to be cancelled, the Issuer), subject to compliance with any applicable law or requirement of any stock or securities exchange or other relevant authority on which the MTNs are listed.

11 General provisions

11.1 Summary of payment provisions

Payments in respect of MTNs must be made in accordance with Condition 12 ("Payments").

11.2 Payments subject to law

All payments are subject to applicable law, but without prejudice to the provisions of Condition 13 ("Taxation").

11.3 Payments on business days

If a payment is due on a day which is not a Business Day then the due date for payment is adjusted in accordance with the applicable Business Day Convention.

The MTN Holder is not entitled to any additional payment in respect of that delay.

11.4 Currency indemnity

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

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

12 Payments

12.1 Payment of principal

Payments of principal and any final Instalment Amount in respect of an MTN will be made to each person registered at 10.00 am on the payment date as the holder of an MTN.

12.2 Payment of interest

Payments of interest and Instalment Amounts (other than the final Instalment Amount) in respect of an MTN will be made to each person registered at the close of business on the Record Date as the holder of that MTN.

12.3 Payments to accounts

Payments in respect of MTNs will be made:

- (a) if the MTNs are held in the Austraclear System, by crediting on the payment date, the amount due to:
 - (i) the account of Austraclear (as the MTN Holder) in the country of the currency in which the MTN is denominated previously notified to the Issuer and the Registrar; or
 - (ii) if requested by Austraclear, the accounts of the persons in whose Security Record (as defined in the Austraclear Regulations) an MTN is recorded in the country of the currency in which the MTN is denominated as previously notified by Austraclear to the Issuer and the Registrar in accordance with Austraclear Regulations; and
- (b) if the MTNs are not held in the Austraclear System, by crediting on the payment date, the amount then due under each MTN to an account in the country of the currency in which the MTN is denominated previously notified by the MTN Holder to the Issuer and the Registrar.

12.4 Payments by cheque

If the MTN Holder has not notified the Registrar of an account to which payments to it must be made by the close of business on the Record Date, payments in respect of the MTN will be made by cheque sent by prepaid post on the Business Day immediately before the payment date, at the risk of the registered MTN Holder, to the MTN Holder (or to the first named joint holder of the MTN) at its address appearing in the Register at the close of business on the Record Date. Cheques sent to the nominated address of an MTN Holder are taken to have been received by the MTN Holder on the payment date and, no further amount is payable by the Issuer in respect of the MTNs as a result of the MTN Holder not receiving payment on the due date.

13 Taxation

13.1 No set-off, counterclaim or deductions

All payments in respect of the MTNs must be made in full without set-off or counterclaim, and without any withholding or deduction in respect of Taxes, unless required by law.

13.2 Withholding tax

Subject to Condition 13.3 ("Withholding tax exemptions"), if a law requires the Issuer to withhold or deduct an amount in respect of Taxes from a payment in respect of the MTNs such that the MTN Holder would not actually receive on the due date the full amount provided for under the MTNs, then:

- (a) the Issuer agrees to deduct the amount for the Taxes (and any further withholding or deduction applicable to any further payment due under paragraph (b) below); and
- (b) if the amount deducted or withheld is in respect of Taxes imposed by a Relevant Tax Jurisdiction, the Issuer agrees to pay an additional amount so that, after making the deduction and further deductions applicable to additional amounts payable under this Condition, each MTN Holder is entitled to receive (at the time the payment is due) the amount it would have received if no deductions or withholdings had been required to be made.

13.3 Withholding tax exemptions

The Issuer is not required to pay an Additional Amount under Condition 13.2(b) (“Withholding tax”) if the obligation to do so arises as a result of any one or more of the following:

- (a) the deduction is required in respect of Taxes by reason of the MTN Holder having some connection with a Relevant Tax Jurisdiction other than the mere holding of the MTN or receipt of payment in respect of the MTN;
- (b) the deduction is required as a result of Taxes which would not be required to be deducted in respect of the MTN Holder (or the person receiving a payment on its behalf) if they had:
 - (i) provided the Issuer, its agent or any tax authority with their name, address, registration number or similar details or any relevant tax exemption or similar details; or
 - (ii) ensured that any third party complied with any other statutory requirements (such as making a declaration of non-residence or similar claim) for any relevant tax exemption;
- (c) the deduction is required as a result of an MTN Holder being an Offshore Associate of the Issuer and the MTN Holder is acting other than in the capacity of a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme within the meaning of the Corporations Act;
- (d) to, or to a third party on behalf of an Australian resident MTN Holder or a non-resident MTN Holder carrying on business in Australia at or through a permanent establishment of the non-resident in Australia, if that MTN Holder has not supplied an appropriate tax file number an Australian business number or other exemption details; or
- (e) in any other circumstances specified in the Pricing Supplement.

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

14 Time limit for claims

A claim against the Issuer for a payment under an MTN is void unless made within 10 years (in the case of principal) or five years (in the case of interest and other amounts) from the date on which payment first became due.

15 Events of Default

15.1 Event of Default

An Event of Default occurs in relation to a Series of MTNs if:

- (a) **(payment default)** the Issuer does not pay within three days of the due date for payment any amount payable by it in respect of any MTNs in the manner required;
- (b) **(other default)** the Issuer has been in default in the performance of any other obligation in respect of the Notes and has not remedied that default within 30 days of receiving notice of that default;

- (c) **(obligations unenforceable)** any MTN is or becomes (or is claimed to be by the Issuer, or anyone on its behalf) wholly or partly void, voidable or unenforceable; or
- (d) **(Act repealed)** the Act is repealed and not replaced by any similar or equivalent legislation.

15.2 Consequences of an Event of Default

If an Event of Default occurs and continues unremedied in relation to the MTNs, then an MTN Holder may declare by notice to the Issuer (with a copy to the Registrar) that each MTN held by it is to be redeemed at its Redemption Amount (together with any accrued interest) in which case those amounts become immediately due and payable.

15.3 Rectification

An MTN Holder's right to declare Notes due terminates if the situation giving cause to it has been cured or waived before such a right is exercised.

15.4 Notification

If an Event of Default occurs, the Issuer must promptly after becoming aware of it notify the Registrar of the occurrence of the Event of Default (specifying details of it) and use its reasonable endeavours to ensure that the Registrar promptly notifies MTN Holders, each other Agent and any stock or securities exchange or other relevant authority on which the MTNs are listed of the occurrence of the Event of Default.

16 Agents

16.1 Role of Agents

In acting under an Agency Agreement, each Agent acts solely as agent of the Issuer and does not assume any obligations towards or relationship of agency or trust for or with any MTN Holder.

16.2 Appointment and replacement of Agents

Each initial Agent for a Series of MTNs is specified in the Pricing Supplement. Subject to Condition 16.4 ("Required Agents"), the Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint a successor.

16.3 Change of Agent

Notice of any change of an Agent or its Specified Offices must promptly be given to the MTN Holders by the Issuer or the Agent on its behalf.

16.4 Required Agents

The Issuer must:

- (a) at all times maintain a Registrar; and
- (b) if a Calculation Agent is specified in the Pricing Supplement, at all times maintain a Calculation Agent.

17 Meetings of MTN Holders

The Meetings Provisions contain provisions (which have effect as if incorporated in these Conditions) for convening meetings of the MTN Holders of any Series to consider any matter affecting their interests, including any variation of these Conditions by Extraordinary Resolution.

18 Variation**18.1 Variation with consent**

Unless Condition 18.2 (“Variation without consent”) applies, any Condition may be varied by the Issuer in accordance with the Meetings Provisions.

18.2 Variation without consent

Any Condition may be amended without the consent of the MTN Holders if the amendment:

- (a) is of a formal, minor or technical nature;
- (b) is made to correct a manifest error;
- (c) is made to cure any ambiguity or correct or supplement any defective or inconsistent provision and, in the reasonable opinion of the Issuer, is not materially prejudicial to the interests of the MTN Holders; or
- (d) only applies to MTNs issued by it after the date of amendment.

19 Further issues

The Issuer may from time to time, without the consent of the MTN Holders, issue further MTNs having the same Conditions as the MTNs of any Series in all respects (or in all respects except for the first payment of interest) so as to form a single series with the MTNs of that Series.

20 Notices**20.1 Notices to MTN Holders**

All notices and other communications to MTN Holders must be in writing and must be left at the address of or sent by prepaid post (airmail, if appropriate) to the address of the MTN Holder (as shown in the Register at the close of business on the day which is three Business Days before the date of the notice or communication).

They may also be:

- (a) given by an advertisement published in the “The Australian Financial Review” or “The Australian”; or
- (b) if the Pricing Supplement specifies an additional or alternate newspaper, given by an advertisement published in that newspaper.

20.2 Notices to the Issuer and the Agents

All notices and other communications to the Issuer or an Agent must be in writing and may be left at the address of, or sent by prepaid post (airmail, if appropriate) to, the Specified Office of the Issuer or the Agent.

20.3 When effective

Notices and other communications take effect from the time they are received unless a later time is specified in them.

20.4 Deemed receipt – publication in newspaper

If published in a newspaper, a notice or other communication is taken to be received on the first date that publication has been made in all the required newspapers.

20.5 Deemed receipt – postal

A notice or other communication sent by post, is taken to be received three days after posting.

21 Governing law

21.1 Governing law

MTNs are governed by the law in force in the Australian Capital Territory.

21.2 Jurisdiction

The Issuer submits, and each MTN Holder is taken to have submitted, to the non-exclusive jurisdiction of the courts of the Australian Capital Territory and courts of appeal from them. The Issuer waives any right it has to object to an action being brought in those courts including by claiming that the action has been brought in an inconvenient forum or that those courts do not have jurisdiction.

21.3 Serving documents

Without preventing any other method of service, any document in a court action may be served on a party by being delivered to or left at that party's address specified in the details or their address for service of notices under Condition 20 ("Notices").

Selling Restrictions

*Pursuant to the Dealer Agreement dated 28 June 2017, between the Issuer and the Dealers, as amended and supplemented from time to time (“**Dealer Agreement**”), the Issuer is entitled to appoint one or more Dealers as a dealer for a particular Tranche or Series of Notes. The Notes will be offered by the Issuer through the Dealers. The Issuer has the sole right to accept any such offers to purchase Notes and may reject any such offer in whole or (subject to the terms of such offer) in part. Each Dealer has the right, in its discretion reasonably exercised, to reject any offer to purchase Notes made to it in whole or (subject to the terms of such offer) in part.*

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree, under the Dealer Agreement that it will comply with any applicable law, regulation or directive in any jurisdiction in which it may subscribe for, offer, sell, or transfer Notes and it will not directly or indirectly, subscribe for, offer, sell, re-sell, or transfer Notes or distribute any Information Memorandum, any disclosure document, prospectus, circular, advertisement or other offering material relating to the Notes in any jurisdiction except in accordance with these selling restrictions, any additional restrictions agreed which are set out in the relevant Pricing Supplement or STN Supplement and any applicable law, regulation or directive of that jurisdiction .

Neither the Issuer nor any of the Dealers have represented that any Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction other than Australia, or pursuant to any exemption available, or have assumed any responsibility for facilitating such sale.

The following selling restrictions apply:

1 General

No action has been, or will be, taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Information Memorandum, any other offering material, any STN Supplement or any Pricing Supplement, in any country or jurisdiction where action for that purpose is required.

Persons in whose hands this Information Memorandum comes are required by the Issuer, and the Dealers to comply with all applicable laws, regulations and directives in each country or jurisdiction in which they purchase, offer, sell or deliver Notes or have in their possession or distribute such offering material and to obtain any consent, approval or permission required by them for the purchase, offer, sale, reoffer, resale or delivery by them of any Notes under any applicable law, regulation or directive in force in any jurisdiction to which they are subject or in which they make such purchases, offers, sales or deliveries, in all cases at their own expense, and neither the Issuer nor any Dealer has responsibility for such matters. In accordance with the above, any Notes purchased by any person which it wishes to offer for sale or resale may not be offered in any jurisdiction in circumstances which would result in the Issuer being obliged to register any further prospectus or corresponding document relating to the Notes in such jurisdiction.

These selling restrictions may be changed by the Issuer in consultation with the Dealers following a change in or clarification of any relevant law or directive or in its interpretation or administration by an authority or the introduction of a new law or directive. Any such change or modification will be set out in an applicable STN Supplement or Pricing Supplement (or in another supplement to this Information Memorandum).

In these selling restrictions, “**directive**” includes a treaty, an official directive, request, regulation, guideline or policy (whether or not having the force of law) with which responsible participants in the relevant market generally comply.

In particular, there are restrictions on the distribution of this Information Memorandum and the offer or sale of Notes in Australia, the United States of America, the United Kingdom, the European Economic Area, Hong Kong, Singapore, Japan and New Zealand as set out below.

2 Australia

No prospectus or other disclosure document (as defined in the Corporations Act) in relation to the Programme or any Notes has been, or will be, lodged with ASIC. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that, unless the relevant STN Supplement or Pricing Supplement (or another supplement to this Information Memorandum) otherwise provides, it:

- (a) has not made or invited, and will not make or invite, an offer of the Notes for issue or sale in Australia (including an offer or invitation which is received by a person in Australia); and
- (b) has not distributed or published, and will not distribute or publish, the Information Memorandum or any other offering material or advertisement relating to any Notes in Australia,

unless:

- (i) the aggregate consideration payable by each offeree is at least A\$500,000 (or its equivalent in an alternate currency, in either case, disregarding moneys lent by the offeror or its associates) or the offer or invitation does not otherwise require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act;
- (ii) the offer or invitation does not constitute an offer to a “retail client” for the purposes of section 761G of the Corporations Act;
- (iii) such action complies with applicable laws, regulations and directives; and
- (iv) such action does not require any document to be lodged with ASIC.

3 United States of America - Regulation S

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (“**Securities Act**”).

The Notes may not be offered, sold, delivered or transferred within the United States of America, its territories or possessions or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act (“**Regulation S**”) or in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act. Terms used in this and the following paragraphs have the meaning given to them by Regulation S.

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that, except as permitted by this Information Memorandum, it will not offer, sell or deliver Notes of any Tranche:

- (a) as part of their distribution at any time; or
- (b) otherwise until 40 days after the completion of the distribution of the Notes comprising the relevant Tranche, as determined and certified to the Issuer by each Dealer,

in each case, within the United States of America or to, or for the account or benefit of, U.S. persons except in accordance with Rule 903 of the Securities Act.

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to further represent and agree, that (i) neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Notes, (ii) it, its affiliates and any persons acting on its behalf or their behalf have complied and will comply with the offering restrictions requirement of Regulation S and (iii) it will have sent to each distributor to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States of America or to, or for the account or benefit of, U.S. persons substantially to the following effect:

“The Notes covered hereby have not been registered under the United States Securities Act of 1933 (the “Securities Act”) and may not be offered and sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time, or (ii) otherwise until 40 days after the completion of the distribution of all Notes of the Tranche of which the Notes covered hereby are a part, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the Lead Manager, except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meaning given to them by Regulation S.”

Until 40 days after the commencement of the offering of Notes comprising any Tranche, any offer or sale of Notes within the United States by any dealer or other distributor (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Regulation S.

4 United Kingdom

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

- (a) in relation to any Notes which have a maturity of less than one year:
 - (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business, and
 - (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (UK), as amended (“**FSMA**”), by the Issuer;
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom; and
- (c) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer.

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant EEA State**”), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant EEA State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Information Memorandum, as completed by the relevant STN Supplement or Pricing Supplement in relation thereto, to the public in that Relevant EEA State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant EEA State:

- (a) at any time to a legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in paragraphs (a) and (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “**offer of Notes to the public**” in relation to any Notes in any Relevant EEA State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, as the same may be varied in that Relevant EEA State by any measure implementing the Prospectus Directive in that Relevant EEA State and the expression “**Prospectus Directive**” means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU) and includes any relevant implementing measure in each Relevant EEA State.

Prohibition of Sales to EEA Retail Investors

From 1 January 2018, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or
 - (ii) a customer within the meaning of Directive 2002/92/EC (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in the Prospectus Directive; and

- (b) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

6 Hong Kong

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that unless the relevant STN Supplement, Pricing Supplement or another supplement to the Information Memorandum otherwise provides, it:

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

7 Singapore

This Information Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore, as amended (“SFA”).

Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered or sold any Notes or caused such Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell such Notes or cause such Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Information Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly to persons in Singapore other than:

- (a) to an institutional investor under Section 274 of the SFA;
- (b) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA; or
- (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

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

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

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

- (A) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) of the SFA or Section 276(4) of the SFA;
- (B) where no consideration is or will be given for the transfer;
- (C) where the transfer is by operation of law;
- (D) pursuant to Section 276(7) of the SFA; or
- (E) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore..

8 Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (“**Financial Instruments and Exchange Act**”) and, accordingly, each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that, unless the relevant STN Supplement, Pricing Supplement or another supplement to the Information Memorandum otherwise provides, it has not offered or sold nor will it offer or sell any Notes directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)) or to others for re-offering or resale, directly or indirectly, in Japan or for the benefit of a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and ministerial guidelines of Japan.

9 New Zealand

This Programme is a wholesale programme. No action has been taken to permit the Notes to be offered or sold to any retail investor, or otherwise under any regulated offer, in terms of the Financial Market Conduct Act 2013 of New Zealand (“**NZ FMCA**”). In particular, no product disclosure statement under the NZ FMCA has been prepared or lodged in New Zealand in relation to the Notes.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold, and will not offer or sell, any Notes in New Zealand, other than to wholesale investors within the meaning of clause 3(2)(a), (c) or (d) of Schedule 1 of the NZ FMCA, which includes a person who is in an “investment business”, “large” or a “government agency”, in each case as defined in Schedule 1 to the NZ FMCA, provided (for the avoidance of doubt) that Notes may not be issued to any “eligible investor” (as defined in clause 41 of Schedule 1 to the NZ FMCA) or to any person who, under clause 3(2)(b) of Schedule 1 to the NZ FMCA, meets the investment activity criteria specified in clause 38 of that Schedule.

In addition, each holder of Notes is deemed to represent and agree that it will not distribute this Information Memorandum, and Pricing Supplement or any other advertisement (as defined in the NZ FMCA) in relation to any offer of the Notes in New Zealand other than to such persons referred to above.

Taxation

Australian Taxation

*The following is a general summary of the material Australian withholding tax consequences under the Income Tax Assessment Acts of 1936 and 1997 (Cwlth) (together, “**Australian Tax Act**”), the Taxation Administration Act 1953 of Australia and any relevant regulations, rulings or judicial or administrative pronouncements, at the Preparation Date, of payments of interest (as defined in the Australian Tax Act) and certain other amounts on the STNs and MTNs to be issued by the Issuer under the Programme and certain other Australian tax matters.*

Sections 1 and 2 are a summary of the Australian taxation treatment of payments of interest (as defined in the Australian Tax Act) on the Notes (other than EPNs) to be issued by the Issuer under the Programme. In particular, it does not, and nor is it intended to, deal with the tax position applicable to the Holders of EPNs. It is unclear whether EPNs are debentures for the purposes of section 128F of the Australian Tax Act and, therefore, whether EPNs qualify for exemption from Australian interest withholding tax under section 128F of the Australian Tax Act. Holders of EPNs should consult their professional advisers with regards to the matters covered in sections 1 and 2.

Section 3 is a summary of certain other Australian taxation matters in relation to the Notes.

This summary is not exhaustive and should be treated with appropriate caution. In particular, the summary does not deal with the position of certain classes of holders of Notes (including, dealers in securities, custodians or other third parties who hold Notes on behalf of other persons and holders who otherwise hold Notes on revenue account).

Prospective holders of Notes should also be aware that particular terms of issue of any Series of Notes may affect the tax treatment of that and other Series of Notes. Information regarding taxes in respect of the Notes may also be set out in the applicable STN Supplement or Pricing Supplement.

This summary is not intended to be, nor should it be construed as legal or tax advice to any particular investor. Prospective holders of Notes should consult their professional advisers on the tax implications of an investment in the Notes for their particular circumstances.

1. Introduction

The Australian Tax Act characterises securities as either “debt interests” (for all entities) or “equity interests” (for companies) including for the purposes of Australian interest withholding tax imposed under Division 11A of Part III of the Australian Tax Act (“**IWT**”) and dividend withholding tax. In the case of “debt interests”, IWT is payable at a rate of 10 per cent. of the gross amount of interest paid by the Issuer to a non-resident of Australia (other than a non-resident of Australia who derives the interest income in the course of carrying on business at or through a permanent establishment in Australia) or an Australian resident in the course of carrying on business at or through a permanent establishment outside Australia unless an exemption is available.

An exemption from IWT is available in respect of interest paid on STNs or MTNs to be issued by the Issuer under the Programme if (a) the STNs or MTNs are characterised as both “debt interests” and “debentures” and the requirements of section 128F of the Australian Tax Act are met, or (b) the requirements of an applicable double tax convention are satisfied.

If STNs or MTNs are issued which do not satisfy the requirements of section 128F of the Australian Tax Act, further information on the material Australian withholding tax consequences of payments of interest and certain other amounts on those STNs or MTNs will be specified in the relevant STN Supplement or Pricing Supplement (as the case may be) (or another relevant supplement to this Information Memorandum).

2. Interest withholding tax

An exemption from IWT under section 128F of the Australian Tax Act is available in respect of interest paid on the STNs and MTNs issued by the Issuer if the following conditions are met:

- (a) the Issuer is a company and either a resident of Australia or a non-resident of Australia carrying on business at or through a permanent establishment in Australia when it issues the STNs and MTNs and when interest (as defined in section 128A(1AB) of the Australian Tax Act) is paid. For these purposes, interest is defined to include amounts in the nature of, or in substitution for, interest and certain other amounts. Section 128F(7) treats an Australian State or Territory, or an authority of a State or Territory, as a company and a resident of Australia;
- (b) the STNs and MTNs are “debentures” (as defined for the purposes of section 128F) and are not “equity interests” for Australian income tax purposes;
- (c) the STNs and MTNs are issued in a manner which satisfies the public offer test in section 128F of the Australian Tax Act. In relation to STNs and MTNs, there are five principal methods of satisfying the public offer test, the purpose of which is to ensure that lenders in capital markets are aware that the Issuer is offering the STNs and MTNs for issue. Only one of the five methods needs to be satisfied. In summary, the five methods are:
 - offers to 10 or more unrelated financiers or securities dealers or entities that carry on the business of investing in securities in the course of operating in financial markets;
 - offers to 100 or more investors of a certain type;
 - offers of listed STNs and MTNs;
 - offers via publicly available information sources; and
 - offers to a dealer, manager or underwriter who offers to sell those STNs and MTNs within 30 days by one of the preceding methods;
- (d) the Issuer does not know, or have reasonable grounds to suspect, at the time of issue, that the STNs and MTNs, or interests in the STNs and MTNs, were being, or would later be, acquired, directly or indirectly, by an “associate” of the Issuer, except as permitted by section 128F(5) of the Australian Tax Act; and
- (e) at the time of the payment of interest, the Issuer does not know, or have reasonable grounds to suspect, that the payee is an “associate” of the Issuer, except as permitted by section 128F(6) of the Australian Tax Act.

Associates

An “associate” of the Issuer for the purposes of section 128F of the Australian Tax Act includes, when the Issuer is not a trustee, (i) a person or entity which holds 50 per cent. or more of the voting shares in, or otherwise controls, the Issuer, (ii) an entity in which more than 50 per cent. of the voting shares are held by, or which is otherwise controlled by, the Issuer, (iii) a trustee of a trust where the Issuer is capable of benefiting (whether directly or indirectly) under that trust, and (iv) a person or entity who is an “associate” of another person or company which is an “associate” of the Issuer under item (i) of the foregoing.

However, for the purposes of sections 128F(5) and (6) of the Australian Tax Act (see paragraphs (d) and (e) above), the following “associates” will not be subject to IWT:

- (A) an onshore associate (i.e. an Australian resident associate who does not hold the STNs or MTNs in the course of carrying on business at or through a permanent establishment outside Australia, or an associate that is a non-resident of Australia who holds the STNs or MTNs in the course of carrying on business at or through a permanent establishment in Australia); or
- (B) an offshore associate (i.e. an Australian resident associate who holds the STNs or MTNs in the course of carrying on business at or through a permanent establishment outside Australia, or an associate that is a non-resident of Australia who does not hold the STNs or MTNs in the course of carrying on business at or through a permanent establishment in Australia) who is acting in the capacity of:
- (i) in the case of section 128F(5), a dealer, manager or underwriter in relation to the placement of the relevant STNs or MTNs, or a clearing house, custodian, funds manager or responsible entity of a registered scheme (for the purposes of the Corporations Act 2001 of Australia); or
 - (ii) in the case of section 128F(6), a clearing house, paying agent, custodian, funds manager or responsible entity of a registered managed investment scheme (for the purposes of the Corporations Act 2001 of Australia).

Compliance with section 128F of the Australian Tax Act

The Issuer intends to issue STNs and MTNs which will be characterised as both “debt interests” and “debentures” and in a manner which will satisfy the requirements of section 128F of the Australian Tax Act.

EPNs

It is unclear whether EPNs are debentures for the purposes of section 128F of the Australian Tax Act and, therefore, whether EPNs qualify for exemption from IWT under that section. However, the EPNs are intended to be issued in a manner which will satisfy the public offer test. If EPNs do not constitute debentures or the public offer test is not satisfied, IWT will apply where payments are made to non-residents (other than non-residents carrying on a business at or through a permanent establishment in Australia) or residents of Australia carrying on a business at or through a permanent establishment outside Australia, unless any other exemption is available.

Exemptions under recent double tax conventions

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

In broad terms, the New Treaties effectively prevent IWT applying to interest derived by either:

- the government of the relevant Specified Country and certain governmental authorities and agencies in the Specified Country; or
- a “financial institution” which is a resident of a “Specified Country” and which is unrelated to and dealing wholly independently with the Issuer. The term “financial institution” refers to either a bank or any other form of enterprise which substantially derives its profits by carrying on a business of raising and providing finance. However, interest under a back-to-back loan or an economically equivalent arrangement will not qualify for this exemption.

The Australian Federal Treasury maintains a listing of Australia’s double tax conventions which provides details of country, status, withholding tax rate limits and Australian domestic implementation which is available to the public at the Federal Treasury’s Department’s website.

Payment of Additional Amounts

As set out in more detail in the relevant Conditions for the MTNs (Condition 13.2 (“Withholding tax”)), and unless expressly provided to the contrary in the applicable Pricing Supplement (or another relevant supplement to this Information Memorandum), if the Issuer is at any time required by law to deduct or withhold an amount in respect of any taxes imposed or levied by Australia or a political subdivision of Australia in respect of the MTNs, the Issuer must, subject to certain exceptions, pay such additional amounts as may be necessary to ensure that the net amounts received by the holders of those MTNs after such deduction or withholding are equal to the respective amounts which would have been received had no such deduction or withholding been required. If the Issuer is required to pay an additional amount in respect of an MTN under Condition 13.2 (“Withholding tax”), the Issuer will have the option to redeem the relevant Series of MTNs in accordance with the relevant Conditions.

3. Other tax matters

Under Australian laws as presently in effect, and unless specified in a relevant STN Supplement or Pricing Supplement:

- (a) *death duties* - no Notes will be subject to death, estate or succession duties imposed by Australia, or by any political subdivision or authority therein having power to tax, if held at the time of death;
- (b) *stamp duty and other taxes* - no ad valorem stamp, issue, registration or similar taxes are payable in any Australian State or Territory on the issue or transfer of any Notes;
- (c) *TFN withholding taxes* - withholding tax is imposed (see below in relation to the rate of withholding tax) on the payment of interest on certain registered securities unless the relevant payee has quoted an Australian tax file number (“**TFN**”), (in certain circumstances) an Australian Business Number (“**ABN**”) or proof of some other exception (as appropriate). The rate of withholding tax is 49% for the 2016-17 income year and, under current law, will be reduced to 47% following the 2016-17 income year.

Assuming the requirements of section 128F of the Australian Tax Act are satisfied with respect to the Notes, then withholding will not apply to payments to a holder of Notes in registered form who is not a resident of Australia and not holding those Notes in the course of carrying on business at or through a permanent establishment in Australia. Payments to other persons may be subject to a withholding where the holder of those Notes does not quote a TFN, ABN or provide proof of an appropriate exemption (as appropriate);

- (d) *additional withholdings from certain payments to non-residents* - the Governor-General may make regulations requiring withholding from certain payments to non-residents of Australia (other than payments of interest and other amounts which are already subject to the current IWT rules or specifically exempt from those rules). Regulations may only be made if the responsible Minister is satisfied the specified payments are of a kind that could reasonably relate to assessable income of foreign residents. The possible application of any future regulations to the proceeds of any sale of the Notes will need to be monitored by Holders;
- (e) *supply withholding tax* - payments in respect of the Notes can be made free and clear of the “supply withholding tax” imposed under section 12-190 of Schedule 1 to the Taxation Administration Act; and
- (f) *goods and services tax (GST)* - neither the issue nor receipt of the Notes will give rise to a liability for GST in Australia on the basis that the supply of Notes will comprise either an input taxed financial supply or (in the case of an offshore subscriber) a GST-free supply. Furthermore, neither the payment of principal or interest by the Issuer nor the disposal or redemption of the Notes, will give rise to any GST liability in Australia.

Under sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (“**FATCA**”), a 30% withholding (“**FATCA withholding**”) may be required if (i)(A) an investor does not provide information sufficient for any non-U.S. financial institution (“**FFI**”) through which payments on the Notes are made to determine the Noteholder’s status under FATCA, or (B) an FFI to or through which payments on the Notes are made is a “non-participating FFI”; and (ii) the Notes are treated as debt for U.S. federal income tax purposes and the payment is made in respect of Notes issued or modified after the date that is six months after the date on which final regulations defining the term “foreign passthru payment” are filed with the U.S. Federal Register, or the Notes are treated as equity for U.S. federal income tax purposes, whenever issued. This withholding is not expected to apply prior to 1 January 2019.

Reporting Australian Financial Institutions (“**RAFI**”) under the Australia–U.S. FATCA Intergovernmental Agreement dated 28 April 2014 must comply with specific due diligence procedures to identify their account holders and provide the Australian Taxation Office (“**ATO**”) with information on financial accounts held by U.S. persons and recalcitrant account holders. The ATO is required to provide such information to the U.S. Internal Revenue Service. Consequently, Noteholders may be requested to provide certain information and certifications to any financial institutions through which payments on the Notes are made. A RAFI that complies with its obligations under the Australian IGA will not be subject to FATCA withholding on amounts it receives, and will not be required to deduct FATCA withholding from payments it makes, other than in certain prescribed circumstances.

In the event that any amount is required to be withheld or deducted from a payment on the Notes as a result of FATCA, pursuant to the terms and conditions of the Notes, no additional amounts will be paid by the Issuer as a result of the deduction or withholding.

The OECD Common Reporting Standard for Automatic Exchange of Financial Account Information (“**CRS**”) will require certain financial institutions to report information regarding certain accounts (which may include the Notes) to their local tax authority and follow related due diligence procedures. Noteholders may be requested to provide certain information and certifications to ensure compliance with the CRS. A jurisdiction that has signed a CRS Competent Authority Agreement may provide this information to other jurisdictions that have signed the CRS Competent Authority Agreement. The Australian Government has enacted legislation amending, among other things, the Taxation Administration Act 1953 of Australia to give effect to the CRS. The CRS will apply to Australian financial institutions with effect from 1 July 2017.

Form of MTN Pricing Supplement

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



ACT
Government

Chief Minister, Treasury and
Economic Development
AUSTRALIAN CAPITAL TERRITORY

a body politic under the Crown created by the
Australian Capital Territory (Self-Government) Act 1988 of Australia
("Issuer")

Australian Dollar Domestic Debt Issuance Programme
("Programme")

Issue of

[Aggregate Principal Amount of Tranche] [Title of MTNs]
("MTNs")

The date of this Pricing Supplement is [●].

This Pricing Supplement (as referred to in the Information Memorandum dated [●] in relation to the above Programme) relates to the Tranche of MTNs referred to above. It is supplementary to, and should be read in conjunction with the Note Deed Poll dated 16 May 2008 made by the Issuer.

This Pricing Supplement does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the MTNs or the distribution of this Pricing Supplement in any jurisdiction where such action is required.

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

- | | | |
|---|----------------------------------|----------------------------------|
| 1 | Issuer: | Australian Capital Territory |
| 2 | Type of Issue: | [Syndicated Issue/Private Issue] |
| 3 | [Joint] Lead Manager[s]: | [Name] |
| 4 | Relevant Dealer[s]: | [Name(s)] |
| 5 | Registrar: | [Name and address] |
| 6 | Calculation Agent: | [Name and address] |
| 7 | Issuing and Paying Agent: | [Name and address] |

- 8 **If to form a single Series with an existing Series, specify date on which all MTNs of the Series become fungible, if not the Issue Date:** [Specify]
- 9 **Aggregate Principal Amount of Tranche:** [Specify]
- 10 **If interchangeable with existing Series:** [Specify]
- 11 **Issue Date:** [Specify]
- 12 **Issue Price:** [Specify]
- 13 **Purchase Price:** [Specify]
- 14 **Denomination and currency:** [Specify amount and currency]
- 15 **Type of MTNs:** [Fixed Rate MTNs/ Floating Rate MTNs/Zero Coupon MTNs/Structured MTNs/Amortising/Other]
- If interest-bearing, specify which of Conditions 6 (Fixed Rate MTNs), 7 (Floating Rate MTNs) or 8 (Structured MTNs) is applicable, and then specify the matters required for the relevant Condition, namely:*
- 16 **Condition 6 for Fixed Rate MTNs:** Applicable [Yes/No]
- Fixed Coupon Amount:** [Specify]
- Interest Rate:** [Specify]
- Interest Commencement Date, if not Issue Date:** [Specify]
- Interest Payment Dates:** [Specify]
- Business Day Convention:** [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
- Day Count Fraction:** [Specify] (if none specified, the Day Count Fraction will be Australia Bond Basis (as defined in the Terms and Conditions)).
- Initial Broken Amount:** [Specify]
- Final Broken Amount:** [Specify]
- 17 **Condition 7 for Floating Rate MTNs:** Applicable [Yes/No]
- Interest Commencement Date, if not Issue Date:** [Specify]

Interest Rate:	[Specify if ISDA Determination of Screen Rate Determination] (Condition 7.4(b)(i) or Condition 7.4(b)(ii)).
Interest Payment Dates:	[Specify]
Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
Floating Rate Option:	[Specify]
Designated Maturity:	[Specify]
Reset Date:	[Specify]
Relevant Screen Page:	[Specify]
Relevant Time:	[Specify]
Relevant Rate:	[Specify]
Reference Banks:	[If none are specified, the Reference Banks will be four major banks specified by the Calculation Agent in the inter-bank market that is most closely connected with the Reference Rate]
Relevant Financial Centre:	[If none is specified, the city most closely connected with the Reference Rate in the determination of the Calculation Agent]
Interest Determination Date:	[Specify]
	<i>[The following whether Condition 7.4(b)(i) or 7.4(b)(ii) applies]</i>
Margin:	[Specify] (state whether positive or negative)
Minimum/Maximum Interest Rate:	[Specify]/[Not Applicable]
Day Count Fraction:	[Specify]
Fallback Interest Rate:	[Specify]
18 Condition 8 for Structured MTNs:	Applicable: [Yes/No] [specify full interest determination provisions, including Interest Commencement Date, rate or calculation basis for interest or actual amounts of interest payable, amount and dates for payment, minimum/maximum rates]
19 Default Rate:	In the case of interest-bearing MTNs, specify rate of interest applying to overdue amounts: [Specify].
20 Amortisation Yield:	In the case of Zero Coupon MTNs, specify the Amortisation Yield: [Specify].

21	Maturity Date:	[Specify] [In the case of an amortising Note, insert the date on which the last instalment of principal is payable].
22	Maturity Redemption Amount:	[Specify] [If Maturity Redemption Amount is not the outstanding principal amount of the MTNs, insert amount or full calculation provisions].
23	Early Redemption (Issuer Call):	
	Specify if Condition 10.6 is applicable:	Applicable [Yes/No]
	Specify minimum notice period for the exercise of the call option:	[Specify]
	Specify maximum notice period for the exercise of the call option:	[Specify]
	Specify any relevant conditions to exercise of the call option:	[Specify]
	Specify whether redemption at Issuer's option is permitted in respect of some only of the MTNs and, if so, any minimum aggregate principal amount and the means by which MTNs will be selected for redemption:	[Specify]
	Specify if MTN Holders are not to receive accrued interest on early redemption at their option:	[Specify]
24	Early Redemption (MTN Holder Put):	Applicable: [Yes/No]
	Specify if Condition 10.5 is applicable:	
	Specify minimum notice period for exercise of put option:	[Specify]
	Specify any relevant conditions to exercise of option:	[Specify]
	Specify if MTN Holders are not to receive accrued interest on early redemption at Issuer's option:	[Specify]
25	Early Redemption for taxation reasons:	
	If the Redemption Amount is not the outstanding principal amount together with accrued interest (if any) thereon of the MTNs, insert amount or full calculation provisions:	[Specify]

	Specify if MTN Holders are not to receive accrued interest on early redemption for tax reasons:	[Specify]
26	Redemption Amount on Event of Default	[Specify]
	If Early Redemption Amount (Default) is not the outstanding principal amount of the MTNs, insert amount or full calculation provisions:	[Specify]
	Specify if MTN Holders are not to receive accrued interest on early redemption on default:	[Specify]
27	Redemption of Zero Coupon MTNs:	Applicable: [Yes/No]
28	Taxation:	[Specify]
29	Public Offer Test:	[It is the Issuer's intention that this issue of MTNs will be issued in a manner which will seek to satisfy the Public Offer Test in section 128F of the Income Tax Assessment Act 1936 of Australia.]
30	IWT Notice:	The tax gross-up in respect of the Commonwealth of Australia specified in Condition 13.3(b) of the MTNs is applicable to this Tranche with effect from the Issue Date.
31	Other relevant terms and conditions:	Specify any Conditions to be altered, varied, deleted otherwise than as provided above and also any additional Conditions to be included.
32	ISIN:	[Specify]
33	Common Code:	[Specify]
34	Rating:	[AAA (S&P) (Negative Outlook)]

A credit rating is not a recommendation to buy, sell or hold MTNs, any may be subject to revisions suspension or withdrawal at any time by the assigning rating agency.

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

Supplement must not distribute it to any person who is not entitled to receive it.

- 35 **Common Depositary:** [Specify]
- 36 **Any clearing system other than Austraclear:** [Specify]
- 37 **Other selling restrictions:** Specify any variation to the selling restrictions.
- 38 **Listing:** [Specify]
- 39 **Events of Default:** Specify any additional (or modifications to) Events of Default.
- 40 **Additional or alternate newspapers:** Specify any additional or alternate newspapers for the purposes of Condition 20 ("Notices").
- 41 **Stabilisation Manager:** Specify if applicable.
- 42 **Other amendments:** [Specify]

CONFIRMED

**For and on behalf of
Australian Capital Territory**

By:

Name:

Position: Authorised Officer

Date:

Directory

Issuer

Australian Capital Territory

Chief Minister, Treasury and Economic Development Directorate
Canberra Nara Centre
1 Constitution Avenue
Canberra ACT 2600
Telephone: +61 2 6207 0187
Attention: Director, Asset Liability Management

Dealers

Australia and New Zealand Banking Group Limited

(ABN 11 005 357 522 and AFSL No. 234527)
Level 5, ANZ Tower
242 Pitt Street
Sydney NSW 2000
Telephone: +61 2 8037 0200
Facsimile: +61 2 8937 7115
Attention: Head of Bond Syndicate, Global Markets

Deutsche Bank AG, Sydney Branch

(ABN 13 064 165 162 and AFSL No. 238153)
Level 16
Deutsche Bank Place
Corner of Hunter and Phillip Streets
Sydney NSW 2000
Telephone: +61 2 8258 2657
Facsimile: +61 2 8258 2220
Attention: Head of Debt Capital Markets

UBS AG, Australia Branch

(ABN 47 088 129 613 and AFSL No. 231087)
Level 16
Chifley Tower
2 Chifley Square
Sydney NSW 2000
Telephone: +61 2 9324 2920
Facsimile: +61 2 9324 3832
Attention: Head of Debt Capital Markets

Commonwealth Bank of Australia

(ABN 48 123 123 124 and AFSL No. 234945)
Level 21, Darling Park Tower 1
201 Sussex Street
Sydney NSW 2000
Telephone: +61 2 9118 1219
Facsimile: +61 2 9118 1002
Attention: Head of Debt Capital Markets

National Australia Bank Limited

(ABN 12 004 044 937 and AFSL No. 230686)
Level 25
255 George Street
Sydney NSW 2000
Telephone: +61 2 9237 9201
Attention: Director, Debt Markets

Westpac Banking Corporation

(ABN 33 007 457 141 and AFSL No. 233714)
Level 2, Westpac Place
275 Kent Street
Sydney NSW 2000
Telephone: +61 2 8253 4574
Facsimile: +61 2 8254 6937
Attention: Executive Director, Debt Securities

Registrar

Austraclear Services Limited

(ABN 28 003 284 419)
20 Bridge Street
Sydney NSW 2000
Telephone: +61 2 8298 8476
Facsimile: +61 2 9256 0456
Attention: Manager, Clearing and Settlement Operations