



16 December 2022

Market Announcements Office
ASX Limited
Level 4
20 Bridge Street
SYDNEY NSW 2000

U.S.\$1,000,000,000 6.750% Resetting Perpetual Subordinated Contingent Convertible Securities (ASX: ANZHAU) ("Subordinated Notes") – Notice of Approved Acquirer

Attached is a Notice of substitution of Approved Acquirer (to which the amended Terms and Conditions of the Subordinated Notes are attached) given to holders of Subordinated Notes under section 10 of the Terms and Conditions of the Subordinated Notes as set out in the fiscal and paying agency agreement dated 15 June 2016.

It has been approved for distribution by ANZ's Continuous Disclosure Committee.

Yours faithfully

Simon Pordage
Company Secretary
Australia and New Zealand Banking Group Limited

THIS NOTICE IS IMPORTANT. IF HOLDERS ARE IN ANY DOUBT AS TO THE MEANING OR CONTENT OF THIS NOTICE, THEY SHOULD SEEK THEIR OWN FINANCIAL AND LEGAL ADVICE IMMEDIATELY FROM THEIR STOCKBROKER, SOLICITOR, ACCOUNTANT OR OTHER INDEPENDENT FINANCIAL OR LEGAL ADVISER

IMPORTANT NOTICE TO THE HOLDERS OF

**U.S.\$1,000,000,000 6.750% Fixed Rate Resetting Perpetual Subordinated Contingent
Convertible Securities
(ISIN: US05254HAA23, USQ08328AA64)**

(the "Securities")

**by Australia and New Zealand Banking Group Limited (ABN 11 005 357 522) acting through its
London Branch**

NOTICE IS HEREBY GIVEN to the holders of the Securities as follows:

16 December 2022

- 1 Australia and New Zealand Banking Group Limited, acting through its London Branch, (the "**Issuer**") refers to the terms and conditions applicable to the Securities ("**Terms**") as set out in the fiscal and paying agency agreement dated 15 June 2016, as amended from time to time, between the Issuer and the Bank of New York Mellon as Fiscal Agent ("**Fiscal and Paying Agency Agreement**"). All words and expressions defined in the Terms or Fiscal Agency Agreement have the same meanings in this notice.
- 2 This notice is given to holders of Securities in accordance with Section 10 of the Terms.

Background

- 3 As announced on 26 October 2022, the Issuer intends to proceed with the establishment of a non-operating holding company and to separate the Issuer's banking and certain non-banking businesses into two groups (the "**Restructure**"). The non-operating holding company is to be established by a scheme of arrangement under Part 5.1 of the Corporations Act 2001 (Cth) (the "**Scheme**"). The Scheme was approved at a meeting of shareholders of the Issuer on 15 December 2022 (the "**Scheme Meeting**").
- 4 The Terms contemplate the establishment of a non-operating holding company ("**NOHC**") for the ANZ group and allow the Issuer to amend the Terms, without the approval of holders, to substitute the NOHC as issuer of ordinary shares on Conversion, where certain conditions are met. Those conditions were met with the approval of the Scheme at the Scheme Meeting and the necessary regulatory approvals being given.
- 5 The Issuer has amended the Terms to effect the substitution of ANZ Group Holdings Limited (ACN 659 510 791) ("**ANZ NOHC**") as the issuer of ordinary shares on Conversion, as set out in the schedule to this notice ("**Amended Terms**") with effect from the date that the Scheme is implemented, as described below.
- 6 The Australian Prudential Regulation Authority has given its approval of the Amended Terms and has confirmed that the Securities will continue to be eligible for inclusion as Additional Tier 1 Capital of the Issuer.

- 7 The approval of holders is not required for the Restructure or to amend the Terms. A holder does not need to take any action in response to this notice.

Amendments to Securities Documents

- 8 In summary, where a Security is Converted under the Amended Terms:
- (a) each Security (or part of a Security) that is being Converted in whole will be automatically transferred from the holder to ANZ NOHC; and
 - (b) each holder (or a nominee (as applicable)) of the Security or portion thereof being Converted will be issued a number of ANZ NOHC ordinary shares calculated in accordance with the Amended Terms. It is expected that ANZ NOHC ordinary shares will be listed on the ASX.
- 9 The amendments to the Terms do not affect the circumstances in which the Securities are required to be Converted or the other obligations of the Issuer in respect of the Securities.
- 10 The Amended Terms will take effect when the Scheme is implemented, which is expected to be on or about 3 January 2023. If the Scheme is not implemented the Amended Terms will not take effect.
- 11 Further information about the Restructure can be found on the Issuer's website: www.anz.com/schememeeting.
- 12 Any queries in relation to the matters set out in this notice should be directed to:

Head of Group Funding
Australia and New Zealand Banking Group Limited
ANZ Centre Melbourne
Level 9, 833 Collins Street
Docklands VIC 3008
Australia

Telephone: +61 3 8655 3860

Email: funding@anz.com

This notice is given by:

**AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED acting through its
London Branch**



Signed on behalf the Issuer:

By: Adrian Went, Attorney

SCHEDULE – AMENDED TERMS

U.S.\$442,754,000 6.750% Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities

(Subject to Conversion, with a fallback to Write Off)

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), AND MAY NOT BE OFFERED, SOLD, OR DELIVERED IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON, UNLESS THIS SECURITY IS REGISTERED UNDER THE SECURITIES ACT OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS THEREOF IS AVAILABLE. THE FOREGOING SHALL NOT APPLY FOLLOWING THE EXPIRATION OF FORTY DAYS FROM THE LATER OF (I) THE DATE ON WHICH THIS SECURITY WAS FIRST OFFERED AND (II) THE DATE OF ISSUANCE OF THIS SECURITY.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION (“**DTC**”), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN EXCHANGE FOR THIS CERTIFICATE OR ANY PORTION HEREOF IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON OTHER THAN DTC OR OTHERWISE IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THIS SECURITY IS A REGULATION S GLOBAL SECURITY WITHIN THE MEANING OF THE FISCAL AND PAYING AGENCY AGREEMENT REFERRED TO HEREINAFTER. THIS REGULATION S GLOBAL SECURITY MAY NOT BE EXCHANGED, IN WHOLE OR IN PART, FOR A SECURITY REGISTERED IN THE NAME OF ANY PERSON OTHER THAN DTC OR A NOMINEE THEREOF, EXCEPT IN THE LIMITED CIRCUMSTANCES SET FORTH IN THE FISCAL AND PAYING AGENCY AGREEMENT, AND MAY NOT BE TRANSFERRED, IN WHOLE OR IN PART, EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE FISCAL AND PAYING AGENCY AGREEMENT. BENEFICIAL INTERESTS IN THIS REGULATION S GLOBAL SECURITY MAY NOT BE TRANSFERRED EXCEPT IN ACCORDANCE WITH THE FISCAL AND PAYING AGENCY AGREEMENT.

NO DISCLOSURE DOCUMENT OR PRODUCT DISCLOSURE STATEMENT HAS BEEN LODGED WITH THE AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION (“**ASIC**”). NOTES MAY ONLY BE TRANSFERRED PURSUANT TO OFFERS RECEIVED IN AUSTRALIA IF THE TRANSFER DOES NOT CONSTITUTE AN OFFER TO A “RETAIL CLIENT” AS DEFINED IN SECTION 761G OF THE CORPORATIONS ACT AND SUCH TRANSFER COMPLIES WITH ALL APPLICABLE LAWS, DIRECTIVES AND REGULATIONS IN AUSTRALIA AND DOES NOT REQUIRE ANY DOCUMENT TO BE LODGED WITH, OR REGISTERED BY, ASIC.

(Face of Security continued on next page)

REGULATION S GLOBAL NOTE

INITIAL PRINCIPAL AMOUNT: U.S.\$442,754,000

Certificate No. 001

CUSIP: Q08328AA6

ISIN: USQ08328AA64

Common Code: 143306682

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED
(ABN 11 005 357 522)

ACTING THROUGH ITS LONDON BRANCH

U.S.\$442,754,000 6.750% Fixed Rate Resetting Perpetual Subordinated Contingent
Convertible Securities

(Subject to Conversion, with a fallback to Write Off)

(the “*Notes*”)

Australia and New Zealand Banking Group Limited (ABN 11 005 357 522) (“**ANZ**”), a corporation incorporated under the laws of the Commonwealth of Australia, acting through its London branch (herein called the “*Issuer*,” which term includes any successor person hereinafter referred to), for value received, subject to the terms hereof, hereby promises to pay to Cede & Co., or registered assigns, U.S.\$442,754,000 (such initial principal amount, as it may from time to time be adjusted by endorsement on Schedule B hereto or, reduced due to Conversion or Write Off (as hereinafter defined) in accordance with Section 9, is hereinafter referred to as the “*prevailing principal amount*”) in U.S. dollars on such date as the Issuer has elected to redeem the Notes, or in a Winding Up in Australia, and to pay in its discretion interest on such prevailing principal amount, from the most recent Interest Payment Date (as hereinafter defined) (or, if none, the Issue Date (as hereinafter defined)) and upon redemption thereof, at the applicable rate per annum equal to the relevant Interest Rate specified on the reverse hereof (the “*Interest Rate*”), until the prevailing principal amount hereof is paid or reduced to zero due to such Conversion or Write Off.

References to “ *Holders*” mean those persons who own Notes registered in their own names on the books that the Fiscal Agent, in its capacity as Registrar, maintains for this

(Face of Security continued on next page)

purpose, and not those persons who own beneficial interests in Notes held by a Clearing System Holder.

The Notes are issued by ANZ acting through its London branch. If ANZ is unable to make payment on the Notes via its London branch it may make the payment via any other branch or through its head office and may do so from cash held anywhere in the world.

Any interest so scheduled to be paid on any Interest Payment Date will (if paid) be paid to the person in whose name this Note is registered at the close of business in New York City, New York, United States on the fifteenth day (whether or not a Business Day as hereinafter defined) next preceding such Interest Payment Date (a “**Regular Record Date**”); **provided, however**, that interest payable upon redemption but on a day that is not an Interest Payment Date will be payable to the person to whom principal shall be paid. For the purpose of determining the Holder at the close of business on a Regular Record Date that is not a Business Day, the close of business will mean 5:00 p.m., New York City time, on that day. If any payment is scheduled to be paid on a Note on a day that is not a Business Day, the Issuer will make the payment on the next day that is a Business Day (and for the avoidance of doubt, such payment will be made without any additional interest or penalty). Payments postponed to the next Business Day in this situation will be treated under the Fiscal and Paying Agency Agreement (as hereinafter defined) as if they were made on the original date on which they were scheduled to be paid. Postponement of this kind will not result in a breach of the terms and conditions of the Notes (the “**Conditions**”) or the Fiscal and Paying Agency Agreement or entitle the Holders to exercise any remedies in respect of the Notes.

The prevailing principal amount of this Note shall be payable against the surrender hereof at the corporate trust office of the Fiscal Agent hereinafter referred to or at such other offices or agencies as the Issuer may designate and notify the Holders and at the offices of such other Paying Agents as the Issuer shall have appointed pursuant to the Fiscal and Paying Agency Agreement. No payment of principal or interest in respect of this Note shall be made at any office or agency of the Issuer in the Commonwealth of Australia or by check mailed to any address in the Commonwealth of Australia or by transfer to an account maintained with a bank located in the Commonwealth of Australia.

The Issuer covenants that until this Note has been delivered to the Fiscal Agent for cancellation, or monies sufficient to pay the principal of and interest (if any) on this Note have been made available for payment and either paid or returned to the Issuer as provided herein, it will at all times maintain a Paying Agent and Transfer Agent with

(Face of Security continued on next page)

offices or agencies in the Borough of Manhattan, The City of New York for the payment of the principal of and interest on the Notes as herein provided.

The statements set forth in the legend, if any, set forth above are an integral part of the terms of this Note and by acceptance hereof each Holder of this Note agrees to be subject to and bound by the terms and provisions set forth in such legend, if any.

Notes represented by this Global Note are exchangeable and transferable only in accordance with, and subject to, the provisions hereof and the rules and operating procedures of DTC.

On any exchange or transfer following which either (i) Notes represented by this Global Note are no longer to be so represented or (ii) Notes not so represented are to be so represented, details of such transfer shall be entered by the Fiscal Agent in the Schedule attached hereto, following which the prevailing principal amount of this Global Note and the Notes held by the Holder hereof shall be increased or reduced (as the case may be) by the prevailing principal amount so transferred.

Reference is hereby made to the further provisions of this Note set forth on the reverse hereof which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Fiscal Agent by manual signature, this Note shall not be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Issuer has caused this Regulation S Global Note to be duly executed.

Dated: June 15, 2016

AUSTRALIA AND NEW ZEALAND BANKING
GROUP LIMITED, ACTING THROUGH ITS
LONDON BRANCH

By _____
Name:
Title:

FISCAL AGENT'S CERTIFICATE OF AUTHENTICATION

This is one of the Regulation S Global Notes referred to in the within-mentioned Fiscal and Paying Agency Agreement.

THE BANK OF NEW YORK MELLON
as Fiscal Agent

By _____
Authorized Signatory

Dated: June 15, 2016

Australia and New Zealand Banking Group Limited (“ANZ”), acting through its London branch (the “*Issuer*”)

Reverse of U.S.\$442,754,000 6.750% Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities

(Subject to Conversion, with a fallback to Write Off)

1 This Note is one of a duly authorized series of securities of the Issuer (herein called the “*Notes*”), issued and to be issued in accordance with a Fiscal and Paying Agency Agreement, dated as of June 15, 2016 (as may be amended, from time to time, herein called the “*Fiscal and Paying Agency Agreement*”), between the Issuer and The Bank of New York Mellon, as fiscal agent, paying agent, transfer agent, calculation agent and registrar (referred to collectively in such capacities as the “*Agent*” and, in each of such several capacities, as the “*Fiscal Agent*,” “*Paying Agent*,” “*Transfer Agent*,” “*Calculation Agent*” and “*Registrar*,” respectively, which terms shall include successors thereto), to which Fiscal and Paying Agency Agreement reference is hereby made for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Issuer, ANZ, the Fiscal Agent, Paying Agent, Transfer Agent, Calculation Agent, Registrar and the Holders and of the terms upon which the Notes are, and are to be, authenticated and delivered. Copies of the Fiscal and Paying Agency Agreement are on file and available for inspection at the corporate trust office of the Fiscal Agent in the Borough of Manhattan, The City of New York. The aggregate principal amount of the Notes issuable under the Fiscal and Paying Agency Agreement is unlimited. This Note is one of the series (this “*series*”) designated on the face hereof (the Outstanding (as defined in the Fiscal and Paying Agency Agreement) principal amount of which may be increased at the option of the Issuer if in the future it determines to issue additional Notes (“*Additional Notes*”)).

The Issuer shall not issue Additional Notes having the same CUSIP, ISIN or other identifying number as the Outstanding Notes unless such Additional Notes are fungible with the Outstanding Notes for United States federal income tax purposes.

The Issuer shall not issue Additional Notes where the First Reset Date (as defined herein) for the Additional Notes is less than five years from the date of issue of the Additional Notes.

(Reverse of Security continued on next page)

The Notes are fully paid, direct, unsecured and subordinated obligations of the Issuer and, unless Converted or Written Off, will rank for payment of the prevailing principal amount of the Notes in a Winding Up behind all claims of Senior Creditors (as defined in Section 7), *pari passu* without any preference among themselves and with the holders of Equal Ranking Instruments (as defined in Section 7) and ahead of the holders of Ordinary Shares (as defined in Section 7).

The Notes are not deposit liabilities or protected accounts of ANZ for the purposes of the Banking Act 1959 of the Commonwealth of Australia (the “**Banking Act**”), are not covered deposits of ANZ pursuant to a deposit guarantee scheme for the purposes of the UK Banking Act 2009 (as amended) (the “**UK Banking Act**”) and are not insured by the U.S. Federal Deposit Insurance Corporation (“**FDIC**”), the UK Financial Services Compensation Scheme or any other government, government agency or compensation scheme of the Commonwealth of Australia, the United States, the United Kingdom or any other jurisdiction or by any party.

- 2 The Notes are issuable in fully registered form. The Notes are issuable in the authorized denomination of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof. The Notes may be exchanged, and transfers thereof shall be registered, as provided in the Fiscal and Paying Agency Agreement.
- 3 Subject to the terms of this Note and the Fiscal and Paying Agency Agreement, this Note entitles the Holder on the Regular Record Date falling prior to the relevant Interest Payment Date (as defined below) to a cash interest payment. Any interest scheduled to be paid on any Interest Payment Date or the date for payment of the prevailing principal amount of this Note in accordance with the terms hereof, as the case may be, shall be the amount of interest in respect of the period from, and including, the immediately preceding Interest Payment Date (or, if no Interest Payment Date has yet occurred, from and including the Issue Date), to, but excluding, such Interest Payment Date or the date for payment of the prevailing principal amount of this Note in accordance with the terms hereof, as the case may be (each such period is referred to as an “**Interest Period**”).

From and including June 15, 2016 (the “**Issue Date**”) to but excluding June 15, 2026 (the “**First Reset Date**”), interest is scheduled to be paid in arrears on the prevailing principal amount of this Note at an initial rate equal to 6.750% per annum (the “**Initial Interest Rate**”).

(Reverse of Security continued on next page)

Subject to the provisions for the non-payment of interest set out below, interest, if any, is scheduled to be paid semi-annually in arrears on June 15 and December 15 in each year, commencing on December 15, 2016 (each, whether or not such interest is, or is able to be, paid on that date in accordance with the terms of this Note, an “**Interest Payment Date**”) until (but not including) the date on which a redemption of this Note occurs.

From and including each Reset Date (as defined below) to but excluding the next succeeding Reset Date, interest is scheduled to be paid on the prevailing principal amount of this Note at a rate per annum (each a “**Subsequent Interest Rate**” and, together with the Initial Interest Rate, the “**Interest Rate**”) equal to the sum of the then prevailing Mid-Market Swap Rate (as defined below) on the relevant Reset Determination Date (as defined below) and 5.168% (being the margin determined at the time of the bookbuilding for the Notes) (rounded to three decimal places, with 0.0005 rounded upwards). The First Reset Date and every fifth anniversary thereafter shall be a “**Reset Date**.”

As used herein:

The “**Mid-Market Swap Rate**” is the mid-market U.S. dollar swap rate having a 5-year maturity appearing on Bloomberg page “USISDA05 Index” (or such other page as may replace such page on Bloomberg, or such other page as may be nominated by the person providing or sponsoring the information appearing on such page for purposes of displaying comparable rates) at 11:00 a.m. (New York time) on the Reset Determination Date, as determined by the Calculation Agent. If such swap rate does not appear on such page (or such other page or service), the Mid-Market Swap Rate shall instead be determined by the Calculation Agent on the basis of (i) quotations provided by the principal office of each of four major banks in the U.S. dollar swap rate market (which banks shall be selected by the Calculation Agent in consultation with the Issuer (the “**Reference Banks**”)) of the rates at which swaps in U.S. dollars are offered by it at approximately 11:00 a.m. (New York time) (or thereafter on such date, with the Calculation Agent acting on a best efforts basis) on the Reset Determination Date to participants in the U.S. dollar swap rate market for a five-year period and (ii) the arithmetic mean expressed as a percentage and rounded, if necessary, to the nearest 0.001% (0.0005% being rounded upwards) of such quotations. If the Mid-Market Swap Rate is not able to be determined on the relevant Reset Determination Date in accordance with the foregoing procedures, the Mid-Market Swap Rate shall be the mid-market U.S. dollar swap rate having a 5-year maturity that appeared most recently on Bloomberg “USISDA05 Index” (or such other page as may replace such page on Bloomberg, or such other page as may be nominated by the person

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providing or sponsoring the information appearing on such page for purposes of displaying comparable rates) that was last available prior to 11.00 a.m. (New York time) on such Reset Determination Date, as determined by the Calculation Agent.

The “**Reset Determination Date**” shall be the second Business Day immediately preceding the relevant Reset Date.

The relevant day-count fraction for determining interest payable for any Interest Period shall be determined on the basis of the number of days in the relevant Interest Period, from and including the first day in such period to but excluding the last day in such period, such number of days being calculated on the basis of a 360 day year consisting of 12 months of 30 days each, divided by 360.

As used herein, the term “**Business Day**” means any weekday, other than one on which banking institutions are authorized or obligated by law, regulation or executive order to close in each of London, United Kingdom, New York, New York, United States and Sydney, New South Wales, Australia.

All calculations of the Calculation Agent, in the absence of manifest error, will be conclusive for all purposes and binding on the Issuer and on the Holders.

Payments of interest on the Notes will be non-cumulative. The payment of any interest on the Notes is subject to:

- (a) the Issuer’s absolute discretion; and
- (b) no Payment Condition existing in respect of the Notes as at the relevant Interest Payment Date.

If all or any part of any interest payment is not paid because of subsection (a) or (b) above or because of any applicable law, ANZ will have no liability to pay the unpaid amount of interest, neither Holders nor any other person will have a claim or entitlement in respect of such non-payment and such non-payment will not constitute a breach of the Conditions or give any Holder or any other person a right to apply for a Winding Up, to place ANZ in administration or to seek the appointment of a receiver, receiver and manager, liquidator or provisional liquidator to ANZ or exercise any remedies in respect of the Notes. Neither Holders nor any other person shall have any rights to receive any additional interest or compensation as a result of such non-payment.

Further, by its acquisition and holding of a Note, each Holder acknowledges and agrees that:

(Reverse of Security continued on next page)

- (a) the Notes do not confer any claim on ANZ except as set out herein;
- (b) the Notes do not confer on Holders any right to subscribe for new securities in ANZ or to participate in any bonus issues of securities of ANZ; and
- (c) Nothing in the terms of the Notes prevents ANZ from issuing securities of any kind or, except as provided in this Section 3, redeeming, buying back, returning capital on or converting any securities, other than the Notes.

As used herein, “**Payment Condition**” means, with respect to any payment of interest on the Notes on any Interest Payment Date:

- (a) making such interest payment on the Notes on such Interest Payment Date would result in the ANZ Level 1 Group or the ANZ Level 2 Group (or, if applicable, the ANZ Group on a Level 3 basis) not complying with APRA’s then current capital adequacy requirements;
- (b) making such interest payment on the Notes on such Interest Payment Date would result in ANZ becoming, or being likely to become, insolvent for the purposes of the Corporations Act; or
- (c) APRA objecting to the interest payment on the Notes on such Interest Payment Date.

For so long as the Notes remain Outstanding, if for any reason a payment of interest on the prevailing principal amount of a Note is not paid in full on an Interest Payment Date (the “**Relevant Interest Payment Date**”), ANZ must not from (and including) the Relevant Interest Payment Date to (and including) the next following Interest Payment Date:

- (a) resolve to pay or pay any [ANZ](#) Ordinary Share Dividend; or
- (b) undertake any Buy Back or Capital Reduction,

provided that such restrictions shall not apply:

- (i) if the relevant payment of interest on this Note is made to each Holder within 3 Business Days of the Relevant Interest Payment Date;

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- (ii) if Holders approve the relevant [ANZ](#) Ordinary Share Dividend, Buy Back or Capital Reduction pursuant to a Special Resolution;
- (iii) to a Buy Back or Capital Reduction in connection with any employment contract, employee share scheme, benefit plan or other similar arrangement with or for the benefit of any one or more employees, officers, directors or consultants of ANZ or any Controlled Entity; or
- (iv) to the extent that at the time a payment of interest on this Note has not been made on the Relevant Interest Payment Date, ANZ is legally obliged to pay on or after that date an [ANZ](#) Ordinary Share Dividend or complete on or after that date a Buy Back or Capital Reduction.

Nothing in the terms of this Note or the Fiscal and Paying Agency Agreement prohibits ANZ or a Controlled Entity from purchasing ANZ Shares (or an interest therein) in connection with transactions for the account of customers of ANZ or customers of entities that ANZ Controls or, with the prior written approval of APRA, in connection with the distribution or trading of ANZ Shares in the ordinary course of business. This includes (for the avoidance of doubt and without affecting the foregoing) any acquisition resulting from:

- (a) taking security over ANZ Shares in the ordinary course of business; and
- (b) acting as trustee for another person where neither ANZ nor any entity it Controls has a beneficial interest in the trust (other than a beneficial interest that arises from a security given for the purposes of a transaction entered into in the ordinary course of business).

As used herein:

“Additional Tier 1 Capital” means the additional tier 1 capital of the ANZ Level 1 Group or the ANZ Level 2 Group (or, if applicable, the ANZ Group on a Level 3 basis) as defined by APRA from time to time.

“ANZ Group” shall mean ANZ and its Controlled Entities.

“ANZ Level 1 Group” means ANZ and those of its Controlled Entities included by APRA from time to time in the calculation of ANZ’s capital ratios on a Level 1 basis.

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“ANZ Ordinary Share” means a fully paid ordinary share in the capital of ANZ.

“ANZ Ordinary Share Dividend” means any interim, final or special dividend payable in accordance with the Corporations Act and the ANZ Constitution in relation to ANZ Ordinary Shares.

“ANZ Level 2 Group” means ANZ together with each Related Entity included by APRA from time to time in the calculation of ANZ’s capital ratios on a Level 2 basis.

~~“ANZ Shares” means Ordinary Shares or any other shares in the capital of ANZ.~~

“APRA” means the Australian Prudential Regulation Authority (ABN 79 635 582 658) or any successor body responsible for prudential regulation of ANZ, the ANZ Group or any authorized non-operating holding company in respect of the ANZ Group.

“ASX” means the ASX Limited (ABN 98 008 624 691) or the securities market operated by it, as the context requires, or any successor.

“ASX Listing Rules” means the listing rules of the ASX as amended, varied or waived (whether in respect of ANZ, [TopCo](#) or generally).

“Banking Act” means the Banking Act 1959 of Australia.

“Buy Back” means a transaction involving the acquisition by ANZ of ~~its~~ [ANZ](#) Ordinary Shares pursuant to the provisions of Part 2J of the Corporations Act.

“Capital Notes 1” means the convertible notes issued by ANZ in 2013 under a prospectus dated July 10, 2013 (which replaced a prospectus dated July 2, 2013).

“Capital Notes 2” means the convertible notes issued by ANZ in 2014 under a prospectus dated February 19, 2014 (which replaced a prospectus dated February 11, 2014).

“Capital Notes 3” means the convertible notes issued by ANZ in 2015 under a prospectus dated February 5, 2015 (which replaced a prospectus dated January 23, 2015).

“Capital Reduction” means a reduction in capital by ANZ of ~~its~~ [ANZ](#) Ordinary Shares in any way permitted by the provisions of Part 2J of the Corporations Act.

“**Clearing System Holder**” means that the Holder is the operator of a clearing system or a depository, or a nominee for a depository, for a clearing system.

“**Common Equity Capital Ratio**” means either of:

- (a) in respect of the ANZ Level 1 Group, the ratio of Common Equity Tier 1 Capital to risk weighted assets of the ANZ Level 1 Group; and
- (b) in respect of the ANZ Level 2 Group, the ratio of Common Equity Tier 1 Capital to risk weighted assets of the ANZ Level 2 Group,

in each case, as prescribed by APRA from time to time.

“**Common Equity Tier 1 Capital**” has the meaning given by APRA from time to time.

“**Control**” has the meaning given in the Corporations Act.

“**Controlled Entity**” shall mean, in respect of ANZ, an entity that ANZ Controls.

“**Conversion**” means, in relation to a Note, the allotment and issue of Ordinary Shares and the termination of the Holder’s rights in relation to the relevant prevailing principal amount of that Note in each case as described in Section 9 and Schedule A, and in each case, “**Convert,**” “**Converting**” and “**Converted**” have corresponding meanings.

“**Corporations Act**” means the Corporations Act 2001 of Australia.

“**CPS2**” means the convertible preference shares issued by ANZ in 2009 under a prospectus dated November 18, 2009 (which replaced a prospectus dated November 10, 2009)

“**CPS3**” means the convertible preference shares issued by ANZ in 2011 under a prospectus dated August 31, 2011 (which replaced a prospectus dated August 23, 2011).

“**Inability Event**” shall mean ANZ or TopCo is prevented by applicable law or order of any court or action of any government authority (including regarding the insolvency, winding up or other external administration of ANZ or TopCo) or any other reason from ~~Converting~~ performing any of their obligations necessary to effect the Conversion of any Notes.

“**Level 1**,” “**Level 2**” and “**Level 3**” means those terms as defined by APRA from time to time.

~~“**Ordinary Share Dividend**” means any interim, final or special dividend payable in accordance with the Corporations Act and the constitution of ANZ in relation to Ordinary Shares.~~

“**Ordinary Shares**” means a fully paid ordinary share in the capital of [ANZ TopCo](#) and, where the context so requires, an ordinary share of [ANZ TopCo](#) issuable upon Conversion of the Notes.

“**Preference Share**” means a notional preference share in the capital of ANZ conferring a claim in the Winding Up equal to the prevailing principal amount of a Note and ranking equally in respect of return of capital in a Winding Up with each of the preference shares which is an Equal Ranking Instrument.

“**Recognized Exchange**” means a recognized stock exchange or securities market in an Organization for Economic Cooperation and Development member state.

“**Related Entity**” has the meaning given by APRA from time to time.

“**Relevant Security**” shall mean, where a Trigger Event occurs, an Additional Tier 1 Capital instrument that, in accordance with its terms or by operation of law, is capable of being converted into Ordinary Shares or written off where that event occurs (including, without limitation, the Notes, Capital Notes 1, Capital Notes 2, Capital Notes 3, and, where a Common Equity Capital Trigger Event occurs on account of the Common Equity Capital Ratio in respect of the ANZ Level 2 Group, CPS3).

“**Tier 1 Capital**” shall mean the Tier 1 capital of ANZ (on a Level 1 basis) or the ANZ Group (on a Level 2 basis or, if applicable, a Level 3 basis) as defined by APRA from time to time.

“**TopCo**” means ANZ Group Holdings Limited (ACN 659 510 791).

“**TopCo Shares**” means Ordinary Shares or any other shares in the capital of TopCo.

“**Trading Day**” means a day which is a business day within the meaning of the ASX Listing Rules.

A “**Trigger Event Conversion Date**” means:

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- (a) in the case of a Common Equity Capital Trigger Event, the date on which the Capital Deficiency Determination is made or notified to ANZ; and
- (b) in the case of a Non-Viability Trigger Event, the date on which the Non-Viability Determination is notified to ANZ.

4 The Issuer shall maintain in the Borough of Manhattan, The City of New York, an office or agency where Notes may be surrendered for registration of transfer or exchange. The Issuer has initially appointed the corporate trust office of the Fiscal Agent as its agent for such purposes (in such capacities, the “*Registrar*” and the “*Transfer Agent*”) and has agreed to cause to be kept at such office a register in which, subject to such reasonable regulations as it may prescribe, the Issuer will provide for the registration of Notes and registration of transfers of Notes. The Issuer reserves the right to vary or terminate the appointment of the Fiscal Agent as the Registrar and the Transfer Agent or of any other additional Registrars or Transfer Agents, to appoint additional or other Registrars or Transfer Agents and to approve any change in the office through which any Registrar or Transfer Agent acts, provided that there will at all times be a security registrar and transfer agent for the Notes in the Borough of Manhattan, The City of New York.

The transfer of this Note is registrable on the aforementioned register upon surrender of this Note at the corporate trust office of the Registrar or any Transfer Agent duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Issuer and the Registrar duly executed by, the Holder hereof or his attorney duly authorized in writing. Upon such surrender of this Note for registration of transfer, the Issuer shall execute, and the Fiscal Agent shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Notes of like tenor and form, dated the date of authentication thereof, of an authorized denomination or authorized denominations and of a like aggregate prevailing principal amount.

At the option of the Holder upon request confirmed in writing, Notes may be exchanged for Notes of an authorized denomination or authorized denominations and of a like tenor, form and aggregate prevailing principal amount upon surrender of the Notes to be exchanged at the office of any Transfer Agent or at the corporate trust office of the Fiscal Agent. Whenever any Notes are so surrendered for exchange, the Issuer shall execute, and the Fiscal Agent shall authenticate and deliver, the Notes which the Holder making the exchange is entitled to receive. Any registration of transfer or exchange will be effected upon the Transfer Agent or the Fiscal Agent, as the case may be, being satisfied with

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the documents of title and identity of the person making the request and subject to such reasonable regulations as the Issuer may from time to time agree with the Transfer Agents and the Fiscal Agent.

All Notes issued upon any registration of transfer or exchange of Notes shall be the valid obligations of the Issuer, evidencing the same debt, and entitled to the same benefits, as the Notes surrendered upon such registration of transfer or exchange. No service charge shall be made for any registration of transfer or exchange, but the Issuer may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith, other than an exchange in connection with a partial redemption of a Note not involving any registration of a transfer.

Prior to due presentment of this Note for registration of transfer, the Issuer, the Fiscal Agent and any agent of the Issuer or the Fiscal Agent may treat the person in whose name this Note is registered as the owner hereof for all purposes, whether or not payments in respect of the Notes have been made on schedule, and neither the Issuer nor the Fiscal Agent or any such agent shall be affected by notice to the contrary.

- 5 The Issuer shall pay to the Fiscal Agent at its principal corporate trust office in the Borough of Manhattan, The City of New York on or prior to any Interest Payment Date on which a payment of interest is to be made and any date set for the redemption of this Note, in such amounts sufficient (with any amounts then held by the Fiscal Agent and available for the purpose) to pay the interest on and/or the principal of the Notes to be paid on such date, as the case may be. The Fiscal Agent shall apply the amounts so paid to it to the payment of such interest and principal in accordance with the terms of the Fiscal and Paying Agency Agreement and this Note.

Any monies paid by the Issuer to a Fiscal Agent, Paying Agent or a Registrar for the payment of the principal of or interest on any Notes and remaining unclaimed at the end of two years after such principal or interest is to be paid (whether upon call for redemption or otherwise) shall then be repaid (without interest) to the Issuer, and upon such repayment all liability of such Agent with respect thereto shall cease, without, however, limiting in any way any obligation the Issuer may have to pay the principal of and interest on this Note in accordance with the terms hereof.

- 6 (a) All payments of interest on this Note will be made without withholding or deduction for, or on account of, any taxes, assessments or other governmental charges (“**Relevant Tax**”) imposed or levied by, or on behalf of Australia or any political subdivision or taxing authority in, or of, Australia and, where the Notes remain issued through a branch outside Australia, the jurisdiction in which the branch is located or any political subdivision or taxing authority in, or of, that jurisdiction (each a “**Relevant Jurisdiction**”) unless the withholding or deduction is required by law. In that event, the Issuer will increase the amount of any interest that is scheduled to be paid by such additional amounts (“**Additional Amounts**”) as may be necessary so that the net amount received by the Holder of the Notes, after such withholding or deduction, will equal the amount that the Holder would have received in respect of the Notes without such withholding or deduction.

However, the Issuer will pay no Additional Amounts:

- (i) to the extent that the Relevant Tax is imposed or levied by virtue of the Holder, or the beneficial owner, of the Notes having some connection (whether present, past or future) with Australia or a Relevant Jurisdiction, other than mere receipt of such payment or being a Holder, or the beneficial owner, of the Notes;
- (ii) to the extent that the Relevant Tax is imposed or levied by virtue of the Holder, or the beneficial owner, of the Notes not complying with any statutory requirements or not having made a declaration of non-residence in, or lack of connection with, Australia or a Relevant Jurisdiction or any similar claim for exemption (including supplying an appropriate tax file number or Australian Business Number, as applicable), if the Issuer or its agent has provided the Holder, or the beneficial owner, of the Notes with at least 60 days’ prior written notice of an opportunity to comply with such statutory requirements or make a declaration or claim;
- (iii) to the extent that the Relevant Tax is imposed or levied by virtue of the Holder, or the beneficial owner, of the Notes having presented for payment more than 30 days after the date on which the payment in respect of the Notes was first scheduled to be paid;
- (iv) to the extent that the Relevant Tax is imposed or levied as a result of the Holder, or the beneficial owner, of the Notes being party to or

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participating in a scheme to avoid tax, being a scheme which the Issuer was neither a party to nor participated in; or

- (v) any combination of the above.

In addition, notwithstanding any other provision of these conditions, any amounts to be paid on the Notes will be paid, and any Ordinary Shares to be issued to a Holder on Conversion of a Note will be issued, to the Holder net of any deduction or withholding imposed or required pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the “*Code*”), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation of Sections 1471 through 1474 of the Code (or any fiscal or regulatory legislation, rules or practices adopted pursuant to such an intergovernmental agreement) (a “*FATCA Withholding*”), and no Additional Amounts will be required to be paid and no additional Ordinary Shares will be required to be issued on account of any such deduction or withholding.

(b) No Additional Amounts shall be paid with respect to any payment of, or in respect of, interest on this Note to any such Holder who is a fiduciary or partnership or other than the sole beneficial owner of such payment to the extent such payment would, under the laws of the Commonwealth of Australia or any political subdivision or taxing authority thereof or therein, be treated as being derived or received for tax purposes by a beneficiary or settlor with respect to such fiduciary or a member of such partnership or a beneficial owner who would not have been entitled to such Additional Amounts had it been the Holder of this Note.

(c) Whenever in this Note there is mentioned, in any context, any payment of, or in respect of interest on, this Note, such mention shall be deemed to include mention of the payment of Additional Amounts provided for in Section 6(a) to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof pursuant to the provisions of such Section.

(d) At least 10 Business Days prior to each date on which any payment under or with respect to this Note is scheduled to be paid, if the Issuer is obligated to pay Additional Amounts with respect to such payment, the Issuer will deliver to the Fiscal Agent and the Paying Agent a certificate of an Authorized Officer (as defined in the Fiscal and Paying Agency Agreement) (an “*Officer’s Certificate*”) stating the fact that such Additional Amounts will be payable and the amounts so payable and will set forth such other information necessary to enable the Fiscal Agent and such Paying Agent to pay such

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Additional Amounts to the Holders on the payment date; ***provided, however***, that if 10 Business Days prior to each date on which any such payment is scheduled to be paid the amount of such payment has not yet been determined, the Issuer shall notify the Fiscal Agent of such amount promptly after such amount has been determined.

- 7 (a) If an order is made by a court of competent jurisdiction in Australia (other than an order successfully appealed or permanently stayed within 60 days), or an effective resolution passed, for the Winding Up in Australia, the Notes will become payable at their prevailing principal amount as described below. Accordingly, this Note will not entitle a Holder or any beneficial owner to claim any unpaid scheduled interest on this Note in a Winding Up.

A Holder will have no further or other claim on ANZ in a Winding Up other than the claim for the prevailing principal amount described below.

Holders will rank for payment of the prevailing principal amount of each Note in a Winding Up in Australia:

- (i) in priority to the holders of [ANZ](#) Ordinary Shares;
- (ii) equally among themselves and with all holders of Equal Ranking Instruments with respect to priority of payment in a Winding Up; and
- (iii) junior to the claims of all Senior Creditors with respect to priority of payment in a Winding Up in that:
 - (A) all claims of Senior Creditors must be paid in full (including in respect of any entitlement to interest under section 563B of the Corporations Act) before the claims of the Holders are paid; and
 - (B) until the Senior Creditors have been paid in full, the Holders must not claim in the Winding Up in competition with the Senior Creditors so as to diminish any distribution, dividend or payment which, but for that claim, the Senior Creditors would have been entitled to receive,

so that the Holder receives, for each Note it holds, an amount equal to the amount it would have received if, in the Winding Up, it had held an issued and fully paid Preference Share.

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Nothing in the terms of the Notes or the Fiscal and Paying Agency Agreement shall be taken to (a) create a charge or security interest on or over any right of the Holder or (b) require the consent of any Senior Creditor to any amendment of the Note or the Fiscal and Paying Agency Agreement made in accordance with the Fiscal and Paying Agency Agreement.

- (b) By its acquisition and holding of a Note, each Holder irrevocably agrees:
- (i) that the subordination of the Notes referred to in subsection 7(a) is a debt subordination for the purposes of section 563C of the Corporations Act;
 - (ii) that it does not have, and waives to the maximum extent permitted by law, any entitlement to interest under section 563B of the Corporations Act to the extent that a holder of a Preference Share would not be entitled to such interest;
 - (iii) not to exercise any voting or other rights as a creditor in the Winding Up in any jurisdiction:
 - (A) until after all Senior Creditors have been paid in full; or
 - (B) otherwise in a manner inconsistent with the subordination of the Notes contemplated above;
 - (iv) that it must pay or deliver to the liquidator any amount or asset received on account of its claim in the Winding Up in respect of a Note in excess of its entitlement as set out above; and
 - (v) that the subordination of the Notes referred to in subsection 7(a) will not be affected by any act or omission of ANZ or a Senior Creditor which might otherwise affect it at law or in equity.

(c) If there is a Winding Up and, notwithstanding subsection (b) above, the Fiscal Agent, the Paying Agent or the Holder or beneficial owner of this Note receives any payment or distribution of the assets of ANZ of any kind or character, whether in cash, property or securities, including any such payment or distribution which may be payable or deliverable by reason of the payment of any other indebtedness of ANZ being subordinated to the payment of this Note, before all the claims of Senior Creditors are paid in full, and if such fact shall, at or prior to the time of such payment or distribution, have been made known to the Fiscal

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Agent, the Paying Agent or, as the case may be, the Holder or beneficial owner of this Note, then and in such event such payment or distribution shall be paid over or delivered forthwith to the trustee in bankruptcy, receiver, liquidating trustee, custodian, assignee, agent or other person making payment or distribution of assets of ANZ for application to the payment of all claims of the Senior Creditors remaining unpaid, to the extent necessary to pay all such claims in full, after giving effect to any concurrent payment or distribution to or for the account of the Senior Creditors.

(d) Neither ANZ nor any Holder or any beneficial owner of this Note has any contractual right to set off any sum at any time scheduled to be paid to a Holder, such beneficial owner or ANZ (as applicable) under or in relation to this Note against amounts owing by the Holder or such beneficial owner to ANZ or by ANZ to the Holder or such beneficial owner (as applicable).

(e) On a Winding Up, the Holder of this Note shall only be entitled to prove for any sums payable in respect of this Note as a debt which is subject to and contingent upon prior payment in full of the obligations of ANZ to the Senior Creditors, and the Holder of this Note waives to the fullest extent permitted by law any right to prove in the Winding Up as a creditor of ANZ ranking for payment in any other manner. Holders and beneficial owners of this Note shall not be entitled to place ANZ in administration or to seek the appointment of a receiver, receiver and manager, liquidator or provisional liquidator to ANZ.

(f) The provisions of this Section shall not affect or prejudice the payment of any amounts by the Issuer in respect of costs, charges, expenses, liabilities, indemnities or remuneration of the Fiscal Agent or any Paying Agent pursuant to the Fiscal and Paying Agency Agreement or the rights and remedies of the Fiscal Agent or the Paying Agent in respect thereof.

(g) For the purposes of Section 1 and this Section 7, “*Senior Creditors*” means all present and future creditors of ANZ (including but not limited to depositors), whose claims are (a) entitled to be admitted in the Winding Up and (b) not expressed to rank equally with, or subordinate to, the claims of a Holder.

(h) For the purposes of Section 1, Section 3 and this Section 7, “*Winding Up*” shall mean any procedure whereby ANZ may be wound-up, dissolved, liquidated or cease to exist as a body corporate and whether or not involving insolvency or bankruptcy, but shall exclude any winding up under or in connection with a scheme of amalgamation or reconstruction not involving the bankruptcy or

insolvency of ANZ where its obligations are assumed by a successor to which all, or substantially all, of ANZ's property, assets and undertaking are transferred or where an arrangement with similar effect not involving a bankruptcy or insolvency is implemented.

(i) For the purposes of Section 1 and this Section 7, "***Equal Ranking Instruments***" means, in respect of a return of capital in a Winding Up:

- (i) CPS2;
- (ii) CPS3;
- (iii) each other preference share that ANZ may issue that ranks or is expressed to rank equally with the foregoing and the Notes in respect of a return of capital in a Winding Up (as the case may be);
- (iv) Capital Notes 1;
- (v) Capital Notes 2;
- (vi) Capital Notes 3; and
- (vii) any securities or other instruments that rank or are expressed to rank equally with those preference shares and the Notes in respect of a return of capital in a Winding Up (as the case may be).

- 8 (a) The Notes are perpetual securities in respect of which there is no stated maturity date or other fixed redemption date. Holders may not require any redemption or purchase of the Notes at any time.

Subject as set out below, the Notes may be redeemed, in whole but not in part, at the option of the Issuer on the First Reset Date or any Reset Date thereafter at a redemption price equal to 100% of the prevailing principal amount of the Notes, together with any unpaid interest on the prevailing principal amount of the Notes for the period from (and including) the most recent Interest Payment Date to (but excluding) the date of redemption, except to the extent that the Issuer has determined not to pay or ANZ is obliged not to pay such interest as set out in Section 3 herein.

Subject as set out below, the Notes may be redeemed, in whole but not in part, at the option of the Issuer at any time at a redemption price equal to 100% of the prevailing principal amount of the Notes together with any unpaid interest on the

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prevailing principal amount of the Notes for the period from (and including) the most recent Interest Payment Date to (but excluding) the date of redemption, except to the extent that the Issuer has determined not to pay or ANZ is obliged not to pay such interest as set out in Section 3 herein, if a Tax Event occurs; ***provided, however***, that ANZ shall deliver to the Fiscal Agent an opinion of reputable legal counsel confirming that the conditions that must be satisfied for such redemption have been satisfied or have occurred. Immediately prior to the giving of any notice of such a redemption of Notes, the Issuer will deliver to the Fiscal Agent an Officer's Certificate stating that the Issuer is entitled to effect such redemption and setting forth in reasonable detail a statement of facts showing that the conditions precedent to the right of the Issuer to so redeem the Notes have occurred.

As used herein, "***Tax Event***" means the receipt by the directors of ANZ of an opinion from a reputable legal counsel or other tax adviser in Australia or the applicable Relevant Jurisdiction experienced in such matters to the effect that, as a result of:

- (a) any amendment to, clarification of, or change (including any announcement of a change that will be introduced) in, the laws or treaties or any regulations affecting taxation in Australia or a Relevant Jurisdiction;
- (b) any judicial decision, official administrative pronouncement, published or private ruling, regulatory procedure, notice, announcement or communication (including any notice, announcement or communication of intent to adopt such procedures or regulations) affecting taxation in Australia or a Relevant Jurisdiction or affecting the taxation treatment of the Notes in Australia or a Relevant Jurisdiction ("***Administrative Action***"); or
- (c) any amendment to, clarification of, or change in, an Administrative Action that provides for a position that differs from the current generally accepted position,

in each case, by any legislative body, court, governmental authority (including, without limitation, a tax authority) or regulatory body in Australia or a Relevant Jurisdiction, irrespective of the manner in which such amendment, clarification, change or Administrative Action is made

known, which amendment, clarification, change or Administrative Action is effective, or which pronouncement or decision is announced, on or after the Issue Date and which on the Issue Date is not expected by ANZ to come into effect, it is likely that:

- (i) the Issuer would be required to increase the amount of any interest scheduled to be paid on the Notes by payment of an Additional Amount in respect of any withholding tax and such an increase cannot be avoided within 60 days of such Tax Event by ANZ by filing a form, making an election or taking some reasonable measure that in ANZ's sole judgment will not be adverse to ANZ and will involve no material cost to ANZ;
- (ii) the Issuer is or would be no longer entitled to claim a deduction for any payments in respect of the Notes in computing its taxation liabilities in or relating to such Relevant Jurisdiction or the amount of such deduction is materially reduced;
- (iii) where the United Kingdom is such Relevant Jurisdiction, the Notes are or would be prevented from being treated as loan relationships for United Kingdom tax purposes;
- (iv) where the United Kingdom is such Relevant Jurisdiction, the Notes or any part thereof are or would be treated as a derivative or an embedded derivative for United Kingdom tax purposes; or
- (v) any interest scheduled to be paid on the Notes would be a frankable dividend or distribution within the meaning of Division 202 of the Tax Act.

If, after the Issue Date:

- (A) as a result of a Branch Change Notice, the Notes are issued through a branch located in a jurisdiction different from the jurisdiction of the branch through which the Notes were issued immediately before such notice, the references to "Issue Date" in the preceding paragraph shall be deemed to be to the date the Branch Change Notice is given; or
- (B) ANZ is merged into or consolidated with another entity, or all or substantially all of ANZ's assets are sold or transferred to another entity (each, a "**Relevant Transaction**") and in each case the home jurisdiction

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for tax purposes of such other entity is not Australia (or if such jurisdiction has already become a jurisdiction other than Australia, is different to the jurisdiction which it is immediately prior to the Relevant Transaction), the references to “Issue Date” in the preceding paragraph shall be deemed to be the date the Relevant Transaction is completed, provided that, the Issue Date will not be so amended if the location of the branch through which the Notes are issued is unchanged as a result of the Relevant Transaction.

Subject as set out below, the Notes may be redeemed, in whole but not in part, at the option of the Issuer at any time at a redemption price equal to 100% of the prevailing principal amount of the Notes together with any unpaid interest on the prevailing principal amount of the Notes for the period from (and including) the most recent Interest Payment Date to (but excluding) the date of redemption, except to the extent that the Issuer has determined not to pay or ANZ is obliged not to pay such interest as set out in Section 3 herein, if a Regulatory Event occurs; ***provided, however,*** that ANZ shall deliver to the Fiscal Agent an opinion of reputable legal counsel confirming that the conditions that must be satisfied for such redemption have been satisfied or have occurred. Immediately prior to the giving of any notice of such a redemption of Notes, the Issuer will deliver to the Fiscal Agent an Officer’s Certificate stating that the Issuer is entitled to effect such redemption and setting forth in reasonable detail a statement of facts showing that the conditions precedent to the right of the Issuer to so redeem the Notes have occurred.

As used herein, “***Regulatory Event***” means the receipt by the directors of ANZ of an opinion from a reputable legal counsel, that, as a result of any amendment to, clarification of or change (including any announcement of a change that will be introduced) in, any law or regulation in Australia or any official administrative pronouncement or action or judicial decision interpreting or applying such laws or regulations or any statement of APRA, which amendment, clarification or change is effective, or pronouncement, action or decision is announced, or statement is made, on or after the Issue Date and which on the Issue Date is not expected by ANZ to come into effect (each, a “***Regulatory Change***”), the directors of ANZ determine that ANZ is not or will not be entitled to treat all Notes as Additional Tier 1 Capital in whole.

- (b) Subject as set out below, ANZ (or any of its Related Entities) may, to the extent permitted by applicable laws and regulations, purchase any Note at any time and at any price in the open market, in private negotiated transactions or otherwise.

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- (c) Notwithstanding anything to the contrary in this Note or the Fiscal and Paying Agency Agreement, the Issuer may not redeem and ANZ may not repurchase any Notes without the prior written approval of APRA. Holders should not expect that APRA's approval will be given for any redemption or repurchase of a Note.

Additionally, the Issuer will not be permitted to redeem and ANZ will not be permitted to repurchase any Notes unless:

- (i) the Notes are replaced concurrently or beforehand with a Tier 1 Capital instrument of the same or better quality and the replacement of the Notes is done under conditions that are sustainable for ANZ's income capacity; or
 - (ii) APRA is satisfied that the capital position of the ANZ Level 1 Group and the ANZ Level 2 Group is well above its minimum capital requirements after the Issuer elects to redeem or ANZ repurchases the Notes.
- (d) Notice will be given once not more than 60 days nor less than 30 days prior to the date fixed for redemption. If by reason of the suspension of regular mail service, or by reason of any other cause, it shall be impracticable to give notice to the Holders in the manner prescribed herein, then such notification in lieu thereof as shall be made by the Issuer or by the Fiscal Agent on behalf of and at the instruction of the Issuer shall constitute sufficient provision of such notice, if such notification shall, so far as may be practicable, approximate the terms and conditions of the mailed notice in lieu of which it is given. Neither the failure to give notice nor any defect in any notice given to any particular Holder shall affect the sufficiency of any notice with respect to that Holder or any other Holders. Such notices will be deemed to have been given on the date of such mailing. Notices to redeem Notes shall specify the date fixed for redemption, the applicable redemption price, the place or places of payment and that payment will be made upon presentation and surrender of the Notes to be redeemed. If the redemption occurs as a result of a Tax Event or a Regulatory Event such notice shall also state that the conditions precedent to such redemption have occurred and state that the Issuer has elected to exercise its option to redeem the Notes pursuant to Section 8(a).

Holders of this Note should not expect that APRA's approval will be given for any redemption or purchase of this Note.

- 9 (a) As used herein:

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A “**Common Equity Capital Trigger Event**” means that ANZ determines, or APRA has notified ANZ in writing that it believes, that a Common Equity Capital Ratio is equal to or less than 5.125% (such determination or notification being a “**Capital Deficiency Determination**”). ANZ must immediately notify APRA in writing if ANZ makes a Capital Deficiency Determination.

The “**Deed of Undertaking**” means the deed poll made by TopCo in favor of Holders.

A “**Non-Viability Trigger Event**” means the earlier of:

- (i) the issuance of a notice in writing by APRA to ANZ that conversion or write off of Relevant Securities (including, without limitation, the Notes) is necessary because, without it, APRA considers that ANZ would become non-viable; or
- (ii) a determination by APRA, notified to ANZ in writing, that without a public sector injection of capital, or equivalent support, ANZ would become non-viable,

each such determination being a “**Non-Viability Determination.**”

A “**Trigger Event**” means a Common Equity Capital Trigger Event or a Non-Viability Trigger Event.

The “**Trigger Event Notice Receipt Date**” means the date of receipt of the Trigger Event Notice (as defined below) by DTC.

The Trigger Event Notice shall request that (to the extent not previously provided) Holders of Relevant Notes provide to ANZ or the Holders’ Nominee (as defined below) a notice (a “**Conversion Shares Settlement Notice**”), containing the information specified in subsection (b) below.

For so long as the Notes are held by a nominee of DTC, the Conversion Shares Settlement Notice must be given in accordance with the standard procedures of DTC (which may include the notice being given to ANZ by electronic means) and in a form acceptable to DTC and to ANZ. In order to obtain delivery of Ordinary Shares in respect of Relevant Notes, a Holder of Relevant Notes must (subject as set out below) deliver its Conversion Shares Settlement Notice on or before the date that is 30 days after the Trigger Event Notice Receipt Date (the “**Notice Cut-off Date**”).

- (b) If a Trigger Event occurs:
- (i) on the Trigger Event Conversion Date, subject only to subsection (f) below, such principal amount of the Notes as is required by the relevant Capital Deficiency Determination or Non-Viability Determination, as applicable, to be Converted will immediately Convert, provided that:
- a. where a Common Equity Capital Trigger Event occurs and such Capital Deficiency Determination does not require all Relevant Securities to be converted into Ordinary Shares or written off, such principal amount of the Notes shall Convert as is sufficient (determined by ANZ in accordance with subsection (b)(ii) below) to increase each relevant Common Equity Capital Ratio of ANZ to a percentage above 5.125%, as determined by ANZ in consultation with APRA; or
 - b. where a Non-Viability Trigger Event occurs under limb (i) of the definition of Non-Viability Trigger Event and such Non-Viability Determination does not require all Relevant Securities to be converted into Ordinary Shares or written off, such principal amount of the Notes shall Convert as is sufficient (determined by ANZ in accordance with subsection (b)(ii) below) to satisfy APRA that ANZ is viable without further conversion or write off; or
 - c. where a Non-Viability Trigger Event occurs under limb (ii) of the definition of Non-Viability Trigger Event, all the principal amount of all of the Notes will be Converted; and
- (ii) on the Trigger Event Conversion Date, the rights of each Holder of the Notes (including to payment of principal and of interest with respect to such Note or portion thereof) in relation to each Note or the relevant portion thereof that is being Converted will be ~~immediately and irrevocably terminated~~ automatically transferred for an amount equal to the relevant prevailing principal amount of that Note that is being Converted and ~~ANZ-TopCo~~ will apply that amount by way of payment for subscription for the Ordinary Shares to be allotted to such Holder in accordance with this Section 9 and the Deed of Undertaking.

In determining the number of Notes that must be Converted, ANZ will:

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- a. first, convert into Ordinary Shares or write off Relevant Securities whose terms require or permit them to be converted into Ordinary Shares or written off before Conversion of the Notes or in full; and
- b. second, if conversion into Ordinary Shares or write off of those Relevant Securities is not sufficient to satisfy the requirements of subsection (b)(i) above, Convert Notes and convert into Ordinary Shares or write off other Relevant Securities on an approximately pro rata basis or in a manner that is otherwise, in the opinion of ANZ, fair and reasonable (subject to such adjustment as ANZ may determine to take into account the effect on marketable parcels and the need to round to whole numbers the number of Ordinary Shares and any Notes or other Relevant Securities remaining on issue or outstanding, as the case may be, and the need to effect the conversion immediately) and, for the purposes of this Section 9(b)(ii)(b), where the specified currency of the principal amount of Relevant Securities is not the same for all Relevant Securities, ANZ may treat them as if converted into a single currency of ANZ's choice at such rate of exchange for each such specified currency as, in each case, ANZ in good faith considers reasonable,

provided that such determination does not impede the immediate Conversion of the relevant number of Notes;

- (iii) on the Trigger Event Conversion Date, ANZ shall determine the Holders whose Notes or portions thereof will be Converted at the time and on the date that the Conversion is to take effect and in making that determination may make any decisions with respect to the identity of the Holders at that time and date as may be necessary or desirable to ensure Conversion occurs immediately in an orderly manner, including disregarding any transfers of Notes that have not been settled or registered at that time and provided that such determination does not impede or delay the immediate Conversion of the relevant principal amount of Notes;
- (iv) ANZ must give notice of its determination pursuant to subsection (b)(iii) above (a "**Trigger Event Notice**") as soon as practicable to the Fiscal Agent and, for so long as the Notes are held by a nominee of DTC, to Holders via DTC which must specify:
 - (A) the Trigger Event Conversion Date;

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- (B) the principal amount of the Notes Converted; and
 - (C) the relevant number or principal amount of other Relevant Securities converted or written off;
- (v) for so long as the Notes are held by a nominee of DTC, ANZ shall request that DTC post the Trigger Event Notice on its Reorganization Inquiry for Participants System pursuant to DTC's procedures then in effect (or such other system as DTC uses for providing notices to holders of securities) and suspend all clearance and settlement of the Notes that are specified by the Trigger Event Notice to be Notes that have been Converted ("**Relevant Notes**"), with such suspension commencing no later than the close of the next day following the Trigger Event Notice Receipt Date that is a Business Day in New York City (the date of such suspension, the "**Suspension Date**");
- (vi) for so long as the Notes are held by a nominee of DTC, the procedures set forth in subsections (b)(iv) and (b)(v) above are subject to change to reflect changes in DTC practices, and ANZ may make changes to the procedures set forth in this Section 9 to the extent reasonably necessary, in the opinion of ANZ, to reflect such changes in DTC practices;
- (vii) none of the following events shall prevent, impede or delay the Conversion of Notes as required by subsection (b)(i) above:
- (A) any failure or delay in the conversion or write off of other Relevant Securities;
 - (B) any failure or delay in giving a Trigger Event Notice or in any delay by DTC in posting such notice as contemplated by subsection (b)(v) above;
 - (C) any failure or delay in the quotation of Ordinary Shares to be issued on Conversion; or
 - (D) any failure by a Holder or any other party to comply with subsection (c) or subsection (i) below; and
- (viii) from the Trigger Event Conversion Date, subject to subsection (f) and subsection (g)(iii)(C) below, ANZ shall treat the Holder of any Note or portion thereof which is required to be Converted as the holder of the

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relevant number of Ordinary Shares and will take all such steps, including updating any register, required to record the Conversion and the issuance of such Ordinary Shares.

(c) Where a principal amount of Notes is required to be Converted pursuant to the terms described in this Section 9, a Holder of Notes or portion thereof that are subject to Conversion wishing to receive Ordinary Shares must, no later than the Trigger Event Conversion Date (or, in the case where subsection (e)(vii) below applies, within 30 days of the date on which Ordinary Shares are issued upon such Conversion), have provided to ANZ or (if then appointed) the Holders' Nominee a Conversion Shares Settlement Notice setting out:

- (i) its name and address (or the name and address of any person in whose name it directs the Ordinary Shares to be issued) for entry into any register of title and receipt of any certificate or holding statement in respect of any Ordinary Shares;
- (ii) the security account details of such Holder of Notes in the Clearing House Electronic Subregister System of Australia, operated by the ASX or its affiliates or successors ("**CHESS**"), or such other account to which the Ordinary Shares may be credited; and
- (iii) such other information as is reasonably requested by ANZ for the purposes of enabling ~~it~~ [TopCo](#) to issue the Conversion Number (as defined below) of Ordinary Shares to the Holder of Notes,

and ANZ has no duty to seek or obtain such information.

(d) Subject to the terms described in subsections (e) and (f) below, if, in respect of a Conversion of Notes, ~~ANZ~~ [TopCo](#) fails to issue, on the Trigger Event Conversion Date, the Conversion Number of Ordinary Shares in respect of the relevant principal amount of such Notes to, or in accordance with the instructions of, the relevant Holder of Notes on the Trigger Event Conversion Date or any Holders' Nominee thereof where subsection (e) below applies, the principal amount of such Notes which would otherwise be subject to Conversion shall remain in issue and Outstanding until the Ordinary Shares are issued to, or in accordance with the instructions of, the Holder of such Notes or such Notes are Written Off in accordance with the terms hereof, **provided, however**, that the sole right of the Holders (in respect of such Notes or the relevant portion thereof that is subject to Conversion) is the right to be issued Ordinary Shares upon Conversion

(subject to its compliance with subsection (c) above or to receive the proceeds from their sale pursuant to subsection (e) below, as applicable) and the remedy of such Holder in respect of ANZ's-TopCo's failure to issue the Ordinary Shares is limited (subject always to subsection (f) below) to seeking an order for specific performance of ANZ's-TopCo's obligation to issue the Ordinary Shares to the Holder, or where subsection (e) below applies, to the Holders' Nominee and to receive such proceeds of sale (if any), in each case, in accordance with the terms of the Notes. This Section does not affect the obligation of ANZ-TopCo to issue the Ordinary Shares when required in accordance with the terms hereof.

(e) If, in respect of a Note and a Holder of that Note, the Note or portion thereof is required to be Converted and:

- (i) the Holder of the Note has notified ANZ that it does not wish to receive Ordinary Shares as a result of the Conversion (whether entirely or to the extent specified in the notice), which notice may be given at any time prior to the Trigger Event Conversion Date;
- (ii) the Notes are held by a registered Holder of the Note whose address in the register is a place outside Australia or who ANZ otherwise believes is not a resident of Australia (a "*Foreign Holder*");
- (iii) the Holder of that Note is a Clearing System Holder;
- (iv) for any reason (whether or not due to the fault of the Holder of the Note) ANZ has not received the information required by subsection (c) above prior to the Trigger Event Conversion Date and the lack of such information would prevent ANZ-TopCo from issuing the Ordinary Shares to the Holder of the Note on the Trigger Event Conversion Date; or
- (v) a FATCA Withholding is required to be made in respect of the Ordinary Shares issued on the Conversion,

then, on the Trigger Event Conversion Date:

- (vi) where subsections (e)(i), (e)(ii) or (e)(v) above apply, ANZ-TopCo shall issue the Ordinary Shares to the Holder of the Note only to the extent (if at all) that:
 - (A) where subsection (e)(i) above applies, the Holder of the Note has notified ANZ that it wishes to receive them;

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- (B) where subsection (e)(ii) above applies, ANZ is satisfied that the laws of both the Commonwealth of Australia and the Foreign Holder's country of residence permit the issue of Ordinary Shares to the Foreign Holder (but as to which ANZ is not bound to enquire), either unconditionally or after compliance with conditions which ANZ in its absolute discretion regards as acceptable and not unduly onerous; and
- (C) where subsection (e)(v) above applies, the issue is net of the FATCA Withholding,

and to the extent ~~ANZ~~ TopCo is not obliged to issue Ordinary Shares directly to the Holder of the Note, ~~ANZ~~ TopCo will issue the balance of the Ordinary Shares to the Holders' Nominee in accordance with subsection (e)(vii) below;

- (vii) otherwise, subject to applicable law, ~~ANZ~~ TopCo will issue the balance of Ordinary Shares in respect of the Holder of the Note to a competent nominee (which may not be ANZ or any of its Related Entities) (the "*Holder's Nominee*") and will promptly notify such Holder of the name of and contact information for the Holders' Nominee and the number of Ordinary Shares issued to the Holders' Nominee on its behalf and, subject to applicable law and:
 - (A) subject to subsection (e)(vii)(B) below, the Holders' Nominee will as soon as reasonably possible and no later than 35 days after issue of the Ordinary Shares sell those Ordinary Shares and pay a cash amount equal to the net proceeds received, after deducting any applicable brokerage, stamp duty and other taxes and charges, to the Holder of the Note;
 - (B) where subsection (e)(iii) or (iv) above applies, the Holders' Nominee will hold such Ordinary Shares and will transfer Ordinary Shares to such Holder (or, where subsection (e)(iii) above applies, the person for whom the Clearing System Holder holds the Note) promptly after such person provides the Holders' Nominee with the information required to be provided by such Holder (as if a reference to ANZ is a reference to the Holders' Nominee and a reference to the issue of Ordinary Shares is a reference to the transfer of Ordinary Shares) but only where such information is

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provided to the Holders' Nominee within 30 days of the date on which Ordinary Shares are issued to the Holders' Nominee upon Conversion of such Note and where such Holder fails to provide the Holders' Nominee with the information required to be provided by such Holder, the Holders' Nominee will sell the Ordinary Shares and pay the proceeds to such person in accordance with subsection (e)(vii)(A) above; and

(C) where subsection (e)(v) above applies, the Holders' Nominee shall deal with Ordinary Shares the subject of a FATCA Withholding and any proceeds of their disposal in accordance with Sections 1471 through 1474 of the Code ("*FATCA*");

(viii) nothing in this subsection (e) shall affect the Conversion of the Notes of a Holder who is not a person to which any of subsections (e)(i) to (e)(v) above (inclusive) described in this Section 9 applies; and

(ix) for the purpose of this subsection (e), neither ANZ nor the Holders' Nominee owes any obligations or duties to the Holders in relation to the price at which Ordinary Shares are sold or has any liability for any loss suffered by a Holder as a result of the sale of Ordinary Shares.

(f) Notwithstanding any other provision of this Section 9, where Notes are required to be Converted on the Trigger Event Conversion Date and Conversion of the relevant principal amount of the Notes that are subject to Conversion has not been effected within 5 Trading Days after the relevant Trigger Event Conversion Date for any reason (including an Inability Event), (A) the principal amount of each Note which, but for this subsection (f), would be Converted, will not be Converted and instead will be Written Off with effect on and from the Trigger Event Conversion Date and (B) ANZ shall notify the Fiscal Agent and the Holders of the foregoing as promptly as practically possible.

(g) Each Holder of Notes irrevocably:

(i) consents to becoming a member of [ANZ-TopCo](#) upon the Conversion of the relevant principal amount of the Notes required to be Converted as described in this Section 9 and agrees to be bound by the constitution of [ANZ-TopCo](#), in each case, in respect of the Ordinary Shares issued to such Holder on Conversion;

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- (ii) acknowledges and agrees that it (or where subsection (e) so requires, the Holders' Nominee on its behalf) is obliged to accept Ordinary Shares upon a Conversion of the Notes it holds, notwithstanding anything that might otherwise affect a Conversion of such principal amount of Notes, including:
 - (A) any change in the financial position of ANZ since the issue of such Notes;
 - (B) any disruption to the market or potential market for the Ordinary Shares or to capital markets generally;
 - (C) any breach by ANZ of any obligation in connection with such Notes; and
 - (D) any dispute as to the calculation of the Common Equity Capital Ratio;
- (iii) acknowledges and agrees that where subsection (a) and subsection (b) above apply:
 - (A) there are no other conditions to a Trigger Event or to Conversion occurring as and when provided in this Section;
 - (B) Conversion must occur immediately on the Trigger Event Conversion Date and that may result in disruption or failures in trading or dealings in the Notes;
 - (C) it will not have any rights to vote in respect of any Conversion and the Note does not confer a right to vote at any meeting of members of ANZ; and
 - (D) the Ordinary Shares issued on Conversion may not be listed or quoted at the time of issue, or at all;
- (iv) acknowledges and agrees that where subsection (f) above applies, no conditions or events other than those referred to in that subsection will affect the operation of that subsection and such Holder will not have any rights to vote in respect of any Write Off under that subsection and has no claim against ANZ arising in connection with the application of that subsection;

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- (v) acknowledges and agrees that, save as set out herein in relation to specific performance following the delivery of a Trigger Event Notice, such Holder of Notes has no right to request a Conversion of any principal amount of any Notes or to determine whether (or in what circumstances) the principal amount of Notes it holds are Converted;
- (vi) acknowledges and agrees that none of the following shall prevent, impede or delay the Conversion or (where relevant) Write Off of the prevailing principal amount of Notes:
 - (A) any failure to or delay in the conversion or write off of other Relevant Securities;
 - (B) any failure or delay in giving a Trigger Event Notice or other notice required as described in this Section 9;
 - (C) any failure or delay in the listing or quotation of the Ordinary Shares to be issued on Conversion;
 - (D) any failure or delay by a Holder or any other party in complying with the provisions of subsection (c) above or subsection (i) below; and
 - (E) any requirement to select or adjust the number or principal amount of Notes to be Converted in accordance with subsection (b)(ii)b or (b)(iii) above.
- (vii) acknowledges and agrees that ANZ is authorized on behalf of the Holder to execute any transfer form or perform any other act as ANZ considers appropriate to reflect the transfers contemplated hereby;
- (viii) authorizes, directs and requests DTC and any direct participant in DTC or other intermediary through which such Holder holds Notes to take any and all necessary actions, if required, to implement the Conversion or Write Off, as applicable, without any further action or direction on the part of such Holder or the Fiscal Agent;
- (ix) acknowledges and agrees that the transfer of any Relevant Notes will not be able to be settled from the Suspension Date, and any sale or transfer of the Relevant Notes that a Holder of Relevant Notes may have initiated prior to the Suspension Date that is scheduled to settle after the

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Suspension Date will be rejected by DTC and will not be settled within DTC; ~~and~~

(x) acknowledges and agrees to any change of branch of ANZ as Issuer and/or payor in the manner and in the circumstances contemplated hereby; and

(xi) acknowledges and agrees that if, in respect of a Conversion, TopCo has issued the Conversion Number of Ordinary Shares to the Holder but the Note or portion thereof has not been transferred free from encumbrance to TopCo, the Note or such portion shall be Written Off in accordance with Section 9(f) without prejudice to the issue of the Ordinary Shares.

(h) As used herein, “**Written Off**” shall mean that, in respect of a Note or portion thereof that is otherwise subject to Conversion and a Trigger Event Conversion Date:

(i) the Note or portion thereof that is otherwise subject to Conversion will not be Converted on that date and will not be Converted or redeemed under the terms hereof on any subsequent date; and

(ii) with effect on and from the Trigger Event Conversion Date, the relevant Holders’ rights (including to payment of interest and the relevant principal amount) in relation to such Note or portion thereof are immediately and irrevocably terminated and written off; and “**Write Off**” has a corresponding meaning.

(i) Subject to the terms described in subsection 10(c)(ii) below, any Note which is to be Converted or Written Off only in part shall be surrendered with, if ANZ or the Fiscal Agent so requires, due endorsement by, or a written instrument of transfer in form satisfactory to ANZ and the Fiscal Agent duly executed by, the Holder thereof or his attorney duly authorized in writing, and the Issuer shall execute, and the Fiscal Agent shall authenticate and deliver to the registered Holder of such Note without service charge, a new Note or Notes of like form, of any aggregate principal amount equal to and in exchange for the non-Converted or non-Written Off portion of the principal amount of the Note so surrendered.

(j) If a Capital Deficiency Determination or a Non-Viability Determination takes effect, ANZ must perform any obligations in respect of the determination immediately on the day it is made or received by ANZ, whether or not such day is a Trading Day.

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(k) Where a Note is Converted or Written Off only in part, then:

(i) that Note shall be surrendered with, if the Issuer or the Fiscal Agent so requires, due endorsement by, or a written instrument of transfer in a form satisfactory to the Issuer and the Fiscal Agent duly executed by, the Holder thereof or his attorney duly authorized in writing, and the Issuer shall execute, and the Fiscal Agent shall authenticate and deliver to:

(A) the Holder of such Note without service charge, a new Note or Notes of like form and of the aggregate principal amount equal to and in exchange for the portion of the principal amount of the Note so surrendered that is not to be Converted (the “**Remaining Note**”); and

(B) TopCo without service charge, a new Note of like form and of the aggregate principal amount equal to and in exchange for the principal amount of the Note so surrendered that is to be Converted (the “**Affected Note**”).

provided that any failure or delay by any party in complying with these provisions shall not prevent, impede or delay the Conversion or Write Off of the Note; and

(ii) the amount of any interest scheduled to be paid in respect of that Note on each Interest Payment Date falling after that Trigger Event Conversion Date will be reduced and calculated on the prevailing principal amount of ~~that Note as so reduced on the date of the Conversion or Write Off~~ the Remaining Note.

10 For so long as any Note remains Outstanding,

(a) where either of the following occurs:

(i) a takeover bid (as defined in the Corporations Act) is made to acquire all, or some of, the Ordinary Shares and such offer is, or becomes, unconditional and either:

(A) the bidder has at any time during the offer period, a relevant interest in more than 50% of the Ordinary Shares in issue; or

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- (B) the directors of ANZ TopCo, acting as a board, issue a statement that at least a majority of its directors who are eligible to do so have recommended acceptance of such offer (in the absence of a higher offer); or
- (ii) a court orders the holding of meetings to approve a scheme of arrangement under Part 5.1 of the Corporations Act, which scheme would result in a person having a relevant interest in more than 50% of the Ordinary Shares that will be in issue after the scheme is implemented and:
 - (A) all classes of members of ANZ TopCo pass all resolutions required to approve the scheme by the majorities required under the Corporations Act, to approve the scheme;
 - (B) an independent expert issues a report that the proposals in connection with the scheme are in the best interests of the holders of Ordinary Shares; and
 - (C) all conditions to the implementation of the scheme, including any necessary regulatory or shareholder approvals (but not including approval of the scheme by the court), have been satisfied or waived,
 (each an “*Acquisition Event*”); and
- (b) the bidder (or its ultimate holding company) or the person having a relevant interest in the Ordinary Shares ~~in ANZ~~ after the scheme is implemented (or any entity that Controls the bidder or the person having the relevant interest) is an Approved Acquirer,

each Holder shall, by its purchase and acceptance of such Note, agree that, upon the occurrence of any of the foregoing events, without further authority, assent or approval of the Holders (but with the prior written approval of APRA):

- (c) the Issuer may amend the terms of the Notes such that, unless APRA otherwise agrees, on any date the prevailing principal amount (or any part thereof) of the Notes is to be Converted:
 - (i) each Note that is being Converted in whole will be automatically transferred by each Holder free from encumbrance to the Approved Acquirer on the date the Conversion is to occur;

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- (ii) each Note that is being Converted only in part shall be surrendered with, if the Issuer or the Fiscal Agent so requires, due endorsement by, or a written instrument of transfer in a form satisfactory to the Issuer and the Fiscal Agent duly executed by, the Holder thereof or his attorney duly authorized in writing, and the Issuer shall execute, and the Fiscal Agent shall authenticate and deliver to:
 - (A) the Holder of such Note without service charge, a new Note or Notes of like form and of the aggregate principal amount equal to and in exchange for the portion of the principal amount of the Note so surrendered that is not to be Converted; and
 - (B) the Approved Acquirer without service charge, a new Note of like form and of the aggregate principal amount equal to and in exchange for the principal amount of the Note so surrendered that is to be Converted,

provided that any failure or delay by any party in complying with these provisions shall not prevent, impede or delay the Conversion or Write Off of the Notes;

- (iii) each Holder (or a Holders' Nominee in accordance with subsections (c) or (e) of Section 9, which provisions shall apply, *mutatis mutandis*, to such Approved Acquirer Ordinary Shares) of the Note or portion thereof being Converted will be issued a number of Approved Acquirer Ordinary Shares equal to the Conversion Number and the Conversion mechanics that would have otherwise been applicable to the determination of the number of Ordinary Shares shall apply (with any necessary changes) to the determination of the number of such Approved Acquirer Ordinary Shares; and
- (iv) as between ANZ and the Approved Acquirer, each Note held by the Approved Acquirer as a result of the transfer will be automatically Converted into a number of ANZ Ordinary Shares the aggregate market value of which equals the prevailing principal amount of that Note (determined on the basis as set out in Schedule A using a VWAP calculated on the basis of the last period of 5 Trading Days on which trading in ANZ Ordinary Shares took place preceding, but not including, the Trigger Event Conversion Date (whether such period occurred before or after the Acquisition Event occurred) and subject in all cases to the Maximum Conversion Number); and

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- (d) the Issuer may make such other amendments as in the Issuer's reasonable opinion are necessary and appropriate in order to effect the substitution of an Approved Acquirer as the provider of the ordinary shares to be delivered upon Conversion in the manner contemplated by the terms hereof and consistent with the requirements of APRA in relation to Additional Tier 1 Capital, including, without limitation:
- (i) to the definitions of "Conversion," "Inability Event," "Ordinary Shares," "Relevant Security" and/or "Trigger Event" and to the procedures relating to Conversion and Write Off as contemplated herein to reflect the identity of the Approved Acquirer as the provider of the ordinary shares to be delivered upon Conversion;
 - (ii) to cause any necessary adjustment to be made to the Maximum Conversion Number and to any relevant VWAP or Issue Date VWAP consistent with the principles of adjustment set out in Schedule A below; and
 - (iii) to the terms hereof such that any right of Holders to require delivery of ordinary shares of the Approved Acquirer is consistent with the limited right of Holders to require delivery of Ordinary Shares following a Conversion as set out herein.

The Issuer shall give a notice to the Fiscal Agent and to Holders as soon as practicable after such amendments as described herein specifying the amendments to the terms hereof which will be made as described herein to effect the substitution of an Approved Acquirer as the issuer of Ordinary Shares on Conversion.

After a substitution, as described herein, the Approved Acquirer may without the authority, approval or assent of the Holder of Notes, effect a further substitution as described herein (with necessary changes).

A Holder has no right (a) to require the Issuer to make any such amendment or to effect any such substitution; or (b) to vote upon, or otherwise require that its approval is obtained prior to the occurrence of, any Acquisition Event, and acknowledges and agrees that there is no provision for any automatic adjustment to the terms of the Notes or the Fiscal and Paying Agency Agreement on account of an Acquisition Event other than by an Approved Acquirer as described above.

If an Acquisition Event occurs and the Issuer does not make any such amendment or substitution prior to the occurrence of a Trigger Event, Holders will remain

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entitled to Ordinary Shares in ~~ANZ-TopCo~~ upon Conversion, calculated on the basis of the VWAP for the five Trading Days on which trading in Ordinary Shares last took place (subject as set out above in relation to Write Off) and Holders shall have no right or remedy against the Issuer or ANZ on account of such Acquisition Event occurring or as a result of any subsequent inability to further adjust the VWAP in the manner and at the times set out below.

(e) As used herein:

“**Approved Acquirer**” means the ultimate holding company of ~~ANZ-TopCo~~ (whether incorporated in Australia or elsewhere) arising as a result of an Approved Acquisition Event.

“**Approved Acquisition Event**” means an Acquisition Event in respect of which each of the following conditions is satisfied:

- (i) the entity which has or is to become the Approved Acquirer has assumed all of ~~ANZ-TopCo~~'s obligations to Convert the Notes into Ordinary Shares by undertaking to convert such Notes into Approved Acquirer Ordinary Shares on any Trigger Event in respect of the Approved Acquirer;
- (ii) the Approved Acquirer Ordinary Shares are listed on ASX or another Recognized Exchange; and
- (iii) ANZ, in its sole and absolute discretion, has determined that the arrangements for the issuance of Approved Acquirer Ordinary Shares to Holders following a Trigger Event are in the best interests of ANZ having regard also to the interests of the Holders and are consistent with applicable law and regulation (including, but not limited to, the guidance of APRA or any other applicable regulatory authority).

“**Approved Acquirer Ordinary Share**” means a fully paid ordinary share in the capital of the Approved Acquirer.

- (f) Subject to subsection 10(h), ANZ shall not consolidate with or merge into any other person or convey, transfer or lease its properties and assets substantially as an entirety to any person, and ANZ shall not permit any person to consolidate with or merge into ANZ or convey, transfer or lease its properties and assets substantially as an entirety to ANZ unless:

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- (i) in case ANZ shall consolidate with or merge into another person, or convey, transfer or lease its properties and assets substantially as an entirety to any person, the person formed by such consolidation or into which ANZ is merged or the person which acquires by conveyance or transfer, or which leases, the properties and assets of ANZ substantially as an entirety shall be a corporation, partnership or trust and shall expressly assume the due and punctual payment of the prevailing principal amount of and interest on the Notes in accordance with the Conditions and the performance or observance of every covenant of this Note and the Fiscal and Paying Agency Agreement applicable to this Note on the part of ANZ to be performed or observed; **provided, however**, if such person is not organized and validly existing under the laws of the Commonwealth of Australia or any State or Territory thereof, it must expressly agree (A) to indemnify the Holder of this Note against any tax, assessment or governmental charge required to be withheld or deducted from any payment to such Holder as a consequence of such consolidation, merger, sale of assets or other transaction and (B) that all payments pursuant to this Note must be made without withholding or deduction for or on account of any tax of whatever nature imposed or levied on behalf of the jurisdiction of organization of such successor company or entity, or any political subdivision or taxing authority thereof or therein, unless such tax is required by such jurisdiction or any such subdivision or authority to be withheld or deducted, in which case, such successor company or entity will increase the relevant interest scheduled to be paid on the Notes by such Additional Amounts in order that the net amounts received by the Holder of this Note after such withholding or deduction shall equal the amount which would have been received in respect of this Note in the absence of such withholding or deduction, subject to the same exceptions as would apply with respect to the payment by the Issuer of Additional Amounts in respect of this Note (substituting the jurisdiction of organization of such successor company or entity for the Commonwealth of Australia), **provided, however**, that this indemnity shall not apply to any deduction or withholding imposed or required pursuant to Sections 1471 through 1474 of the Code, any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code,

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and shall not require the payment of Additional Amounts on account of any such withholding or deduction; and

- (ii) The Issuer has delivered to the Holder of this Note an Officer's Certificate and an opinion of counsel, each stating that such consolidation, merger, lease, conveyance or transfer of assets and, if applicable such amendment to the Fiscal and Paying Agency Agreement, comply with this Section 10 and that all conditions precedent herein provided for relating to such transaction have been complied with.
- (g) Upon any such consolidation or merger, or any conveyance, transfer or lease of the properties and assets of ANZ substantially as an entirety in accordance with Section 10(f), the successor person formed by such consolidation or into which ANZ is merged or to which such conveyance, transfer or lease is made shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under the Fiscal and Paying Agency Agreement and this Note with the same effect as if the successor person had been named as the Issuer therein and herein and thereafter, except in the case of a lease, the predecessor person shall be relieved of all obligations and covenants under the Notes and under the Fiscal and Paying Agency Agreement.
- (h) Nothing in this Section 10 shall prevent ANZ from consolidating with or merging into any other person or conveying, transferring or leasing its properties and assets substantially as an entirety to any person, or from permitting any person to consolidate with or merge into ANZ or to convey, transfer or lease its properties and assets substantially as an entirety to ANZ where such consolidation, merger, transfer or lease is:
 - (i) required by APRA (or any statutory manager or similar official appointed by it) under law and prudential regulation applicable in the Commonwealth of Australia (including, without limitation, the Banking Act or the Financial Sector Transfer (Business Transfer and Group Restructure) Act 1999 of Australia, which terms, as used herein, include any amendments thereto, rules thereunder and any successor laws, amendments and rules)); or
 - (ii) determined by the board of directors of ANZ or by APRA (or any statutory manager or similar official appointed by it) to be necessary in order for ANZ to be managed in a sound and prudent manner or for ANZ or APRA (or any statutory manager or similar official appointed by it) to

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resolve any financial difficulties affecting ANZ, in each case in accordance with prudential regulation applicable in the Commonwealth of Australia.

- 11 If any mutilated Note is surrendered to the Fiscal Agent, the Issuer shall execute, and the Fiscal Agent shall authenticate and deliver in exchange therefor, a new Note of like form, tenor and prevailing principal amount, bearing a number not contemporaneously Outstanding.

If there is delivered to the Issuer and the Fiscal Agent (i) evidence to their satisfaction of the destruction, loss or theft of any Note and (ii) such security or indemnity as may be required by them to save each of them and any agent of each of them harmless, then, in the absence of notice to the Issuer or the Fiscal Agent that such Note has been acquired by a bona fide purchaser, the Issuer shall execute, and upon its request the Fiscal Agent shall authenticate and deliver, in lieu of any such destroyed, lost or stolen Note a new Note of like form, tenor and prevailing principal amount and bearing a number not contemporaneously Outstanding.

Upon the issuance of any new Note under this Section 11, the Issuer may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other reasonable expenses (including the fees and the expenses of the Fiscal Agent) connected therewith.

If any Note which has matured or has been redeemed or repaid or is about to mature or to be redeemed or repaid shall become mutilated, destroyed, lost or stolen, the Issuer may, instead of issuing a substitute Note, pay or authorize the payment of the same (without surrender thereof except in the case of a mutilated Note) upon compliance by the Holder with the provisions of this paragraph.

Every new Note issued pursuant to this Section 11 in lieu of any mutilated, destroyed, lost or stolen Note, shall constitute an original additional contractual obligation of the Issuer, whether or not the mutilated, destroyed, lost or stolen Note shall be at any time enforceable by anyone.

Any new Note delivered pursuant to this Section 11 shall be so dated that neither gain nor loss in interest shall result from such exchange.

The provisions of this Section 11 are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Notes.

(Reverse of Security continued on next page)

12 Section 11 of the Fiscal and Paying Agency Agreement, which Section is hereby incorporated *mutatis mutandis* by reference herein, provides that, with certain exceptions as therein provided and with the written consent or the affirmative vote or approval of the Holders of all Outstanding Notes, certain changes may be made to the terms of the Notes and/or the Fiscal and Paying Agency Agreement. Those types of changes are (i) changing the date scheduled for the payment of principal of or any interest on any Note, (ii) other than as set out above in relation to Conversion and Write Off of the Notes following a Trigger Event and the Issuer's discretion and/or ANZ's obligation not to pay interest otherwise scheduled to be paid on the Notes, reducing the principal amount of any Note or the Interest Rate(s) or methodology for determining any reset Interest Rate, (iii) changing the subordination provisions of a Note or the Conversion or Write Off features (other than adjustments contemplated by the terms of the Notes) applicable thereto, in a manner adverse to the Holder of the Note, (iv) changing the coin or currency of any payment on a Note, (v) changing the Issuer's obligation to pay Additional Amounts, (vi) shortening the period during which redemption of the Notes is not permitted or permitting redemption during a period not previously permitted, (vii) changing the place of payment on a Note, (viii) reducing the percentage of principal amount of the Notes Outstanding necessary to modify, amend or supplement the Fiscal and Paying Agency Agreement or the Notes or to make, take or give any request, demand, authorization, direction, notice, consent, waiver or other action provided in the Fiscal and Paying Agency Agreement or this Note to be made, taken or given or to waive past non-compliance or future compliance, (ix) reducing the percentage of principal amount of the Notes Outstanding required to adopt a resolution or the required quorum at any meeting of Holders at which a resolution is adopted, (x) changing any obligation of the Issuer to maintain an office or agency in the places and for the purposes as specified in this Note and Section 9.1 of the Fiscal and Paying Agency Agreement, or (xi) changing any of the provisions of Section 11.1 of the Fiscal and Paying Agency Agreement.

Changes to or a waiver of the restrictions on [ANZ](#) Ordinary Share Dividends, Buy Backs and Capital Reductions set forth in Section 3 may be made if approved by a Special Resolution. As used herein: "**Special Resolution**" means either (i) a resolution passed at a meeting of Holders by at least 75% of the votes validly cast by Holders in person or by proxy and entitled to vote on the resolution at a meeting at which a quorum of Holders is present or (ii) the written consent of Holders representing at least 75% of the aggregate principal amount of the Notes Outstanding.

(Reverse of Security continued on next page)

The following do not require any approval by Holders: (i) amending the terms of the Notes and the Fiscal and Paying Agency Agreement in connection with an Approved Acquisition Event in the manner set out herein, (ii) curing any ambiguity or curing, correcting or supplementing any defective provision, or modifying the Fiscal and Paying Agency Agreement or the Notes in any manner determined by the Issuer and the Fiscal Agent to be consistent with the Notes and not adverse to the interest of any Holder of Notes and (iii) evidencing and providing for the acceptance of appointment of a successor or successors to the Agent and/or the Paying Agent, Transfer Agent, Calculation Agent and Registrar, as applicable. Further, subject to receiving APRA's prior written approval, ANZ may, by notice to Holders (a "**Branch Change Notice**"), change the branch through which it acts in respect of the Notes to another branch of ANZ in any jurisdiction, including in Australia with effect from the date specified in the notice. ANZ will not change the branch through which it acts in respect of the Notes to a branch in a jurisdiction where it would be illegal by the laws of that jurisdiction to have the Notes on issue or to perform its obligations in respect of the Notes. A Holder has no right to require ANZ to give a Branch Change Notice.

Any other modification or amendment to the Fiscal and Paying Agency Agreement or the Notes and any other waiver of covenants set out in the Fiscal and Paying Agency Agreement or the Notes shall require the written consent of the Holders of at least a majority of the aggregate principal amount of the Notes at the time Outstanding or the adoption of a resolution at a meeting at which a quorum of Holders is present by a majority of the aggregate principal amount of the Notes then Outstanding represented at the meeting.

Notwithstanding any other provision in this Section 12, the prior written approval of APRA is required to modify, amend or supplement these Conditions or to give consents or waivers in respect of the Notes or take other actions where such modification, amendment, supplement, consent, waiver or other action described above may affect the eligibility of the Notes as Additional Tier 1 Capital. This applies regardless of whether such action would require Holder approval.

- 13 Each Holder of this Note or an interest therein, by acceptance of this Note or such interest in this Note, agrees to provide the Fiscal Agent with the Noteholder Tax Identification Information and Noteholder FATCA Information (as defined below). If the Fiscal Agent determines that the Holder of this Note or beneficial interest therein has failed to provide such information, the Issuer shall at its sole option, pursuant to this Section 13, amend the terms of this Note or of the Fiscal and Paying Agency Agreement to enable the Issuer to achieve FATCA

(Reverse of Security continued on next page)

Compliance (as defined below) provided that the prior written approval of APRA is required to modify, amend or supplement the terms of the Notes or the Fiscal and Paying Agency Agreement or to give consents or waivers or take other actions where such modification, amendment, supplement, consent, waiver or other action described above may affect the eligibility of the Note as Additional Tier 1 Capital regardless of whether such action would require Holder approval. In addition, the Holder of this Note, by acceptance of this Note, understands and acknowledges that the Fiscal Agent has the right, under this Section 13 and the Fiscal and Paying Agency Agreement, to withhold interest payable with respect to this Note (without any corresponding gross-up) on any beneficial owner of an interest in this Note who fails to comply with the foregoing requirements.

“Noteholder FATCA Information” means information sufficient to eliminate the imposition of U.S. withholding tax under FATCA.

“Noteholder Tax Identification Information” means properly completed and signed tax certifications (generally, in the case of U.S. Federal Income Tax, IRS Form W-9 (or applicable successor form) in the case of a person that is a “United States Person” within the meaning of Section 7701(a)(30) of the Code or the appropriate IRS Form W-8 (or applicable successor form) in the case of a person that is not a “United States Person” within the meaning of Section 7701(a)(30) of the Code).

“FATCA Compliance” means the requirement that foreign financial institutions, including any foreign subsidiaries of U.S.-based organizations, take all appropriate steps to comply with FATCA, including but not limited to:

- (a) entering into an Foreign Financial Institution Agreement with the United States Internal Revenue Service (“**IRS**”) which states an intent to comply with FATCA;
- (b) implementing adequate due diligence procedures on new and existing accounts to classify account Holders or investors as U.S. or non-U.S.;
- (c) withholding 30% in U.S. taxes when individuals fail to provide appropriate documentation or when undertaking business with non-FATCA compliant entities; and
- (d) reporting account information directly to the IRS or indirectly through the relevant national government in the applicable country.

- 14 Notices to be given to Holders of Notes issued in global form will be given only to the Clearing System Holder, in accordance with its applicable policies as in effect from time to time. Notices to be given to Holders of Notes not issued in global form will be sent by mail to the respective addresses of the Holders as they appear in the Fiscal Agent's records, and will be deemed given when mailed. Neither the failure to give any notice to a particular Holder, nor any defect in a notice given to a particular Holder, will affect the sufficiency of any notice given to another Holder.
- 15 Each Holder shall, by its purchase and acceptance of such Note, acknowledge, agree to be bound by, and consent to, the same provisions specified herein to the same extent as the Holders that acquire the Notes upon their initial issuance.
- 16 This Note and the Fiscal and Paying Agency Agreement will be governed by, and construed in accordance with, the laws of the State of New York without reference to the State of New York principles regarding conflicts of laws, except as to authorization and execution by the Issuer of these documents and except for the provisions of Sections 7, 9 and 10 hereof, and Schedule A hereto and Section 11.7 and Section 12 of the Fiscal and Paying Agency Agreement, (the "**Victorian Law Matters**"), which in each case are governed by and shall be construed in accordance with the laws of the State of Victoria and the Commonwealth of Australia.

The courts of the Borough of Manhattan, The City of New York, New York are to have jurisdiction to settle any disputes that may arise out of or in connection with the Notes and the Fiscal and Paying Agency Agreement and accordingly any legal action or proceedings arising out of or in connection with the Notes and the Fiscal and Paying Agency Agreement (including any legal action or proceedings relating to non-contractual obligations arising out of or in connection with them) ("**Proceedings**") may be brought in such courts. The Issuer and ANZ have in the Fiscal and Paying Agency Agreement each irrevocably submitted to the non-exclusive jurisdiction of the courts of the Borough of Manhattan, The City of New York, New York in respect of any such Proceedings and to the jurisdiction of the State of Victoria and the Commonwealth of Australia in respect of any Proceedings relating to Victorian Law Matters.

The Issuer and ANZ have each appointed Australia and New Zealand Banking Group Limited, New York branch, with its offices at 277 Park Avenue, New York, New York, 10172, as its agent for service of process in the City of New York in connection with any Proceedings in the City of New York, New York.

- 17 So long as any of the Notes remain Outstanding and are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, ANZ covenants and agrees that it shall, for the benefit of the Holders or any holder of a book-entry interest in such Notes designated by the registered holder thereof, during any period in which the Issuer is neither subject to Section 13 or 15(d) of the Exchange Act nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act, make available to such Holders (or any beneficial owner of a book-entry interest in such Notes designated by the Holder thereof) in connection with any sale thereof and to any prospective purchaser of Notes or a book-entry interest in Notes designated by such Holder, in each case upon the request of such persons, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

SCHEDULE OF CONVERSION MECHANICS

1 CONVERSION

If ANZ must Convert a Principal Amount of a Note, or any part thereof, in accordance with the terms hereof, then, subject to this Schedule A and Section 9, the following provisions apply (provided, in all cases, that where a Note is required to be Converted only in part, references in this Schedule A to the “Note” shall be taken to be references to the “Affected Note” as defined in Section 9(k)):

(a) Each Note will be automatically transferred free from any encumbrance to TopCo on the Trigger Event Conversion Date;

~~(a)~~(b) ~~ANZ-TopCo~~ will allot and issue on the Trigger Event Conversion Date a number of Ordinary Shares in respect of the Principal Amount (as defined below) of that Note (or part thereof) equal to the lower of (i) the Conversion Number and (ii) the Maximum Conversion Number,

where the “*Conversion Number*” is a number calculated according to the following formula:

$$\text{Conversion Number} = \frac{\text{Principal Amount}}{(99\% \times \text{VWAP})}$$

where:

“*Principal Amount*” means in relation to a Note the prevailing principal amount of that Note at the relevant time or the relevant proportion thereof to be Converted, as applicable

“*VWAP*” means the VWAP (expressed in U.S. dollars) during the VWAP Period

and where the

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

$$\text{Maximum Conversion Number} = \frac{\text{Principal Amount}}{\text{Issue Date VWAP} \times 0.2}$$

~~(b)~~(c) on the Trigger Event Conversion Date, the rights of each Holder (including to payment of interest with respect to such Principal Amount) in relation to each Note or portion thereof that is being Converted will be **immediately and**

(Reverse of Security continued on next page)

~~irrevocably terminated~~ automatically transferred to TopCo for an amount equal to the Principal Amount of that Note that is being Converted and ~~ANZ TopCo~~ will apply that Principal Amount by way of payment for subscription for the Ordinary Shares to be allotted and issued under Section 1 ~~(a)~~ (f) of this Schedule A. Each Holder is taken to have irrevocably directed that any amount scheduled to be paid under Section 1 of this Schedule A is to be applied as provided for in Section 1 of this Schedule A and no Holder of the Note has any right to payment in any other way;

~~(e)~~ (d) any calculation under Section 1(a) of this Schedule A shall be, unless the context requires otherwise, rounded to four decimal places provided that if the total number of additional Ordinary Shares to be allotted to a Holder of the Note in respect of the aggregate Principal Amount of the Notes it holds which is being Converted includes a fraction of an Ordinary Share, that fraction of an Ordinary Share will be disregarded; ~~and~~

(e) the rights attaching to Ordinary Shares issued as a result of Conversion do not take effect until 5.00pm (Melbourne, Australia time) on the Trigger Event Conversion Date (unless another time is required for Conversion on that date). At that time all other rights conferred or restrictions imposed on that Note under the terms hereof will no longer have effect to the extent of the Principal Amount of that Note being Converted (except for the right to receive the Ordinary Shares as set forth in this Section 1 and Section 9); ~~and~~

~~(e)~~ (f) as agreed between, amongst others, TopCo and ANZ under the Implementation Deed, TopCo, ANZ and their Related Entities will deal with the Notes being Converted so that they are converted into ANZ Ordinary Shares and terminated (the “Related Conversion Steps”).

2 ADJUSTMENTS TO VWAP

For the purposes of calculating VWAP in the terms hereof:

- (a) where, on some or all of the Trading Days in the relevant VWAP Period, Ordinary Shares have been quoted on the ASX as cum dividend or cum any other distribution or entitlement and the relevant Principal Amount of the Notes will Convert into Ordinary Shares after the date those Ordinary Shares no longer carry that dividend or any other distribution or entitlement, then the VWAP on the Trading Days on which those Ordinary Shares have been quoted cum dividend or cum any other distribution or entitlement shall be reduced by an amount (“*Cum Value*”) equal to:

(Reverse of Security continued on next page)

- (i) (in case of a dividend or other distribution) the amount of that dividend or other distribution including, if the dividend or other distribution is franked, the amount that would be included in the assessable income of a recipient of the dividend or other distribution who is both a resident of Australia and a natural person under the Tax Act;
 - (ii) (in the case of any other entitlement that is not a dividend or other distribution under Section 2(a)(i) above which is traded on the ASX on any of those Trading Days) the volume weighted average sale price of all such entitlements sold on the ASX during the VWAP Period on the Trading Days on which those entitlements were traded; or
 - (iii) (in the case of any other entitlement which is not traded on the ASX during the VWAP Period) the value of the entitlement as reasonably determined by the directors of ANZ; and
- (b) where, on some or all of the Trading Days in the VWAP Period, Ordinary Shares have been quoted on the ASX as ex dividend or ex any other distribution or entitlement, and the relevant Principal Amount of the Notes will Convert into Ordinary Shares which would be entitled to receive the relevant dividend or other distribution or entitlement, the VWAP on the Trading Days on which those Ordinary Shares have been quoted ex dividend or ex any other distribution or entitlement shall be increased by the Cum Value.

3 ADJUSTMENTS TO VWAP FOR DIVISIONS AND SIMILAR TRANSACTIONS

- (a) Where during the relevant VWAP Period there is a change in the number of the Ordinary Shares in issue as a result of a division, consolidation or reclassification of ANZ's share capital (not involving any cash payment or other distribution or compensation to or by holders of Ordinary Shares) (a "**Reorganization**"), in calculating the VWAP for that VWAP Period the daily VWAP applicable on each day in the relevant VWAP Period which falls before the date on which trading in Ordinary Shares is conducted on a post Reorganization basis shall be adjusted by multiplying such daily VWAP by the following formula:

(Reverse of Security continued on next page)

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

where:

“A” means the aggregate number of Ordinary Shares immediately before the Reorganization; and

“B” means the aggregate number of Ordinary Shares immediately after the Reorganization.

- (b) Any adjustment made by ANZ in accordance with Section 3(a) of this Schedule A will, absent manifest error, be effective and binding on Holders under these terms and these terms will be construed accordingly. Any such adjustment must be promptly notified to all Holders.

4 ADJUSTMENTS TO ISSUE DATE VWAP

For the purposes of determining the Issue Date VWAP, corresponding adjustments to VWAP will be made in accordance with Section 2 and Section 3 of this Schedule A during the 20 Trading Day period over which VWAP is calculated for the purposes of determining the Issue Date VWAP. On and from the Issue Date adjustments to the Issue Date VWAP:

- (a) may be made in accordance with Sections 5 to 7 of this Schedule A (inclusive); and
- (b) if so made, will cause an adjustment to the Maximum Conversion Number.

5 ADJUSTMENTS TO ISSUE DATE VWAP FOR BONUS ISSUES

- (a) Subject to Section 5(b) of this Schedule A below, if at any time after the Issue Date ~~ANZ~~ TopCo makes a pro rata bonus issue of Ordinary Shares to holders of Ordinary Shares generally, the Issue Date VWAP will be adjusted immediately in accordance with the following formula:

$$V = V_o \times \frac{RD}{RD+RN}$$

where:

“V” means the Issue Date VWAP applying immediately after the application of this formula;

(Reverse of Security continued on next page)

“*Vo*” means the Issue Date VWAP applying immediately prior to the application of this formula;

“*RN*” means the number of Ordinary Shares issued pursuant to the bonus issue; and

“*RD*” means the number of Ordinary Shares in issue immediately prior to the allotment of new Ordinary Shares pursuant to the bonus issue.

- (b) Section 5(a) of this Schedule A does not apply to Ordinary Shares issued as part of a bonus share plan, employee or executive share plan, executive option plan, share top up plan, share purchase plan or a dividend reinvestment plan.
- (c) For the purpose of Section 5(a) of this Schedule A, an issue will be regarded as a pro rata issue notwithstanding that [ANZ-TopCo](#) does not make offers to some or all holders of Ordinary Shares with registered addresses outside Australia, provided that in so doing [ANZ-TopCo](#) is not in contravention of the ASX Listing Rules.
- (d) No adjustments to the Issue Date VWAP will be made under this Section 5 of this Schedule A for any offer of Ordinary Shares not covered by Section 5(a) of this Schedule A, including a rights issue or other essentially pro rata issue.
- (e) The fact that no adjustment is made for an issue of Ordinary Shares except as covered by Section 5(a) of this Schedule A shall not in any way restrict [ANZ-TopCo](#) from issuing Ordinary Shares at any time on such terms as it sees fit nor require any consent or concurrence of any Holders.

6 ADJUSTMENT TO ISSUE DATE VWAP FOR DIVISIONS AND SIMILAR TRANSACTIONS

- (a) If, at any time after the Issue Date, a Reorganization occurs, ANZ shall adjust the Issue Date VWAP by multiplying the Issue Date VWAP applicable on the Trading Day immediately before the date of any such Reorganization by the following formula:

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

where:

(Reverse of Security continued on next page)

“A” means the aggregate number of Ordinary Shares immediately before the Reorganization; and

“B” means the aggregate number of Ordinary Shares immediately after the Reorganization.

- (b) Any adjustment made by ANZ in accordance with Section 6(a) of this Schedule A will, absent manifest error, be effective and binding on Holders under these terms and these terms will be construed accordingly.
- (c) Each Holder acknowledges that [ANZ-TopCo](#) may, consolidate, divide or reclassify securities so that there is a lesser or greater number of Ordinary Shares at any time in its absolute discretion without any such action requiring any consent or concurrence of any Holders.

7 NO ADJUSTMENT TO ISSUE DATE VWAP IN CERTAIN CIRCUMSTANCES

Despite the provisions of Section 5 and Section 6 of this Schedule A, no adjustment shall be made to the Issue Date VWAP where such adjustment (rounded if applicable) would be less than one percent of the Issue Date VWAP then in effect.

8 ANNOUNCEMENT OF ADJUSTMENT TO ISSUE DATE VWAP

ANZ will notify the Holder of Notes (an “*Adjustment Notice*”) of any adjustment to the Issue Date VWAP under this Schedule A within 10 Trading Days of ANZ determining the adjustment and the adjustment set out in the announcement will be final and binding.

9 ORDINARY SHARES

Each Ordinary Share issued or arising upon Conversion ranks *pari passu* with all other fully paid Ordinary Shares. The Holders agree not to trade Ordinary Shares issued on Conversion (except as permitted by the Corporations Act, other applicable laws, the ASX Listing Rules or, following an Approved Acquisition Event, any listing rules of any applicable Recognized Exchange) until [ANZ-TopCo](#) has taken such steps as are required by the Corporations Act, other applicable laws, the ASX Listing Rules and/or, following an Approved Acquisition Event, any listing rules of any applicable Recognized Exchange, for the Ordinary Shares to be freely tradeable without such further disclosure or other action and agree to allow [ANZ-TopCo](#) to impose a holding lock or to refuse to register a transfer in respect of Ordinary Shares until such time.

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10 LISTING ORDINARY SHARES ISSUED ON CONVERSION

ANZ-TopCo shall use all reasonable endeavors to list the Ordinary Shares issued upon Conversion of the Notes on the ASX (or, following an Approved Acquisition Event, the relevant Recognized Exchange).

11 TRANSITIONAL PROVISIONS

For the purposes of Sections 2 to 6 of this Schedule A (inclusive):

- (i) where any part of a VWAP Period has commenced before the date on which the substitution of an Approved Acquirer takes effect, in respect of such part of the VWAP Period, each reference to Ordinary Shares and to TopCo in clauses Sections 2 and 3 of this Schedule A and the definition of VWAP and VWAP Period shall be taken to be a reference to ANZ Ordinary Shares and ANZ; and
- (j) each reference in Sections 5 and 6 of this Schedule A and the definition of “Reorganization” to Ordinary Shares and to TopCo shall be read as a reference to ANZ Ordinary Shares and ANZ in respect of any pro rata bonus issue of shares or Reorganization occurring before the date on which the substitution of an Approved Acquirer takes effect.

~~11~~12 DEFINITIONS

For the purposes of this Schedule A the following terms shall have the following meanings:

“**ASX Operating Rules**” means the market operating rules of the ASX as amended, varied or waived (whether in respect of ANZ, TopCo or generally) from time to time.

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

“**Implementation Deed**” means the deed titled “ANZ 6.750% Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Implementation Deed” entered into between, amongst others, TopCo and ANZ on or about 16 December 2022.

“**Issue Date VWAP**” means the VWAP during the Issue Date VWAP Period;

“**Issue Date VWAP Period**” means the period of 20 Trading Days on which trading in ANZ Ordinary Shares took place immediately preceding (but not

including) the Issue Date, as adjusted in accordance with Sections 5 to 7 (inclusive) of this Schedule A.

[“Related Conversion Steps” has the meaning given in Section 1\(f\) of this Schedule A.](#)

“Tax Act” means:

- (i) the Income Tax Assessment Act 1936 of Australia or the Income Tax Assessment Act 1997 of Australia as the case may be and a reference to any Section of the Income Tax Assessment Act 1936 of Australia includes a reference to that Section as rewritten in the Income Tax Assessment Act 1997 of Australia; and
- (ii) any other Act setting the rate of income tax payable and any regulation promulgated under it.

“VWAP” means the arithmetic average of the daily volume weighted average sale prices (such average being rounded to the nearest full cent) of Ordinary Shares sold on ASX during the VWAP Period or on the relevant days (with each such daily price (if applicable, as adjusted in accordance with Sections 2 and 3 of this Schedule A) converted into U.S. dollars on the basis of the spot rate for the sale of the Australian dollar against the purchase of U.S. dollars in the New York foreign exchange market quoted by any leading international bank selected by ANZ on the relevant day of calculation) but does not include any “Crossing” transacted outside the “Open Session State” or any “Special Crossing” transacted at any time, each as defined in the ASX Operating Rules, or any overseas trades or trades pursuant to the exercise of options over Ordinary Shares.

“VWAP Period” means:

- (i) the period of 5 Trading Days on which trading in Ordinary Shares took place immediately preceding (but not including) the Trigger Event Conversion Date; or
- (ii) in the case of the Issue Date VWAP, the Issue Date VWAP Period.

