

Information Memorandum



ING Bank (Australia) Limited

ABN 24 000 893 292

A\$10,000,000,000

Debt Issuance Programme

Guaranteed by the Commonwealth of Australia

Arranger

ING Wholesale Banking

11 June 2009

Important notice

Introduction

This Information Memorandum relates to a debt issuance programme (**Programme**) established by ING Bank (Australia) Limited ABN 24 000 893 292 (**Issuer**) for the issue of medium term notes and transferable deposits (**Notes**) guaranteed by the Commonwealth of Australia. The Notes may be issued up to a maximum aggregate amount of A\$10,000,000,000 (or its equivalent in other currencies, or as that amount may be increased from time to time).

Issuer's responsibility

This Information Memorandum has been prepared by and issued with the authority of the Issuer. The Issuer accept responsibility for the information contained in this Information Memorandum, other than information provided by the Arranger, the Dealers and the Registrar (each as defined in the section entitled 'Programme summary' below) in relation to their respective descriptions in the section entitled 'Directory' below and the information on the Australian Government Guarantee Scheme website at www.guaranteescheme.gov.au.

Terms and conditions of issue

A pricing or other supplement (**Pricing Supplement**) will be issued for each Tranche of Notes issued under a particular Series and will contain details of the aggregate Principal amount of the Tranche of Notes and the interest (if any) payable in respect thereof, the issue price, the issue date and the maturity date of the Tranche of Notes, together with any other terms and conditions and other information with respect to that Tranche which is not otherwise contained in this Information Memorandum or such other Information Memorandum issued in relation to such Notes.

The terms and conditions applicable to a Tranche or Series of Notes (**Conditions**) will be as set out in the section of this Information Memorandum entitled 'Terms and conditions', as such may be supplemented, amended, modified or replaced by the Pricing Supplement applicable to those Notes.

The Issuer may also publish a supplement to this Information Memorandum (or additional information memoranda) (**Supplement**) which describes the issue of Notes (or particular classes of Notes) not otherwise described in this Information Memorandum. A Pricing Supplement may also supplement, amend, modify or replace any statement or information set out in this Information Memorandum.

Documents incorporated by reference

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

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

- all amendments and supplements to this Information Memorandum prepared by the Issuer from time to time;
- the 2008 or the most recently published audited annual accounts of the Issuer; and

- all documents issued by the Issuer and stated to be incorporated in this Information Memorandum by reference including, in the case of any Series of Notes, a Pricing Supplement.

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

Copies of documents incorporated by reference are available free of charge from the Issuer, at its office specified in the “Directory” or from the following website:

www.ingdirect.com.au.

No independent verification

The only role of the Arranger, the Dealers and the Registrar (each as defined in the ‘Programme summary’) in the preparation of this Information Memorandum has been to confirm to the Issuer that their respective descriptions in the ‘Programme summary’ and under the heading ‘Directory’ are accurate as at the Preparation Date (as defined below).

Apart from the foregoing, none of the Arranger, the Dealers or the Registrar has independently verified the information contained in this Information Memorandum. Accordingly, no representation, warranty or undertaking, express or implied, is made, and no responsibility or liability is accepted, by them as to the accuracy or completeness of this Information Memorandum or any further information supplied by the Issuer in connection with the Programme.

The Arranger, the Dealers and the Registrar each act in accordance with their agreement with the Issuer and not in any capacity as a fiduciary or otherwise on behalf of holders of Notes or prospective investors.

The Arranger, the Dealers and the Registrar expressly do not undertake to review the financial condition or affairs of the Issuer at any time or to advise any holder of a Note of any information coming to their attention with respect to the Issuer.

The Guarantor has neither reviewed this Information Memorandum nor verified the information contained in it and the Guarantor makes no representation with respect to, and does not accept responsibility for, the contents of this Information Memorandum or any other statement made or purported to be made on its behalf in connection with the Issuer and the offering of Notes. The Guarantor accordingly disclaims all and any liability whether arising in tort, contract or otherwise, which it might otherwise have in respect of this Information Memorandum or any such statement.

Intending purchasers to make independent investment decision and obtain tax advice

This Information Memorandum contains only summary information concerning the Issuer, the Guarantee and the Programme. It is not a prospectus or other disclosure document for the purposes of the Corporations Act 2001 of Australia (**Corporations Act**), is not intended to provide the basis of any credit or other evaluation in respect of the Issuer, the Guarantor or the Notes and should not be considered as a recommendation or a statement of opinion (or a report of either of these things) by the Issuer, the Guarantor, the Arranger, the Dealers or the Registrar that any recipient of this Information Memorandum or any other financial statements should purchase any Notes or any rights in respect of any Notes.

Each investor contemplating purchasing any Notes or any rights in respect of any Notes should:

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

No advice is given in respect of the taxation treatment of investors in connection with investment in any Notes or rights in respect of them and each investor is advised to consult its own professional adviser.

No offer

This Information Memorandum does not, and is not intended to, constitute an offer or invitation by or on behalf of the Issuer, the Guarantor, the Arranger, the Dealers or the Registrar to any person to subscribe for, purchase or otherwise deal in any Notes nor is it intended to be used for the purpose of or in connection with offers or invitations to subscribe for, purchase or otherwise deal in any Notes.

Selling restrictions and no disclosure

Neither this Information Memorandum nor any other disclosure document in relation to the Notes has been lodged with the Australian Securities and Investments Commission (**ASIC**) or any other government agency. The Information Memorandum is not a prospectus or other disclosure document for the purposes of the Corporations Act. The distribution and use of this Information Memorandum, including any Supplement, and the offer or sale of Notes may be restricted by law in certain jurisdictions and intending purchasers and other investors should inform themselves about them and observe any such restrictions.

For a description of certain restrictions on offers, sales and deliveries of the Notes, and on distribution of this Information Memorandum, any Supplement or other offering material relating to the Notes, see the section entitled 'Subscription and sale' below.

None of the Issuer, the Guarantor, the Arranger, the Dealers or the Registrar represents that this Information Memorandum may be lawfully distributed, or that any Notes may be lawfully offered in compliance with any applicable registration or other requirements in any jurisdiction, or under an exemption available in such jurisdiction, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by any of those parties which would permit a public offering of any Notes or distribution of this Information Memorandum in any jurisdiction where action for that purpose is required.

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

No authorisation

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

No registration in the United States

The Notes have not been and will not be registered under the United States Securities Act of 1933 (as amended) (**Securities Act**), or the securities laws of any state in the United States. The Notes may not be offered, issued, sold, transferred or delivered at any time within the United States or to, or for the account of or benefit of, U.S. Persons (as defined in Regulation S under the Securities Act), unless such Notes are registered under the Securities Act or an exemption from the registration requirements thereof is available.

Stabilisation

In connection with any issue of Notes outside Australia, a Dealer, if any designated as stabilising manager in any relevant Pricing Supplement, may over-allot or effect transactions outside Australia and on a market operated outside Australia which stabilise or maintain the market price of the Notes of the relevant Series at a level which might not otherwise prevail for a limited period after the issue date and only if such transactions occur outside Australia and have no relevant jurisdictional connection to Australia. Such stabilising shall be in compliance with all relevant laws, directives and regulations.

Agency and distribution arrangements

The Issuer has agreed to pay the Registrar fees for undertaking its role and reimburse it for certain of their expenses incurred in connection with the Programme.

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

The Arranger and each Dealer, its subsidiaries, directors and employees may have pecuniary or other interests in the Notes and may also have interests pursuant to other arrangements and may receive fees, brokerage and commissions and may act as principal in dealing in any Notes.

References to credit ratings

There may be references in this Information Memorandum to credit ratings ascribed by Standard & Poor's Rating Services, a division of the McGraw-Hill Companies Inc. (**Standard & Poor's**). A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the relevant rating agency.

Currencies

References in this Information Memorandum to **A\$** or **Australian Dollars** are to the lawful currency of the Commonwealth of Australia.

Currency of information

The information contained in this Information Memorandum is prepared as of its Preparation Date. Neither the delivery of this Information Memorandum nor any offer, invitation, issue or sale made in connection with this Information Memorandum at any time implies that the information contained in it is correct at any time subsequent to the Preparation Date or that any other information supplied in connection with the Programme is correct as of any time subsequent to the Preparation Date. In particular, the Issuer is not under any obligation to the Noteholders to update this Information Memorandum at any time after an issue of Notes.

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

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

The Arranger, the Dealers and the Registrar expressly do not undertake to review the financial condition or affairs of the Issuer or the Guarantor during the life of the Programme. Investors should review, amongst other things, the documents which are deemed to be incorporated in this Information Memorandum by reference when deciding whether or not to purchase any Notes.

Defined terms

Words or expressions defined in the Conditions have the same meaning in this Information Memorandum, unless otherwise defined.

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Corporate profile

Profile

ING Bank (Australia) Limited is a company incorporated for unlimited duration under the Australian Corporations Act. The address and telephone number of the registered office of ING Bank (Australia) Limited is Level 14, 140 Sussex Street, Sydney, NSW 2000, Australia (Tel.: +61 (0)2 9028 4000).

ING Bank (Australia) Limited's ultimate parent entity is ING Groep N.V. ING Bank (Australia) Limited has three operating divisions: Mortgages, Savings and Commercial Property Finance (all trading as "ING DIRECT").

The principal activity of ING Bank (Australia) Limited is the provision of banking and related services.

ING Bank (Australia) Limited is subject to detailed banking, financial services and other laws and regulations. ING Bank (Australia) Limited at all times endeavours to comply with all applicable governance requirements under the corporate law of its jurisdiction of incorporation.

Incorporation and history

ING Bank (Australia) Limited was originally incorporated in New South Wales, Australia on 4 May 1971 and is an unlisted public company limited by shares. Its constitution was last amended on 16 October 2008.

ING Bank (Australia) Limited (then called Mercantile Mutual Finance Corporation Ltd and a wholly-owned and fully guaranteed subsidiary of Mercantile Mutual Holdings Ltd ("MMH")) obtained a banking authorisation under section 9 of the Australian Banking Act on 1 December 1994. At the same time, the company changed its name to ING Mercantile Mutual Bank Limited to reflect its new status and ING Bank N.V. acquired 90 per cent. of the voting shares. MMH retained ownership of the remaining 10 per cent. of voting shares and 100 per cent. of non-voting shares.

On 26 November 1997, MMH transferred shares in the then called ING Mercantile Mutual Bank Limited to ING Bank N.V. making ING Mercantile Mutual Bank Limited a wholly-owned subsidiary of ING Bank N.V. On 12 August 1999, ING Mercantile Mutual Bank Limited changed its name to ING Bank (Australia) Limited.

ING Bank N.V. transferred its shares in ING Bank (Australia) Limited on 26 August 2002 to ING Direct Holding GmbH (a wholly-owned subsidiary of ING Bank N.V.). On 27 February 2003, shares in ING Direct Holding GmbH were transferred to ING Direct N.V. and on 10 November 2005 the shares in ING Bank (Australia) Limited held by ING Direct Holding GmbH were transferred to ING Direct N.V. The shares of ING Direct N.V. are wholly-owned by ING Bank N.V. Thus ING Bank (Australia) Limited remains (indirectly) wholly-owned by ING Bank N.V.

Board of Directors

The Board of Directors of ING Bank (Australia) Limited comprises five Non-Executive Directors (two of which are representatives of ING Groep N.V.) and one Executive Director. The Chairman is a Non-Executive Director. The board generally meets five times a year with a minimum meeting requirement of three meetings per year. The Board of Directors is subject to the prudential requirements of APRA and reviews the corporate governance policies and procedures of ING Bank (Australia) Limited at least once every year, and has external experts address it on best practice and developments in corporate governance, risk management and other issues of interest and concern to the Board of Directors.

To maintain director independence and objectivity a majority of directors are not executives of ING Bank (Australia) Limited. External Directors are appointed for an initial term of four years.

The Directors, their positions in ING Bank (Australia) Limited and their other principal activities are:

- P R Shirriff (Chairman): Member of the Audit Committee and the Risk Committee. Director of ING Australia Limited and subsidiaries, ING (NZ) Limited and subsidiaries, ANZ Managed Investments Pty Limited, Austbrokers Holding Limited, Glebe Asset Management Limited, Glebe Investment Company Pty Limited, Glebe Mortgage Finance Limited. Chairman of Glebe Administration Board. Nationality: Australian;
- H D Harley: Chairman of the Audit Committee and Member of the Risk Committee. Director of Huanjon Pty Limited, Millfence Pty Limited and Norbron Pty Limited. Nationality: Australian;
- D Koch: Chief Executive Officer and Member of the Risk Committee. No activities performed outside ING Bank (Australia) Limited. Nationality: Australian;
- I Y L Lee: Chairman of the Risk Committee and Member of the Audit Committee. Director of QBE Insurance Group and Gaming Asset Management Pty Limited. Executive Chairman of Mariner Bridge Investments Limited. Nationality: Australian;
- B Tellings: Member of the Audit Committee and the Risk Committee. CEO INGDiBa, Member of the Supervisory Board ING Direct N.V., Member of the General Management Team ING Direct N.V. and Member of the Leadership Council ING Group. Nationality: Dutch; and
- D H Harryvan: Member of the Audit Committee and the Risk Committee. Global Head ING Direct N.V., Member of the Executive Board of ING Group N.V., Member of the Supervisory Board of ING Direct N.V., Non-Executive Member of the Boards of ING Bank, fsb/USA, ING-DiBa AG and ING Bank of Canada. Member of the Board of the Netherlands-Canadian Chamber of Commerce, Executive Board Member of American European Community Association (AECA), Advisory Board European Professional Women's Network Amsterdam and Executive Sponsor Hewlett Packard. Nationality: Dutch.

The business address of all members of the Board of Directors is ING Bank (Australia) Limited, Level 14, 140 Sussex Street, Sydney, NSW 2000, Australia.

None of the members of the Board of Directors have any conflict, and there are no potential conflicts of interest between any duties owed by the members of the Board of Directors to ING Bank (Australia) Limited and any private interests and/or other duties which such persons may have.

Principal activities and markets

ING Bank (Australia) Limited is a specialist retail bank operating in the Australian banking market. It provides customers with a select range of products through low-cost distribution channels (such as by telephone, via the internet or by post) while providing high-level customer service. ING Bank (Australia) Limited operates without the need for traditional bank branches.

The Savings business offers deposit products through ING Bank (Australia) Limited which include the ING DIRECT "Savings Maximiser", "Savings Accelerator" and "Business Optimiser" accounts. The "Savings Maximiser" and "Business Optimiser" accounts are aimed at individuals and small-to-medium sized enterprises, respectively, with these products offering a high variable interest rate and no bank fees. The "Savings Accelerator" offers a tiered interest rate, with a higher rate applying when the balance exceeds A\$50,000. A range of term deposit products are also available.

The Mortgages business offers a range of home and investment loans through the ING DIRECT call centre and through mortgage brokers, mortgage managers and financial advisers.

The Commercial Property Finance division offers loans to customers in the specialised commercial property area.

Programme summary

The following summary does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Information Memorandum and, in relation to the terms and conditions of any particular Tranche of Notes, the relevant Pricing Supplement. Terms defined in the Conditions have the same meaning in this summary.

Issuer	ING Bank (Australia) Limited ABN 24 000 893 292
Guarantor	Commonwealth of Australia
Commonwealth Guarantee	<p>The Guarantor will irrevocably guarantee the payment of Notes for which an Eligibility Certificate has been issued.</p> <p>The Issuer will apply to the Guarantor for an Eligibility Certificate in respect of each Series of Notes under this Programme. Only Notes for which an Eligibility Certificate has been issued will be issued under the Programme. The Pricing Supplement will contain confirmation from the Issuer that an Eligibility Certificate has been obtained or will be obtained in respect of the Notes being issued.</p> <p>The Guarantor's obligations in that respect are contained in a deed of guarantee dated 20 November 2008 and the Scheme Rules, which are available on the Australian Government Guarantee Scheme website at www.guaranteescheme.gov.au.</p> <p>Notes for which an Eligibility Certificate has been issued and the relevant Eligibility Certificate will be listed on the Australian Government Guarantee Scheme website at www.guaranteescheme.gov.au.</p>
Description	A Debt Issuance Programme allowing for the issuance of transferable deposits and medium term notes.
Size	Up to A\$10,000,000,000 aggregate Nominal Amount of Notes Outstanding at any one time.
Arranger	ING Bank N.V.
Dealers	<p>ING Bank N.V.</p> <p>The Issuer may appoint additional dealers from time to time in respect of a Tranche, a Series or the whole Programme.</p>
Registrar	Austraclear Services Limited ABN 28 003 284 419
Method of issue	<p>The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in Series having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in Tranches on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment of interest and Nominal Amount of the Tranche, will be identical to the</p>

	terms of other Tranches of the same Series) will be set out in the Pricing Supplement.
Issue Price	Notes may be issued at their Nominal Amount or at a discount or premium to their Nominal Amount.
Form of Notes	<p>Each Tranche of Notes will be issued in registered uncertificated (or inscribed) form and will take the form of entries on the Register to be maintained by the Registrar in Sydney unless otherwise agreed with the Registrar.</p> <p>Notes will be constituted by a deed poll dated 11 June 2009 given by the Issuer in favour of the Noteholders from time to time.</p>
Title	<p>Entry of the name of the person in the Register in respect of a Note constitutes the obtaining or passing of title and is conclusive evidence that that person is the Noteholder of the Note.</p> <p>No certificates or other evidence of title will be issued to Noteholders unless the Issuer determines that certificates should be made available or it is required to do so under any applicable law or regulation.</p> <p>Notes held in the Austraclear System will be registered in the name of Austraclear Limited and title to the Notes will be determined in accordance with the Austraclear Regulations.</p>
Clearing system	Austraclear System or any other clearing system specified in the relevant Pricing Supplement.
Currency	Australian Dollars or any other currency specified in the relevant Pricing Supplement.
Maturities	Notes will have any maturity of no less than 15 months and no more than five years.
Denomination	<p>Notes will be issued in such denominations as may be specified in the relevant Pricing Supplement, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.</p> <p>Notes may only be issued in Australia if the aggregate consideration payable by the investor or purchaser (in the case of a TD by way of a deposit with the Issuer) is at least A\$500,000 (disregarding moneys lent by the Issuer or its associates) or if the Notes are otherwise issued in a manner that does not require disclosure to investors in accordance with Part 6D.2 and Part 7 of the Corporations Act.</p> <p>Notes may only be issued by the Issuer in a jurisdiction or jurisdictions other than Australia if the issue is in compliance with the laws of the jurisdiction in which the issue is made and the Notes are otherwise issued in a manner that does not require disclosure to investors under the laws of that jurisdiction or jurisdictions.</p>
Transfer of Notes	<p>Notes may only be transferred in accordance with the Conditions.</p> <p>Transfers of Notes held in the Austraclear System or any other clearing system specified in the relevant Pricing Supplement will be made in accordance with the Austraclear Regulations or the rules</p>

	and regulations of the relevant clearing system (as applicable).
Fixed Rate Notes	Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Pricing Supplement.
Floating Rate Notes	<p>Floating Rate Notes will bear interest determined separately for each Series as follows:</p> <ul style="list-style-type: none"> (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc.; or (ii) by reference to BBSW or such other reference rate as may be specified in the relevant Pricing Supplement as adjusted for any applicable margin. <p>Interest periods will be specified in the relevant Pricing Supplement.</p>
Zero Coupon Notes	Zero Coupon Notes may be issued at their Nominal Amount or at a discount to it and will not bear interest.
Interest Periods and Interest Rates	The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Pricing Supplement.
Redemption	The relevant Pricing Supplement will specify the basis for calculating the redemption amounts payable.
Other Notes	Terms applicable to any other type of Note that the Issuer and any Dealer or Dealers may agree to issue under the Programme (subject to compliance with the Eligibility Criteria (as defined in the Scheme Rules)) will be set out in the relevant Pricing Supplement and/or supplemental information memorandum.
Status of Notes	The Notes will constitute unsubordinated and unsecured obligations of the Issuer, as described in Condition 3.
Ratings	<p>Notes issued under the Programme are expected to be rated “AAA” by Standard & Poor’s. As defined by Standard & Poor’s a “AAA” rating means that the Issuer and the Guarantor’s capacity to meet their financial commitment under their obligations is extremely strong.</p> <p>A rating is not a recommendation to buy, sell or hold Notes and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.</p>
Withholding Tax	All payments of principal and interest in respect of the Notes shall be made subject to withholding or deduction for any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Commonwealth of Australia or any authority therein or thereof

having power to tax.

An exemption from Australian interest withholding tax (**IWT**) for interest paid by the Issuer in respect of the Notes is available under section 128F of the Income Tax Assessment Act 1936 of Australia (**Australian Tax Act**) if certain conditions are met.

The Issuer proposes, unless otherwise specified, to issue Notes in a manner which will satisfy the public offer test and which will otherwise meet the requirements of section 128F of the Australian Tax Act.

It is unclear whether or not any payment by the Guarantor under the Guarantee would be subject to IWT. The Australian Taxation Office has published a Taxation Determination stating that payments by a guarantor in respect of debentures (such as the Notes) are interest (as defined) to the extent that the payment is made in substitution of the payment of interest by an issuer. The Taxation Determination goes on to state that payments by a guarantor in respect of debentures (such as the Notes) are entitled to the benefit of the exemption contained in section 128F of the Australian Tax Act if payments of interest in respect of those debentures by the issuer are exempt from IWT. However, there is some doubt as to whether the Taxation Determination applies in the context of the Guarantee and whether the reasoning in respect that the payment by a guarantor constitutes interest as adopted in the Taxation Determination is correct.

If either:

- the Taxation Determination does not apply in the context of the Guarantee; or
- the Notes are not issued in accordance with section 128F,

and the reasoning in the Taxation Determination that a payment under the Guarantee in substitution of interest in respect of the Notes constitutes interest (as defined in section 128B(1AB) of the Australian Tax Act) is correct, then IWT at the rate of 10 per cent. will be payable on those payments by the Guarantor to non-residents (other than non-residents holding the Notes in the course of carrying on a business at or through a permanent establishment in Australia) or residents of Australia holding the Notes in the course of carrying on a business at or through a permanent establishment outside Australia.

IWT at the rate of 10 per cent. will be payable on interest paid on an overdue amount by the Guarantor to non-residents (other than non-residents holding the Notes in the course of carrying on a business at or through a permanent establishment in Australia) or residents of Australia holding the Notes in the course of carrying on a business at or through a permanent establishment outside Australia.

Although it is unclear whether or not any payment by the Guarantor under the Guarantee would be subject to Australian IWT, if the

Guarantor is at any time compelled or authorised by law to deduct or withhold an amount in respect of any Australian withholding taxes imposed or levied by the Commonwealth of Australia or other Australian jurisdictions in respect of payments under the Guarantee, the Guarantor is not obliged to pay any additional amounts to Noteholders of Notes in respect of such deduction or withholding.

Governing Law

The Notes are governed by, and shall be construed in accordance with, the laws of New South Wales.

Listing and admission to trading

Application may be made to list Notes issued under the Programme on the Australian Securities Exchange or as otherwise specified in the relevant Pricing Supplement and references to listing shall be construed accordingly. As specified in the relevant Pricing Supplement, a Series of Notes may be unlisted.

Selling restrictions

The United States, the United Kingdom, Australia, The Netherlands and Japan. See 'Subscription and Sale'.

The Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (**D Rules**) unless (i) the relevant Pricing Supplement states that Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (**C Rules**) or (ii) the Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute "registration required obligations" under the United States Tax Equity and Fiscal Responsibility Act of 1982 (**TEFRA**), which circumstances will be referred to in the relevant Pricing Supplement as a transaction to which TEFRA is not applicable.

Terms and conditions

The following is the text of the terms and conditions that, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, shall be applicable to the Notes of each Series (**Conditions**). Any obligations of the Commonwealth of Australia as guarantor under the Australian Government Guarantee Scheme are set out in the Deed of Guarantee and the Scheme Rules (each as defined below).

All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. References in the Conditions to 'Notes' are to the Notes of one Series only, not to all Notes that may be issued under the Programme.

The Notes are issued pursuant to the Deed Poll. The Noteholders are deemed to have notice of all of the provisions of the Deed Poll, the Registry Services Agreement, the Deed of Guarantee, the Scheme Rules and any Eligibility Certificate issued under those Scheme Rules, in each case as applicable to them.

The Notes may be either medium term notes or transferable deposits and will be issued in registered uncertificated (or inscribed) form. TDs represent a deposit made with, and accepted by, the Issuer on the Issue Date.

Copies of the Deed Poll and the Registry Services Agreement are available for inspection at the principal office of the Issuer. The Deed of Guarantee, the Scheme Rules and any Eligibility Certificate relating to the Notes are available at www.guaranteescheme.gov.au.

1 Definitions and interpretation

1.1 Definitions

The meanings of the terms used in these Conditions are set out below.

Term	Meaning
ADI	Authorised deposit-taking institution.
Amortised Face Amount	the amount calculated in accordance with clause 5.2(a)(2).
Amortisation Yield	the percentage per annum specified as such in the relevant Pricing Supplement.
APRA	Australian Prudential Regulation Authority.
ASX	ASX Limited ABN 98 008 624 691 or the Australian Securities Exchange operated by it (as the context requires).

Term	Meaning
Austraclear	Austraclear Limited ABN 94 002 060 773.
Austraclear Regulations	the rules and regulations established by Austraclear (as amended or replaced from time to time) to govern the use of the Austraclear System.
Austraclear System	the system operated by Austraclear for holding securities and the electronic recording and settling of transactions in those securities between members of that system.
Australian Dollars or A\$	the lawful currency for the time being of the Commonwealth of Australia.
Business Day	a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in Sydney.
Calculation Agent	in respect of a Tranche of Notes, the person specified as the Calculation Agent in the relevant Pricing Supplement or, if none is specified, the Issuer.
Calculation Amount	the amount specified as such in the relevant Pricing Supplement.
Condition	the correspondingly numbered condition in these terms and conditions.
Corporations Act	the Corporations Act 2001 (Cth) of Australia.
Day Count Fraction	<p>in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the Calculation Period):</p> <ol style="list-style-type: none"> 1 if "Actual/Actual" or "Actual/Actual – ISDA" is specified in the relevant Pricing Supplement, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365); 2 if "Actual/365 (Fixed)" is specified in the relevant Pricing Supplement, the actual number of days in the Calculation Period divided by 365; 3 if "Actual/360" is specified in the relevant Pricing Supplement, the actual number of days in the Calculation Period divided by 360; 4 if "30/360", "360/360" or "Bond Basis" is specified in the relevant Pricing Supplement, the number of days in the Calculation Period

Term**Meaning**

divided by 360, calculated on a formula basis as follows:

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

where:

“Y₁” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

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

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

- 5 if “**30E/360 (ISDA)**” is specified in the relevant Pricing Supplement, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

“Y₁” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

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

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

- 6 if “**Actual/Actual-ICMA**” is specified in the relevant Pricing Supplement:

- (A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days

Term	Meaning
	<p>in the Calculation Period divided by the product of:</p> <ol style="list-style-type: none"> the number of days in such Determination Period; and the number of Determination Periods normally ending in any year; and <p>(B) if the Calculation Period is longer than one Determination Period, the sum of:</p> <ol style="list-style-type: none"> the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and <p>7 if “RBA Bond Basis” is specified in the relevant Pricing Supplement, the product of (x) one divided by the number of Interest Payment Dates in a year and (y) the actual number of days in the Interest Accrual Period divided by the total number of days in the Interest Period ending on the next (or first) Interest Payment Date.</p> <p>Where:</p> <p>Determination Period means the period from and including a Determination Date in any year to but excluding the next Determination Date;</p> <p>Determination Date means the date(s) specified as such in the relevant Pricing Supplement or, if none is so specified, the Interest Payment Date(s);</p>
Deed of Guarantee	deed of guarantee dated 20 November 2008 executed by the Commonwealth of Australia pursuant to which it will irrevocably guarantee the payment of all amounts in principal and interest due and payable by the Issuer in respect of Notes for which an Eligibility Certificate has been issued.
Deed Poll	the deed poll granted by the Issuer dated 11 June 2009 in favour of the Noteholders from time to time.
Early Redemption Amount	the amount which may be payable in respect of a Note which is, in relation to a Note other than a Zero Coupon Note, its Nominal Amount or, in relation to a Zero Coupon Note, as specified in Condition 5.2, unless otherwise specified as such (or calculated or determined in accordance with the provisions of) the relevant Pricing Supplement.
Eligibility Certificate	has the meaning given to it in the Deed of Guarantee.

Term	Meaning
Event of Default	an event described in Condition 10.
Extraordinary Resolution	has the meaning given to it in the Meeting Provisions.
Final Redemption Amount	the amount payable in respect of a Note which is its Nominal Amount unless otherwise specified as such in (or calculated in accordance with the provisions of) the relevant Pricing Supplement.
Fixed Rate Note	a Note that bears interest at a fixed rate specified in the relevant Pricing Supplement.
Floating Rate Note	a Note that bears interest at a floating rate specified in the relevant Pricing Supplement.
GST	has the meaning given to it in Section 195-1 of the A New Tax System (Goods and Services Tax) Act 1999 (Cth).
Guarantor	Commonwealth of Australia.
interest	shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 4 or any amendment or supplement to it.
Interest Accrual Period	the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.
Interest Amount	<ol style="list-style-type: none"> 1 in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified in the relevant Pricing Supplement, shall mean the Fixed Coupon Amount or Broken Amount specified in the relevant Pricing Supplement as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and 2 in respect of any other period, the amount of interest payable per Calculation Amount for that period.
Interest Commencement Date	the Issue Date or such other date as may be specified in the relevant Pricing Supplement.

Term	Meaning
Interest Determination Date	with respect to a Rate of Interest and Interest Accrual Period, the date specified as such in the relevant Pricing Supplement or, if none is so specified, the first day of such Interest Accrual Period.
Interest Payment Date	<ol style="list-style-type: none"> 1 the dates specified in the relevant Pricing Supplement as 'Specified Interest Payment Dates'; or 2 if no 'Specified Interest Payment Date(s)' is/are shown in the relevant Pricing Supplement, each date which falls the number of months or other period shown in the relevant Pricing Supplement as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.
Interest Period	the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.
Interest Period Date	each Interest Payment Date unless otherwise specified in the relevant Pricing Supplement.
ISDA Definitions	the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified in the relevant Pricing Supplement.
Issue Date	the date of issue of the Notes as specified in or determined in accordance with the relevant Pricing Supplement (and in the case of TDs will be the same date as the date of acceptance of the relevant transferable deposit by the Issuer).
Issue Price	the issue price for the Notes specified in, calculated in or determined in accordance with the provisions of the relevant Pricing Supplement.
Issuer	ING Bank (Australia) Limited ABN 24 000 893 292.
Maturity Date	the maturity date specified in, or determined in accordance with, the provisions of the relevant Pricing Supplement and as recorded in the Register.
Maximum Rate of Interest	the maximum rate of interest (if any) specified in or calculated or determined in accordance with the provisions of the relevant Pricing Supplement.

Term	Meaning
Meeting Provisions	the provisions for the convening of meetings of, and passing of resolutions by, the Noteholders set out in Schedule 1 of the Deed Poll.
Minimum Rate of Interest	the minimum rate of interest (if any) specified in or calculated or determined in accordance with the provisions of the relevant Pricing Supplement.
MTN	a medium term note being a debt obligation of the Issuer owing to a Noteholder, the details of which are identified in the Register.
Nominal Amount	the notional nominal amount of each Note which will, unless indicated otherwise, be the same amount as the 'Specified Denomination' of each Note as specified in the relevant Pricing Supplement.
Note	an MTN or TD and, in these Conditions, references to Notes are references to Notes of the relevant Series.
Noteholder	<p>a person whose name is for the time being entered in the Register as the Noteholder of a Note or, where a Note is owned jointly by one or more persons, the first four persons, but no more than four, whose names appear in the Register as the joint owners of the Note.</p> <p>For avoidance of doubt, where a Note is entered into the Austraclear System, the expression 'Noteholder' means Austraclear as operator of the Austraclear System.</p>
Outstanding	<p>in relation to the Notes of any Series, all the Notes issued other than:</p> <ol style="list-style-type: none"> 1 those that have been redeemed in accordance with these Conditions; 2 those which have become void or in respect of which claims have become prescribed; and 3 those which have been purchased and cancelled as provided for in these Conditions.
Pricing Supplement	the pricing supplement prepared in relation to the Notes of the relevant Tranche.
Principal	shall be deemed to include any premium payable in respect of the Notes, Final Redemption Amounts, Early Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 5 or any amendment or supplement to it.
Programme	the A\$10,000,000,000 debt issuance programme of the Issuer providing for the issue of Notes by the Issuer.

Term	Meaning
Rate of Interest	means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions in the relevant Pricing Supplement.
Record Date	in the case of payments of principal or interest, the close of business in Sydney on the date which is the eighth calendar day before the due date of the relevant payment of principal or interest.
Reference Bank	the institutions specified as such in the relevant Pricing Supplement or, if none, four major banks selected by the Calculation Agent in the interbank market (or if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the Reference Rate specified in the Pricing Supplement.
Reference Rate	the rate specified as such in the relevant Pricing Supplement.
Register	the register of Noteholders maintained by the Registrar in accordance with the Registry Services Agreement or such other relevant agreement between the Issuer and the Registrar.
Registrar	Austraclear Services Limited ABN 28 003 284 419 or such other person appointed and notified by the Issuer.
Registry Services Agreement	<ol style="list-style-type: none"> 1 the Registry Services Agreement dated as of 29 September 2006 (as amended from time to time) between Austraclear Services Limited and the Issuer; or 2 any other registry agreement between the Issuer and a Registrar in relation to an issue of Notes under the Programme.
Relevant Date	in respect of any Note, means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that such payment will be made.
Relevant Screen Page	such page, section, caption, column or other part of a particular information service as may be specified in the relevant Pricing Supplement.
Specified Currency	the currency specified as such in the relevant Pricing Supplement, being the currency in which the Notes are denominated.
Scheme Rules	the rules of the Australian Government Guarantee Scheme for Large

Term	Meaning
	Deposits and Wholesale Funding from time to time.
Series	<p>a Tranche of Notes together with any further Tranche or Tranches of Notes that are:</p> <ol style="list-style-type: none"> 1 expressed to be consolidated and form a single Series; and 2 identical in all respects (including as to listing) except for the respective Issue Dates, Interest Commencement Date, Issue Prices or amounts of the first payment of interest.
TD	a transferable deposit made by an investor and accepted by the Issuer, the details of which are recorded in the Register.
Tranche	Notes that are identical in all respects (including as to listing).

1.2 Interpretation

In these Conditions:

- (a) Headings and bold type are for convenience only and do not affect the interpretation of these Conditions.
- (b) The singular includes the plural and the plural includes the singular.
- (c) Words of any gender include all genders.
- (d) Other parts of speech and grammatical forms of a word or phrase defined in these Conditions have a corresponding meaning.
- (e) An expression importing a person includes any company, partnership, joint venture, association, corporation or other body corporate and any government agency as well as an individual.
- (f) A reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re-enactments of any of them.
- (g) A reference to a document includes all amendments or supplements to, or replacements or novations of, that document.
- (h) A reference to a party to a document includes that party's successors and permitted assignees.
- (i) A reference to an agreement includes a deed and any legally enforceable undertaking, agreement, arrangement or understanding, whether or not in writing.
- (j) A reference to liquidation or insolvency includes appointment of an administrator, compromise, arrangement, merger, amalgamation, reconstruction, winding-up, dissolution, deregistration, assignment for the benefit of creditors, scheme, composition or arrangement with creditors, insolvency, bankruptcy, or any similar procedure or, where applicable, changes in the constitution of any partnership or person, or death.

- (k) No provision of these Conditions will be construed adversely to the Issuer because the Issuer was responsible for the preparation of these Conditions or that provision.
- (l) A reference to a body (including an institute, association or authority), whether statutory or not:
 - (1) which ceases to exist; or
 - (2) whose powers or functions are transferred to another body,is a reference to the body which replaces it or which substantially succeeds to its powers or functions.

2 Form, denomination and title

2.1 Constitution

Notes will be debt obligations of the Issuer constituted by and owing under the Deed Poll and will take the form of entries in the Register.

Each entry in the Register constitutes a separate and individual acknowledgement to the relevant Noteholder of the indebtedness of the Issuer to that Noteholder. The obligations of the Issuer in respect of each Note constitute separate and independent obligations which the Noteholder to whom those obligations are owed is entitled to enforce without having to join any other Noteholder or any predecessor in title of a Noteholder.

2.2 Title

Entries in the Register in relation to a Note constitute conclusive evidence that the person so entered is the registered owner of the Note, subject to rectification for fraud or error. No Note will be registered in the name of more than four persons. Notes registered in the name of more than one person are held by those persons as joint tenants. Notes will be registered by name only without reference to any trusteeship. The person registered in the Register as a Noteholder of a Note will be treated by the Issuer and the Registrar as the absolute owner of that Note and neither the Issuer nor the Registrar will, except as ordered by a court of competent jurisdiction or as required by statute, be obliged to take notice of any other claim to a Note.

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

2.3 Certificate

No certificate or other evidence of title will be issued by or on behalf of the Issuer to evidence title to a Note unless the Issuer determines that certificates should be made available or it is required to do so pursuant to any applicable law or regulation.

2.4 Austraclear

If Notes are lodged in the Austraclear System, the Registrar will enter Austraclear in the Register as the registered holder of those Notes. While those Notes remain in the Austraclear System, all dealings (including transfers and payments) in relation to those

Notes within the Austraclear System will be governed by the Austraclear Regulations and need not comply with these Conditions to the extent of any inconsistency.

2.5 Acknowledgment

Where Austraclear is recorded in the Register as the Noteholder of a Note, each person in whose Security Record (as defined in the Austraclear Regulations) a Note is recorded is deemed to acknowledge in favour of the Registrar and Austraclear that:

- (a) the Registrar's decision to act as the Registrar of that Note does not constitute a recommendation or endorsement by the Registrar or Austraclear in relation to that Note, but only indicates that the holding of such Note is considered by the Registrar to be compatible with the performance by it of its obligations as Registrar under the Registry Services Agreement; and
- (b) the Noteholder of the Note does not rely on any fact, matter or circumstance contrary to paragraph (a).

2.6 Denomination

Notes are issued in the denominations specified in the relevant Pricing Supplement.

2.7 Issue restrictions

- (a) Notes may only be issued in Australia if the aggregate consideration payable to the Issuer by the purchaser (in the case of TDs, by way of a deposit with the Issuer) is at least A\$500,000 (disregarding moneys lent by the Issuer or its associates) or if the Notes are otherwise sold in a manner which does not require disclosure to investors in accordance with Part 6D.2 and Part 7 of the Corporations Act.
- (b) Notes may only be issued by the Issuer in a jurisdiction or jurisdictions other than Australia if the issue is in compliance with the laws of the jurisdiction in which the issue or sale is made and the Notes are otherwise issued or sold in a manner that does not require disclosure to investors under the laws of that jurisdiction or those jurisdictions.

3 Guarantee and status

3.1 Guarantee

The Guarantor irrevocably guarantees the payment of all amounts in Principal and interest due and payable by the Issuer under the relevant Notes according and subject to:

- (a) the Deed of Guarantee;
- (b) the Scheme Rules; and
- (c) the relevant Eligibility Certificate issued under the Deed of Guarantee and the Scheme Rules in respect of the relevant Notes.

The due payment of fees and expenses payable by the Issuer to the Registrar will not be guaranteed by the Guarantor.

3.2 Status

*Section 13A of the Banking Act 1959 (Cth) (**Banking Act**) provides that the assets of an ADI, which includes the Issuer, in Australia would, in the event of the ADI becoming*

unable to meet its obligations or suspending payment, be available to meet that ADI's deposit liabilities in Australia in priority to all other liabilities of that ADI. Under section 16 of the Banking Act, debts due to APRA shall in a winding-up of an ADI have, subject to section 13A of the Banking Act, priority over all other unsecured debts of that Australian ADI. Further, under section 86 of the Reserve Bank Act 1959 (Cth), debts due by a bank to the Reserve Bank of Australia shall in a winding-up of that bank have, subject to section 13A of the Banking Act, priority over all other debts, other than debts due to the Commonwealth of Australia.

The Issuer makes no representation as to whether the TDs, or any of them, would constitute deposit liabilities in Australia under such statutory provisions.

The Notes constitute unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes relating to them shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer, present and future.

4 Interest and other calculations

4.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest on its outstanding Nominal Amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 4.6.

4.2 Interest on Floating Rate Notes

- (a) *Interest Payment Dates:* Each Floating Rate Note bears interest on its outstanding Nominal Amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 4.6.
- (b) *Business Day Convention:* If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is:
 - (1) the 'Floating Rate Business Day Convention', such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event:
 - (A) such date shall be brought forward to the immediately preceding Business Day; and
 - (B) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment;
 - (2) the 'Following Business Day Convention', such date shall be postponed to the next day that is a Business Day;
 - (3) the 'Modified Following Business Day Convention', such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day; or

- (4) the 'Preceding Business Day Convention', such date shall be brought forward to the immediately preceding Business Day.
- (c) **Rate of Interest for Floating Rate Notes:** The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified in the relevant Pricing Supplement and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified in the relevant Pricing Supplement.

(1) **ISDA Determination for Floating Rate Notes**

Where ISDA Determination is specified in the relevant Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate.

For the purposes of this sub-paragraph 4.2(c)(1):

ISDA Rate for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- 1 the Floating Rate Option is as specified in the relevant Pricing Supplement;
- 2 the Designated Maturity is a period specified in the relevant Pricing Supplement; and
- 3 the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified in the relevant Pricing Supplement.

"Floating Rate", "Calculation Agent", "Floating Rate Option", "Designated Maturity", "Reset Date" and "Swap Transaction" have the meanings given to those terms in the ISDA Definitions.

(2) **Screen Rate Determination for Floating Rate Notes**

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the relevant Pricing Supplement as being BBSW, the Rate of Interest in respect of such Notes for the relevant Interest Period shall be the average mid rate for Bills (having the meaning that term has in the Bills of Exchange Act 1909 (Cth)) having a tenor closest to the relevant Interest Period displayed on the BBSW page of the Reuters Monitor System on the first day of that Interest Period, plus or minus (as indicated in the relevant Pricing Supplement) the Margin (if any), all as determined by the Calculation Agent.

However, if the average mid rate is not displayed by 10:30 a.m. on that day, or if it is displayed but the Calculation Agent determines that there is an obvious error in that rate, the Rate of Interest in respect of such Notes for the relevant Interest Period shall be determined by the Calculation Agent in good faith at approximately 10:30 a.m. on that day, having regard, to the extent possible, to the mid rate of the rates otherwise bid and offered for bank accepted Bills of that tenor at or about that time.

4.3 Zero Coupon Notes

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the

Maturity Date, the Rate of Interest for any overdue Principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 5.2(a)).

4.4 Accrual of interest

Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 4 to the Relevant Date.

4.5 Margin, Maximum/Minimum Rates of Interest, Redemption Amounts and rounding

- (a) If any Margin is specified in the relevant Pricing Supplement (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with 4.2 above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the next paragraph.
- (b) If any Maximum or Minimum Rate of Interest or Redemption Amount is specified in the relevant Pricing Supplement, then any Rate of Interest or Redemption Amount shall be subject to such maximum or minimum, as the case may be.
- (c) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified):
 - (1) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up);
 - (2) all figures shall be rounded to seven significant figures (with halves being rounded up); and
 - (3) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up). For these purposes **unit** means the lowest amount of such currency that is available as legal tender in the countries of such currency.

4.6 Calculations

The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified in the relevant Pricing Supplement, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply, save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

4.7 Determination and publication of Rates of Interest, Interest Amounts, Final Redemption Amounts and Early Redemption Amounts

The Calculation Agent shall, as soon as practicable on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount or Early Redemption Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount or Early Redemption Amount to be notified to the Registrar, the Issuer, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than:

- (a) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount; or
- (b) in all other cases, the fourth Business Day after such determination.

Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 4.2(b), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

4.8 Calculation Agent

The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them in the relevant Pricing Supplement and for so long as any Note is Outstanding. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Final Redemption Amount or Early Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or financial institution engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal Sydney office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

Notwithstanding the foregoing, the Issuer may undertake the duties of Calculation Agent in respect of the Notes unless another entity is so specified as Calculation Agent in the relevant Pricing Supplement.

5 Redemption and purchase

5.1 Final Redemption

Unless previously redeemed or purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified in the relevant Pricing Supplement at its Final Redemption Amount (which, unless otherwise provided, is its Nominal Amount).

5.2 Early Redemption

(a) Zero Coupon Notes

- (1) The Early Redemption Amount payable in respect of any Zero Coupon Note upon it becoming due and payable as provided in Condition 10 shall be the Amortised Face Amount of such Note unless otherwise specified in the relevant Pricing Supplement.
- (2) Subject to the provisions of sub-paragraph 5.2(a)(3) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown in the relevant Pricing Supplement, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- (3) If the Early Redemption Amount payable in respect of any such Note upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph 5.2(a)(2) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 4.3.
- (4) Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown in the relevant Pricing Supplement.

(b) Other Notes

The Early Redemption Amount payable in respect of any Note (other than Notes described in paragraph 5.2(a) above), upon it becoming due and payable as provided in Condition 10, shall be the Final Redemption Amount unless otherwise specified in the relevant Pricing Supplement.

5.3 Purchases

The Issuer and any of its subsidiaries may, to the extent permitted by applicable laws and regulations, at any time purchase Notes in the open market or otherwise at any price.

5.4 Holding, reselling or cancellation

All Notes purchased by or on behalf of the Issuer or any of its subsidiaries may be held, reissued or resold or, at the option of the purchaser, surrendered for cancellation by surrendering each such Note through the Issuer to the Registrar and, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith. Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer and the Guarantor in respect of any such Notes shall be discharged.

6 Payments

For the purposes of this Condition 6, **Business Day** has the meaning given in the Registry Services Agreement.

6.1 Paying agent

The Registrar will act as paying agent for Notes pursuant to the Registry Services Agreement.

6.2 Payments by the Issuer

Payments of Principal and interest will be made in the Specified Currency to the persons who, on the relevant Record Date, are registered as the Noteholders of such Notes, subject in all cases to normal banking practice and all applicable laws and regulations.

6.3 Method of payment

Payment will be made:

- (a) in the case of Notes lodged in the Austraclear System, by crediting on the relevant Interest Payment Date or Maturity Date the amount then due to the account of the relevant Noteholder in accordance with the Austraclear Regulations; or
- (b) in the case of Notes not lodged in the Austraclear System, either:
 - (1) by cheques drawn on the Sydney branch of an Australian bank and dispatched by post on the relevant payment date at the risk of the Noteholder; or
 - (2) at the option of the Noteholder, by the Registrar giving irrevocable instructions for the effecting of a transfer of the relevant funds to an Australian Dollar account in Australia specified by the Noteholder to the Registrar (or in any other manner in Sydney which the Registrar and the Noteholder agree).

In the case of payments made by electronic transfer, payments will for all purposes be taken to be made when the Registrar gives irrevocable instructions in Sydney for the making of the relevant payment by electronic transfer, being instructions which would be reasonably expected to result, in the ordinary course of banking business, in the funds transferred reaching the account of the Noteholder on the same day as the day on which the instructions are given.

If a cheque posted or an electronic transfer for which irrevocable instructions have been given by the Registrar is shown, to the satisfaction of the Registrar, not to have reached the Noteholder and the Registrar is able to recover the relevant funds, the Registrar may make such other arrangements as it thinks fit for the effecting of the payment.

6.4 Payment to joint holders

Where a Note is recorded in the Register as being held jointly, payments of interest or Principal (as the case may be) will be paid to the first-named holder, unless instructions to the contrary are given by all the Noteholders in such form as may be prescribed by the Registrar.

6.5 Payments subject to fiscal law

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto. Neither the Issuer nor the Registrar shall be liable to any Noteholder or other person for any commissions, costs, losses or expenses in relation to or resulting from such payments.

7 Transfer

7.1 Transfer

Notes may be transferred in whole but not in part.

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

Unless the Notes are lodged in the Austraclear System, application for the transfer of the Notes must be made by the lodgment of a transfer and acceptance form with the Registrar. Each transfer and acceptance form must be accompanied by such evidence (if any) as the Registrar may require to prove the title of the transferor or the transferor's right to transfer the Notes and must be signed by both the transferor and the transferee.

The transferor of a Note is deemed to remain the Noteholder of that Note until the name of the transferee is entered in the Register in respect of that Note. Transfers will not be registered later than eight days prior to the Maturity Date of the Note.

7.2 Limit on transfer

Notes may only be transferred within, to or from Australia if:

- (a) the aggregate consideration payable by the transferee at the time of transfer is at least A\$500,000 (or its equivalent in an alternative currency), disregarding moneys lent by the transferor or its associates, or the offer or invitation giving rise to the transfer otherwise does not require disclosure to investors in accordance with Part 6D.2 or Chapter 7 of the Corporations Act;
- (b) the transfer is in compliance with all applicable laws, regulations and directives (including, without limitation, in the case of a transfer to or from Australia, the laws of the jurisdiction in which the transfer takes place); and
- (c) in the case of a transfer between persons outside Australia, if a transfer and acceptance form is signed outside Australia.
- (d) A transfer to an unincorporated association is not permitted.

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

7.3 Partial transfers

Where the transferor executes a transfer of less than all Notes registered in its name, and the specific Notes to be transferred are not identified, the Registrar may register the

transfer in respect of such of the Notes registered in the name of the transferor as the Registrar thinks fit, provided the aggregate Principal amount of the Notes registered as having been transferred equals the aggregate Principal amount of the Notes expressed to be transferred in the transfer.

7.4 Transmission of Notes

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

7.5 Austraclear

If Austraclear Services Limited (ABN 28 003 284 419) is the Registrar and the Notes are lodged in the Austraclear System, despite any other provision of these Conditions, the Notes are not transferable on the Register, and the Issuer may not, and must procure that the Registrar does not, register any transfer of the Notes issued by it and no member of the Austraclear System has the right to request any registration of any transfer of such Notes, except:

- (a) in the case of any repurchase, redemption or cancellation (whether on or before the Maturity Date of the Notes) of such Notes, a transfer of the relevant Notes from Austraclear to the Issuer may be entered in the Register; and
- (b) if Austraclear exercises any power it may have under the Austraclear Regulations or these Conditions to require the relevant Notes to be transferred on the Register to a member of the Austraclear System, the relevant Notes may be transferred on the Register from Austraclear to the member of the Austraclear System.

In either of these cases, the relevant Notes will cease to be held in the Austraclear System.

8 Taxation

All payments of Principal and/or interest by or on behalf of the Issuer or the Guarantor in respect of the Notes or under the Substitution Guarantee (as defined below) shall be made subject to withholding or deduction for any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Commonwealth of Australia or any authority therein or thereof having power to tax.

9 Prescription

Claims against the Issuer and/or the Guarantor for payment in respect of the Notes shall be prescribed and become void unless made within five years from the date the relevant payment first became due.

10 Events of Default

If any of the following Events of Default occurs and is continuing, the Noteholder of any Note may give written notice to the Registrar at its specified office that such Note is immediately repayable, whereupon the Early Redemption Amount of such Note together (if applicable) with accrued interest to the date of payment shall become immediately due and payable, unless such event of default shall have been remedied prior to the receipt of such notice by the Registrar:

- (a) **Non-payment:** default is made for more than 30 days in the payment on the due date of interest or Principal in respect of any of the Notes; or
- (b) **Breach of other obligations:** the Issuer does not perform or comply with any one or more of its other obligations in the Notes, which default is not remedied within 60 days of notice of such default requiring the same to be remedied having been given to the Issuer and the Registrar at its specified office by the Noteholder; or
- (c) **Insolvency:** the Issuer becomes insolvent or is unable to pay its debts as they fall due (within the meaning of the Corporations Act 2001).

11 Meeting of Noteholders, modifications and waivers

These Conditions may be amended, modified or varied in relation to any Series of Notes by the terms of the relevant Pricing Supplement in relation to such Series.

11.1 Meetings of Noteholders

The Meeting Provisions contains provisions for convening meetings of Noteholders of each Series to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions. Meetings of Noteholders may be convened in accordance with the Meetings Provisions. Any such meeting may consider any matter affecting the interests of Noteholders, including, without limitation, the variation of the terms of the Notes by the Issuer and the granting of approvals, consents and waivers, and the declaration of an Event of Default.

11.2 Modification to Deed Poll

The Deed Poll may be amended by the parties to it without the consent of any Noteholder for the purposes of curing any ambiguity or correcting or supplementing any defective or inconsistent provision therein, provided that such amendment does not have a materially adverse affect on the interests of the Noteholders.

The Deed Poll may otherwise be varied by the Issuer with the approval of the Noteholders by Extraordinary Resolution.

Other than variations to the Conditions made in accordance with this Condition 11, no variation to the Conditions has effect in relation to the Noteholders who hold Notes at the date of any amending deed or agreement unless otherwise agreed in writing by the Noteholders. A variation will take effect in relation to all subsequent Noteholders. A resolution passed at a meeting of Noteholders duly convened and held (or passed by those Noteholders in writing) pursuant to the Meetings Provisions is binding on all Noteholders, whether or not present and whether or not voting at the meeting (or signing or not signing the written resolution), and each Noteholder is bound to give effect to it accordingly. The passing of any such resolution is conclusive evidence that the circumstances of such resolution justify its passing. The Issuer must give notice to the Noteholders of the result of the voting on a resolution within 14 days of such result being

known but failure to do so will not invalidate the resolution. Such notice to Noteholders must be given in the manner provided in Condition 14.

12 Substitution of the Issuer

- (a) The Issuer may, with the consent of the Guarantor in respect of Notes for which an Eligibility Certificate has been issued, without any further consent of the Noteholders being required, when no payment of Principal of or interest on any of the Notes is in default, be replaced and substituted by any directly or indirectly wholly-owned subsidiary of the Issuer (the **Substituted Debtor**) as principal debtor in respect of the Notes provided that:
- (1) such documents shall be executed by the Substituted Debtor and the Issuer as may be necessary to give full effect to the substitution (together the **Documents**) and (without limiting the generality of the foregoing) pursuant to which the Substituted Debtor shall undertake in favour of each Noteholder to be bound by the Terms and Conditions of the Notes and the provisions of the Deed Poll as fully as if the Substituted Debtor had been named in the Notes or the Deed Poll as the principal debtor in respect of the Notes in place of the Issuer and pursuant to which the Issuer shall guarantee, which guarantee shall be unconditional and irrevocable, (**Substitution Guarantee**) in favour of each Noteholder the payment of all sums payable in respect of the Notes;
 - (2) the Documents shall contain a covenant by the Substituted Debtor and the Issuer to indemnify and hold harmless each Noteholder against all liabilities, costs, charges and expenses (provided that, insofar as the liabilities, costs, charges and expenses are taxes or duties, the same arise by reason of a law or regulation having legal effect or being in reasonable contemplation thereof on the date such substitution becomes effective) which may be incurred by or levied against such Noteholder as a result of any substitution pursuant to this Condition 12 and which would not have been so incurred or levied had such substitution not been made (and, without limiting the foregoing, such liabilities, costs, charges and expenses shall include any and all taxes or duties which are imposed on any such Noteholder by any political sub-division or taxing authority of any country in which such Noteholder resides or is subject to any such tax or duty and which would not have been so imposed had such substitution not been made);
 - (3) the Documents shall contain a warranty and representation by the Substituted Debtor and the Issuer that:
 - (A) each of the Substituted Debtor and the Issuer has obtained all necessary governmental and regulatory approvals and consents for such substitution and the performance of its obligations under the Documents, and that all such approvals and consents are in full force and effect; and
 - (B) the obligations assumed by each of the Substituted Debtor and the Issuer under the Documents are all valid and binding in accordance with their respective terms and enforceable by each Noteholder;
 - (4) each stock exchange which has Notes listed in the relevant Pricing Supplement shall have confirmed that following the proposed

- substitution of the Substituted Debtor such Notes would continue to be listed on such stock exchange;
- (5) the Substituted Debtor shall have delivered to the Registrar or procured the delivery to the Registrar of a legal opinion from a leading firm of Australian lawyers acting for the Substituted Debtor to the effect that the Documents constitute legal, valid and binding obligations of the Substituted Debtor, such opinion to be dated not more than three days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Noteholders at the specified office of the Registrar;
 - (6) the Substituted Debtor (if not incorporated in Australia) shall have appointed a process agent as its agent to receive service of process on its behalf in relation to any legal action or proceedings arising out of or in connection with the Notes, and the Documents; and
 - (7) all Notes remain guaranteed as set out in Condition 3.1 immediately following the substitution of the Issuer by the Substituted Debtor.
- (b) In connection with any substitution effected pursuant to this Condition, neither the Issuer nor the Substituted Debtor need have any regard to the consequences of any such substitution for individual Noteholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and no Noteholder, except as provided in Condition 12(a)(2), shall be entitled to claim from the Issuer or any Substituted Debtor under the Notes any indemnification or payment in respect of any tax or other consequences arising from such substitution.
 - (c) Upon the execution of the Documents as referred to in Condition 12(a) above, and subject to the notification as referred to in Condition 12(e) below having been given, the Substituted Debtor shall be deemed to be named in the Notes as the principal debtor in place of the Issuer and the Notes shall thereupon be deemed to be amended to give effect to the substitution. The execution of the Documents shall operate to release the Issuer as issuer from all of its obligations as principal debtor in respect of the Notes, save that any claims under the Notes prior to release shall enure for the benefit of Noteholders.
 - (d) The Documents shall be deposited with and held by the Registrar for so long as any Notes remain Outstanding and for so long as any claim made against the Substituted Debtor by any Noteholder in relation to the Notes or the Documents shall not have been finally adjudicated, settled or discharged. The Substituted Debtor and the Issuer shall acknowledge in the Documents the right of every Noteholder the production of the Documents for the enforcement of any of the Notes or the Documents.
 - (e) Not later than 15 business days after the execution of the Documents, the Substituted Debtor shall give notice thereof to the Noteholders in accordance with Condition 14.

13 Further issues

The Issuer may from time to time without the consent of the Noteholders create and issue further notes having the same terms and conditions as the Notes (so that, for the avoidance of doubt, references in these Conditions to "Issue Date" shall be to the first issue date of the Notes) and so that the same shall be consolidated and form a single series with such Notes, and references in these Conditions to "Notes" shall be construed accordingly.

14 Notices

Notices to the Noteholders shall be:

- (a) mailed to Noteholders at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or Sunday) after the date of mailing; or
- (b) published in a leading daily newspaper of general circulation in Australia. It is expected that such notices will normally be published in *The Australian Financial Review*. Any such notice will be deemed to have been given to the Noteholders on the date of such publication.

15 Governing law and jurisdiction

- (a) The Notes shall be governed by, and shall be construed in accordance with, the laws in force in New South Wales, Australia.
- (b) The Issuer has irrevocably agreed for the benefit of Noteholders that the courts of New South Wales, Australia and courts of appeal from them are to have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Notes, the Deed Poll or the Registry Services Agreement and that accordingly any suit, action or proceedings arising out of or in connection with the Notes, the Deed Poll or the Registry Services Agreement (together referred to as **Proceedings**) may be brought in such courts. The Issuer has irrevocably waived any objection which it may have now or hereafter to the laying of the venue of any Proceedings in any such court and any claim that any such Proceedings have been brought in an inconvenient forum and has further irrevocably agreed that a judgment in any such Proceedings brought in the courts of New South Wales and courts of appeal from them shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction.

16 Determinations by the Calculation Agent and/or the Issuer

For the purposes of the Notes, any determinations, calculations or other decisions made by the Calculation Agent and/or the Issuer under or pursuant to the terms of the Notes shall be made in its/their sole and absolute discretion. All such determinations, calculations or other decisions of the Calculation Agent and/or the Issuer shall (save in the case of manifest error) be final, conclusive and binding on all parties, and neither the Calculation Agent nor the Issuer shall have any liability to any person therefor.

Subscription and sale

Summary of Dealer Agreement

Subject to the terms and on the conditions contained in a dealer agreement dated as of 11 June 2009 (the **Dealer Agreement**) between the Issuer, the Permanent Dealer and the Arranger, the Notes will be offered from time to time by the Issuer to the Permanent Dealer(s). However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The Issuer has agreed to reimburse the Dealers for certain of their activities in connection with the Programme. The commissions in respect of an issue of Notes on a syndicated basis will be stated in the relevant Pricing Supplement.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

Selling restrictions

Australia

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

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

unless the offeree or invitee is a “wholesale client” (within the meaning of section 761G of the Corporations Act) and

- (a) the aggregate consideration payable by each offeree is at least A\$500,000 (or its equivalent in an alternate currency) (disregarding moneys lent by the offeror or its associates) or the offer otherwise does not require disclosure to investors under either Part 6D.2 or Chapter 7 of the Australian Corporations Act;
- (b) such action complies with applicable laws and directives (including, without limitation, the financial services licensing requirements of Chapter 7 of the Corporations Act); and
- (c) such action does not require any document to be lodged with ASIC.

Section 708(19) of the Corporations Act provides that an offer of debentures for issue or sale does not need disclosure to investors under Part 6D.2 of the Australian Corporations

Act if the Issuer is an ADI. As at the date of this Information Memorandum, the Issuer is an ADI.

United States

The Notes and the Guarantee have not been and will not be registered under the United States Securities Act of 1933 (as amended) (**Securities Act**) and may not be offered or sold within the United States or to, or for the account or benefit of U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Notes in bearer form having a maturity of more than one year are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

Each Dealer will represent and agree that, except as permitted by the Dealer Agreement, it has not offered, sold or delivered and will not offer, sell or deliver the Notes of any identifiable Tranche (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of such Tranche as determined, and certified to the Issuer, by the Registrar, or in the case of Notes issued on a syndicated basis, the Lead Manager, within the United States or to, or for the account or benefit of U.S. persons and it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering of any identifiable Tranche of Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering of any identifiable Tranche of Notes) may violate the registration requirements of the Securities Act.

Public Offer Selling Restriction Under the Prospectus Directive

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

- (i) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities; or
- (ii) at any time to any legal entity which has two or more of (a) an average of at least 250 employees during the last financial year; (b) a total balance sheet of more than €43,000,000 and (c) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or
- (iii) at any time to other natural or legal persons who are qualified investors as defined in the Prospectus Directive; or
- (iv) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

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

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

United Kingdom

Each Dealer will represent and agree that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (**FSMA**)) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

The Netherlands

Each Dealer appointed under the Programme will be required to represent and agree that bearer zero coupon Notes in definitive form on which interest does not become due and payable during their term but only at maturity (savings certificates or spaarbewijzen as defined in the Dutch Savings Certificates Act or Wet inzake spaarbewijzen) (**SCA**) may only be transferred and accepted, directly or indirectly, within, from or into The Netherlands through the mediation of either the Issuer or a member of Euronext with due observance of the provisions of the SCA and its implementing regulations (which include registration requirements). No such mediation is required, however, in respect of (i) the initial issue of such Notes to the first Noteholders thereof, (ii) the transfer and acceptance by individuals who do not act in the conduct of a profession or business, and (iii) the issue and trading of such Notes if they are physically issued outside The Netherlands and are not immediately thereafter distributed in The Netherlands.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (**Financial Instruments and Exchange Law**). Accordingly, each of the Dealers will represent and agree that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, a resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and other relevant laws and regulations of Japan.

General

These selling restrictions may be modified by the agreement of the Issuer and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the Pricing Supplement issued in respect of the issue of Notes to which it relates or in a supplement to this Information Memorandum.

No representation is made that any action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the

Information Memorandum or any other offering material or any Pricing Supplement, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Information Memorandum, any other offering material or any Pricing Supplement and neither the Issuer, the Guarantor nor any other Dealer shall have responsibility therefor.

Pricing Supplement

The form of Pricing Supplement for the Notes that will be issued in respect of each Tranche, subject only to the deletion of non-applicable provisions, is set out below:

Pricing Supplement dated [●]

ING Bank (Australia) Limited
ABN 24 000 893 292

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
Guaranteed by the Commonwealth of Australia
under the A\$10,000,000,000
Debt Issuance Programme

Series No. []

Tranche No. []

[Name of Dealer(s)]

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Information Memorandum dated [●] June 2009 [and the supplemental Information Memorandum dated [●] 20[●]]. This document constitutes the Pricing Supplement applicable to the Notes described herein and must be read in conjunction with the Information Memorandum [as so supplemented].

[The following alternative language applies if the first tranche of an issue which is being increased was issued under an Information Memorandum with an earlier date.]

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (**Conditions**) set forth in the Information Memorandum dated [original date] [and the supplemental Information Memorandum dated [●] 20[●]]. This document constitutes the Pricing Supplement applicable to the Notes described herein and must be read in conjunction with the Information Memorandum dated [●] June 2009 [and the supplemental Information Memorandum dated [●] 20[●]], save in respect of the Conditions which are extracted from the Information Memorandum dated [original date] and [current date] [and the supplemental Information Memorandum dated [●] 20[●]]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Information Memoranda dated [original date] and [current date] [and the supplemental Information Memorandum dated [●] 20[●] and [●] 20[●]].]

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Pricing Supplement.]

1 Issuer: ING Bank (Australia) Limited ABN 24 000 893 292

[(i)] Series Number: []

[(ii)] Tranche Number: []

(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).]

- 2 Specified Currency: []
- 3 Aggregate Nominal Amount: []
- [(i)] Series: []
- [(ii)] Tranche: []
- 4 Issue Price: [] per cent. of the Aggregate Nominal Amount [plus accrued interest from *[insert date]* (if applicable)]
- (i) Specified Denominations: []
- (ii) Calculation Amount: [] *[in the case of one single denomination, state "Specified Denomination"; in the case of multiple denominations, state the highest common factor by which the multiple denominations may be divided (e.g. \$1,000 in the case of \$501,000, \$502,000, \$503,000 etc.)]*
- 5 (i) Issue Date: []
- (ii) Interest Commencement Date: *[Specify/Issue Date/Not Applicable]*
- 6 Maturity Date: *[specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to [specify relevant month and year]]*
- 7 Interest Basis: *[[] per cent. Fixed Rate]
[[specify reference rate] +/- [] per cent. Floating Rate]
[Zero Coupon]
[Other (specify)]
(further particulars specified below)*
- 8 Redemption/Payment Basis: *[Redemption at par]
[Other (specify)]*
- 9 Change of Interest or Redemption/Payment Basis: Not applicable.
- 10 Status of the Notes: As per Condition 3
- 11 Method of distribution: *[Syndicated/Non-syndicated]*

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- 12 **Fixed Rate Note Provisions** *[Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate[(s)] of Interest: [] per cent. per annum [payable [annually/semi-annually/quarterly/monthly/other (specify)] in arrear]
- (ii) Interest Payment Date(s): [] in each year [adjusted in accordance with *[specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"]*/not adjusted]
- (iii) Fixed Coupon Amount(s): [] per Calculation Amount
- (iv) Broken Amount(s): [] per Calculation Amount, payable on the Interest Payment Date falling [in/on] []

- (v) Day Count Fraction: [30/360 / Actual/Actual (ICMA/ISDA) / RBA Bond Basis / other]
- (vi) [Determination Dates: [] in each year (*insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA)*)]
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/*give details*]
- 13 Floating Rate Note Provisions** [Applicable/Not Applicable]
(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) Interest Period(s): []
- (ii) Specified Interest Payment Dates: []
- (iii) First Interest Payment Date: []
- (iv) Interest Period Date: []
(*Not applicable unless different from Interest Payment Date*)
- (v) Business Day Convention: [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ other (*give details*)]
- (vi) Business Centre(s): []
- (vii) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/other (*give details*)]
- (viii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the [Issuing and Paying Agent][Issuer]): []
- (ix) Screen Rate Determination:
- Reference Rate: []
 - Interest Determination Date(s): []
 - Relevant Screen Page: []
- (x) ISDA Determination:
- Floating Rate Option: []
 - Designated Maturity: []
 - Reset Date: []
 - ISDA Definitions: 2006

- (xi) Margin(s): ☐ ☐ per cent. per annum
- (xii) Minimum Rate of Interest: ☐ per cent. per annum
- (xiii) Maximum Rate of Interest: ☐ per cent. per annum
- (xiv) Day Count Fraction: ☐ ☐
- (xv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: ☐ ☐

14 Zero Coupon Note Provisions ☐ [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Amortisation Yield: ☐ ☐ per cent. per annum
- (ii) Any other formula/basis of determining amount payable: ☐ ☐

PROVISIONS RELATING TO REDEMPTION

15 Final Redemption Amount of each Note ☐ ☐ per Calculation Amount

16 Early Redemption Amount

Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions): ☐ ☐

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 17 Form of Notes ☐ Registered
- 18 Financial Centre(s) or other special provisions relating to payment dates: ☐ [Sydney/specify other]
- 19 Public offer test compliant: ☐ [Yes/No/Not Applicable]
- 20 Redenomination, renominatisation and reconventioning provisions: ☐ [Not Applicable/The [following provisions] [provisions in Condition [] apply]
- 21 Governing law: ☐ New South Wales, Australia
- 22 Other final terms: ☐ [Not Applicable/give details]

DISTRIBUTION

- 23 (i) If syndicated, names of Managers: ☐ [Not Applicable/give names]

- (ii) Stabilising Manager(s) (if any): [Not Applicable/*give name(s)*]
- 24 If non-syndicated, name and address of Dealer: [Not Applicable/*give name and address*]
- 25 U.S. Selling Restrictions: [Reg. S Compliance Category; TEFRA C / TEFRA D / TEFRA not applicable]
- 26 Additional selling restrictions: [Not Applicable/*give details*]

OPERATIONAL INFORMATION

- 27 ISIN: [Not Applicable/*insert number*]
- 28 Common Code: [Not Applicable/*insert number*]
- 29 Any clearing system other than Austraclear and the relevant identification number(s): [Not Applicable/*insert name(s) and number(s)*]

[LISTING APPLICATION

This Pricing Supplement comprise the details required for listing and admission to trading on [ASX/*specify relevant regulated market*] of the Notes described herein pursuant to the A\$10,000,000,000 Debt Issuance Programme of ING Bank (Australia) Limited.]

GUARANTEE

An Eligibility Certificate has been [issued][applied for] in respect of the Notes such that the Guarantee of the Commonwealth of Australia shall apply according and subject to that Eligibility Certificate, the Deed of Guarantee and the Scheme Rules as applicable on the date of the Eligibility Certificate [*insert date of Eligibility Certificate if known*].

[STABILISATION

In connection with the issue of the Notes, [*insert name of stabilising manager*] (**Stabilising Manager**) (or persons acting on behalf of the Stabilising Manager) may, outside Australia and on a market operated outside Australia, over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the final terms (in the case of Notes convertible or exchangeable into shares or into other securities equivalent to shares) or terms (in all other cases) of the offer of the Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Such stabilisation action or over-allotment shall be conducted in accordance with all applicable laws and rules.]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement. [[●] has been extracted from [●]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of **ING Bank (Australia) Limited**:

By:

Duly authorised

By:

Duly authorised

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