



27 October 2022

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

**ANZ Capital Notes 5 (ASX: ANZPH) ("Capital Notes 5") – Approved NOHC
Substitution Notice**

Attached is an Approved NOHC Substitution Notice given to holders of Capital Notes 5 under clauses 11.1 and 14.2 of the Capital Notes 5 Terms, as set out in the Capital Notes 5 Prospectus dated 24 August 2017, attaching amended Capital Notes 5 Terms.

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

Yours faithfully

Simon Pordage
Company Secretary
Australia and New Zealand Banking Group Limited



NOTICE TO HOLDERS

ANZ Capital Notes 5 (ASX: ANZPH) ("Capital Notes 5") – Approved NOHC Substitution Notice

ANZ refers to the announcement titled "NOHC Restructure – Amendments to ANZ's Capital Notes" released on ASX on the date of this notice (**NOHC Restructure Announcement**).

This document is an Approved NOHC Substitution Notice given to the holders of Capital Notes 5 under clauses 11.1 and 14.2 of the Capital Notes 5 Terms (**Terms**), as set out in the Capital Notes 5 Prospectus dated 24 August 2017.

By this notice, ANZ announces that:

- (a) ANZ is amending the Terms to effect the substitution of ANZ Group Holdings Limited (**ANZ Group Holdings**) as the issuer of ordinary shares on Conversion (as defined in the Terms).
- (b) The amendments to the Terms are set out in Appendix A to this notice (**Amended Terms**).
- (c) The Amended Terms have been approved by the Australian Prudential Regulation Authority.
- (d) The Amended Terms will become effective when the NOHC restructure (as described in the NOHC Restructure Announcement) is implemented. If the NOHC restructure is not implemented, then the Amended Terms will not take effect.

The amendments do not affect the circumstances in which the Capital Notes 5 are required to Convert or the other obligations of ANZ in respect of the Capital Notes 5.

A holder of Capital Notes 5 does not need to take any action in response to this notice.

Further information about the proposed NOHC restructure (as described in the NOHC Restructure Announcement) can be found on ANZ's website

A
APPENDIX·A

**NOTE·
TERMS**

THIS·APPENDIX·A·CONTAINS·THE·FULL·NOTE·TERMS. ¶

1 ANZ CAPITAL NOTES

1.1 ANZ CAPITAL NOTES 5

ANZ Capital Notes 5 are fully paid mandatorily convertible subordinated perpetual securities (**ANZ Capital Notes 5 or Notes**) in the form of unsecured notes issued by ANZ. ANZ Capital Notes 5 are issued in registered form by entry in the Register. They are issued, and may be Exchanged, according to these Note Terms.

ANZ Capital Notes 5 are not deposit liabilities of ANZ, are not protected accounts for the purposes of the depositor protection provisions in Division 2 of Part II of the Banking Act or of the Financial Claims Scheme established under Division 2AA of Part II of the Banking Act, are not any other kind of account with ANZ and are not guaranteed or insured by any government, government agency or compensation scheme in Australia or any other jurisdiction or by [TopCo](#) or any other person.

1.2 FACE VALUE

The denomination and face value of each Note (**Face Value**) is \$100.

2 TITLE AND TRANSFER

2.1 TITLE

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

2.2 REGISTER CONCLUSIVE AS TO OWNERSHIP

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

2.3 NON-RECOGNITION OF INTERESTS

Except as required by law and as provided in this clause 2.3, ANZ must treat the person whose name is entered in the Register as the Holder in respect of a Note as the absolute owner of that Note.

No notice of any trust, Encumbrance or other interest in, or claim to, any Note will be entered in the Register. ~~None of Neither~~ ANZ, [TopCo](#) nor the Registry need take notice of any trust, Encumbrance or other interest in, or claim to, any Note, except as ordered by a court of competent jurisdiction or required by law, and no trust, Encumbrance or other interest in, or claim to, any Note will in any way affect any provision of these Note Terms.

This clause 2.3 applies whether or not a payment has been made when scheduled on a Note and despite any notice of ownership, trust or interest in the Note.

2.4 JOINT HOLDERS

Where two or more persons are entered in the Register as the joint holders of a Note, they are taken to hold the Note as joint tenants with rights of survivorship, but the Registry is not bound to register more than three persons as joint holders of a Note.

2.5 DEALINGS IN WHOLE

At all times, the Notes may be held or transferred only in whole Notes.

2.6 TRANSFER

- (a) A Holder may transfer a Note:
 - (i) while the Note is lodged in CHESS, in accordance with the ASX Settlement Operating Rules;

- (ii) at any other time:
 - (A) by a proper transfer under any other computerised or electronic system recognised by the Corporations Act; or
 - (B) by any proper or sufficient instrument of transfer of marketable securities under applicable law.
- (b) The Registry must register a transfer of a Note to or by a person who is entitled to make or receive the transfer as a consequence of:
 - (i) death, bankruptcy, liquidation or winding-up of a Holder; or
 - (ii) a vesting order by a court or other body with power to make the order on receiving the evidence that the Registry or ANZ requires.

3 DISTRIBUTIONS

3.1 DISTRIBUTIONS

Subject to these Note Terms, each Note entitles the Holder on a Record Date to receive on the relevant Distribution Payment Date a cash distribution (**Distribution**) calculated according to the following formula:

$$\text{Distribution} = \frac{\text{Face Value} \times \text{Distribution Rate} \times N}{365}$$

where:

Distribution Rate (expressed as a percentage per annum) is calculated according to the following formula:
 Distribution Rate = (BBSW Rate + Margin) × (1 - Tax Rate)

where:

BBSW Rate (expressed as a percentage per annum) means, for a Distribution Period, the rate for prime bank eligible securities having a tenor of 3 months, which is designated as the “AVG MID” on the Thomson Reuters Screen BBSW Page (or any designation which replaces that designation on that page, or any page that replaces that page) at approximately 10:15am, Sydney time (or such other time at which such rate customarily appears on that page) on the relevant day (**Publication Time**), on the first Business Day of the Distribution Period. However, if such rate does not appear on the Thomson Reuters Screen BBSW Page (or any page that replaces that page) by 10:30am, Sydney time, on that day (or such other time that is 15 minutes after the then prevailing Publication Time), or if it does appear but ANZ determines that there is an obvious error in that rate, **BBSW Rate** means the rate determined by ANZ having regard to comparable indices then available;

Margin (expressed as a percentage per annum) means the margin determined under the Broker Firm Reinvestment Offer Bookbuild;

Tax Rate (expressed as a decimal) means the Australian corporate tax rate applicable to the franking account of ~~TopCoANZ~~, as at the relevant Distribution Payment Date; and

N means in respect of:

- (a) the first Distribution Payment Date, the number of days from (and including) the Issue Date until (but not including) the first Distribution Payment Date; and
- (b) each subsequent Distribution Payment Date, the number of days from (and including) the preceding Distribution Payment Date until (but not including) the relevant Distribution Payment Date.

3.2 FRANKING ADJUSTMENTS

If any Distribution is not franked to 100% under Part 3-6 of the Tax Act (or any provisions that revise or replace that Part), the Distribution will be calculated according to the following formula:

$$\text{Distribution} = \frac{D}{(1 - [\text{Tax Rate} \times (1 - F)])}$$

where:

D means the Distribution calculated under clause 3.1;

Tax Rate has the meaning given in clause 3.1; and

F means the applicable Franking Rate

3.3 PAYMENT OF A DISTRIBUTION

Each Distribution is subject to:

- (a) ANZ's absolute discretion; and
- (b) no Payment Condition existing in respect of the relevant Distribution Payment Date.

3.4 DISTRIBUTIONS ARE NON-CUMULATIVE

- (a) Distributions are non-cumulative. If all or any part of a Distribution is not paid because of clause 3.3 or because of any applicable law, ANZ has no liability to pay the unpaid amount of the Distribution and Holders have no claim or entitlement in respect of such non-payment and such non-payment does not constitute an event of default.
- (b) No interest accrues on any unpaid Distributions and the Holders have no claim or entitlement in respect of interest on any unpaid Distributions.

3.5 DISTRIBUTION PAYMENT DATES

Subject to this clause 3, Distributions in respect of a Note will be payable in arrears on the following dates (each a **Distribution Payment Date**):

- (a) each 20 March, 20 June, 20 September and 20 December commencing on 20 December 2017 until (but not including) the date on which a Redemption or Conversion of that Note occurs in accordance with these Note Terms; and
- (b) each date on which a Conversion, Redemption or Resale of that Note occurs, in each case in accordance with these Note Terms.

If a Distribution Payment Date is a day which is not a Business Day, then the Distribution Payment Date will be the next day which is a Business Day.

3.6 RECORD DATES

A Distribution is only payable on a Distribution Payment Date to those persons registered as Holders on the Record Date for that Distribution.

3.7 DEDUCTIONS

- (a) ANZ and TopCo may deduct from any Distribution or other amount payable in accordance with the Note Terms (including, for the avoidance of doubt, upon or with respect to the issue of any Ordinary Shares upon a Conversion) the amount of any withholding or other tax, duty or levy required by any applicable law to be deducted in respect of such amount (**Tax**).

- (b) If any such deduction has been made and the amount of the deduction accounted for by ANZ or TopCo, as applicable, to the relevant revenue authority and the balance of the Distribution payable has been paid (or, in the case of a Conversion, Ordinary Shares issued) to the relevant Holder, the full amount payable (or, in the case of a Conversion, the Conversion Number of Ordinary Shares) to such Holder shall be deemed to have been duly paid and satisfied (or, in the case of a Conversion, issued) by ANZ or TopCo, as applicable.
- (c) ANZ or TopCo, as applicable, shall pay the full amount deducted to the relevant revenue authority within the time allowed for such payment without incurring any penalty under the applicable law and shall, if required by any Holder, deliver to that Holder a copy of any relevant receipt issued by the revenue authority (to the extent issued) without delay after it is received by ANZ or TopCo, as applicable.

3.8 RESTRICTIONS IN THE CASE OF NON-PAYMENT

If for any reason a Distribution has not been paid in full on a Distribution Payment Date (the **Relevant Distribution Payment Date**), ANZ must not, without approval of a Special Resolution, until and including the next Distribution Payment Date:

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

unless the Distribution is paid in full within 3 Business Days of the Relevant Distribution Payment Date.

3.9 EXCLUSIONS FROM RESTRICTIONS IN CASE OF NON-PAYMENT

The restrictions in clause 3.8 do not apply:

- (a) to a Buy-Back or Capital Reduction in connection with any employment contract, employee share scheme, benefit plan or other similar arrangement with or for the benefit of any one or more employees, officers, directors or consultants of ANZ or any Controlled Entity; or
- (b) to the extent that at the time a Distribution has not been paid on the relevant Distribution Payment Date, ANZ is legally obliged to pay on or after that date an ANZ Ordinary Share Dividend or complete on or after that date a Buy-Back or Capital Reduction.

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

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

4 MANDATORY CONVERSION

4.1 MANDATORY CONVERSION

Subject to the occurrence of a Trigger Event, on the Mandatory Conversion Date ANZ must Convert all (but not some) Notes on issue at that date into Ordinary Shares in accordance with clause 6 and this clause 4.

4.2 MANDATORY CONVERSION DATE

The **Mandatory Conversion Date** will be the earlier of:

- (a) 20 March 2027 (the **Scheduled Mandatory Conversion Date**); and
 - (b) the first Distribution Payment Date after the Scheduled Mandatory Conversion Date (a **Subsequent Mandatory Conversion Date**),
- (each a **Relevant Date**) on which the Mandatory Conversion Conditions are satisfied.

4.3 MANDATORY CONVERSION CONDITIONS

The Mandatory Conversion Conditions for each Relevant Date are:

- (a) the VWAP on the 25th Business Day immediately preceding (but not including) the Relevant Date (the **First Test Date**, provided that if no trading in Ordinary Shares took place on that date, the First Test Date is the first Business Day before the 25th Business Day immediately preceding (but not including) the Relevant Date on which trading in Ordinary Shares took place) is greater than 56.00% of the Issue Date VWAP (the **First Mandatory Conversion Condition**);
- (b) the VWAP during the period of 20 Business Days on which trading in Ordinary Shares took place immediately preceding (but not including) the Relevant Date (the **Second Test Period**) is greater than 50.51% of the Issue Date VWAP (the **Second Mandatory Conversion Condition**); and
- (c) no Delisting Event applies in respect of the Relevant Date (the **Third Mandatory Conversion Condition** and, together with the First Mandatory Conversion Condition and the Second Mandatory Conversion Condition, the **Mandatory Conversion Conditions**).

4.4 NON-CONVERSION NOTICES

If:

- (a) the First Mandatory Conversion Condition is not satisfied in relation to a Relevant Date, ANZ will notify Holders between the 25th and the 21st Business Day before the Relevant Date; or
- (b) the Second Mandatory Conversion Condition or the Third Mandatory Conversion Condition is not satisfied in relation to a Relevant Date, ANZ will notify Holders on or as soon as practicable after the Relevant Date,

in either case that Mandatory Conversion will not (or, as the case may be, did not) occur on the Relevant Date (a **Non-Conversion Notice**).

4.5 COMMON EQUITY CAPITAL TRIGGER EVENT

A **Common Equity Capital Trigger Event** means ANZ determines, or APRA has notified ANZ in writing that it believes, that a Common Equity Capital Ratio is equal to or less than 5.125%. ANZ must immediately notify APRA in writing if it makes a determination under this clause 4.5.

4.6 NON-VIABILITY TRIGGER EVENT

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

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

4.7 TRIGGER EVENT CONVERSION DATE

A Trigger Event Conversion Date means:

- (a) in the case of a Common Equity Capital Trigger Event, the date on which the determination or notification is made under clause 4.5; and

- (b) in the case of a Non-Viability Trigger Event, the date on which APRA notifies ANZ of such Non-Viability Trigger Event as contemplated in clause 4.6

4.8 CONVERSION ON TRIGGER EVENT CONVERSION DATE

If a Trigger Event occurs:

- (a) on the Trigger Event Conversion Date, subject only to clause 4.9(c), so many of the Notes will immediately Convert as is:
- (i) in the case of a Common Equity Capital Trigger Event, sufficient (as determined by ANZ in accordance with paragraph (b) below) to increase the relevant Common Equity Capital Ratio to a percentage above 5.125% determined by ANZ in consultation with APRA; or
 - (ii) in the case of a Non-Viability Trigger Event, required by APRA's notice under clause 4.6 and, where such notice does not require all Relevant Securities to be converted into Ordinary Shares or written off, sufficient (determined by ANZ in accordance with paragraph (b) below) to satisfy APRA that ANZ is viable without further conversion or write off.

If a Non-Viability Trigger Event under clause 4.6(b) occurs, all the Notes will be Converted;

- (b) in determining the number of Notes which must be Converted in accordance with this clause, ANZ will:
- (i) first, convert into Ordinary Shares or write off Relevant Securities whose terms require or permit them to be converted into Ordinary Shares or written off either before Conversion of Notes or in full; and
 - (ii) secondly, if conversion into Ordinary Shares or write off of those Relevant Securities is not sufficient to satisfy the requirements of clause 4.8(a)(i) or 4.8(a)(ii) (as applicable), Convert Notes and convert into Ordinary Shares or write off other Relevant Securities on an approximately pro-rata basis or in a manner that is otherwise, in the opinion of ANZ, fair and reasonable (subject to such adjustment as ANZ may determine to take into account the effect on marketable parcels and the need to round to whole numbers the number of Ordinary Shares and any Notes or other Relevant Securities remaining on issue) and for the purposes of this clause 4.8(b)(ii), where the currency of the principal amount of Relevant Securities is not the same for all Relevant Securities, ANZ may treat them as if converted into a single currency of ANZ's choice at such rate of exchange for each such currency as, in each case, ANZ in good faith considers reasonable,

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

- (c) on the Trigger Event Conversion Date ANZ must determine the Holders whose Notes will be Converted at the time on that date that the Conversion is to take effect and in making that determination may make any decisions with respect to the identity of the Holders at that time and date as may be necessary or desirable to ensure Conversion occurs immediately in an orderly manner, including disregarding any transfers of Notes that have not been settled or registered at that time and provided that such determination does not impede the immediate Conversion of the relevant number of Notes;
- (d) ANZ must give notice of that event (a **Trigger Event Notice**) as soon as practicable to Holders which must specify:
- (i) the Trigger Event Conversion Date;
 - (ii) the number of Notes Converted; and
 - (iii) the relevant number of other Relevant Securities converted or written off;

- (e) none of the following events shall prevent, impede or delay the Conversion of Notes as required by clause 4.8(a):
 - (i) any failure or delay in the conversion or write off of other Relevant Securities;
 - (ii) any failure or delay in giving a Trigger Event Notice;
 - (iii) any failure or delay in quotation of Ordinary Shares to be issued on Conversion; and
 - (iv) any requirement to select the number of Notes to be Converted in accordance with clause 4.8(b)(ii) or 4.8(c);
- (f) from the Trigger Event Conversion Date, subject to clauses 6.13 and 10.2, ANZ [and TopCo](#) shall treat the Holder of any Note which is required to be Converted as the holder of the relevant number of Ordinary Shares and will take all such steps, including updating any register, required to record the Conversion.

4.9 PRIORITY OF CONVERSION OBLIGATIONS

- (a) Conversion on account of the occurrence of a Trigger Event is not subject to the matters described in clause 4.3 as Mandatory Conversion Conditions.
- (b) A Conversion required on account of a Trigger Event takes place on the date, and in the manner, required by clause 4.8, notwithstanding anything in clauses 4.1, 4.10, 5 or 9.
- (c) If Conversion has not been effected within 5 Business Days after the relevant Trigger Event Conversion Date for any reason (including an Inability Event), Conversion of those Notes on account of the Trigger Event will not occur and those Notes shall be Written Off in accordance with clause 6.13 and the provisions of clauses 4.8(b), 4.8(c) and 4.8(d) shall apply in respect of that Write Off and those Notes as if each reference in those clauses to "Conversion" or "Convert" were a reference to "Write Off".

4.10 MANDATORY CONVERSION ON CHANGE OF CONTROL

- (a) If a Change of Control Event occurs, ANZ must notify Holders as soon as practicable after becoming aware of that event by providing a notice to Holders (a **Change of Control Conversion Notice**) and Convert all (but not some only) Notes on the Change of Control Conversion Date, subject to and in accordance with this clause 4 and clause 6.
- (b) A Change of Control Conversion Notice must specify:
 - (i) the details of the relevant Change of Control Event;
 - (ii) the date on which Conversion is to occur (the **Change of Control Conversion Date**), which must be:
 - (A) the Business Day prior to the date reasonably determined by ANZ to be the last date on which holders of Ordinary Shares can participate in the bid or scheme concerned or such other earlier date as ANZ may reasonably determine having regard to the timing for implementation of the bid or scheme concerned; or
 - (B) such later date as APRA may require; and
 - (iii) whether any Distribution will be paid on the Change of Control Conversion Date.
- (c) A Change of Control Conversion Notice is taken to be revoked and Conversion will not occur if, on the Change of Control Conversion Date:
 - (i) the Second Mandatory Conversion Condition (calculated as if it referred to 20.21% of the Issue Date VWAP); or
 - (ii) the Third Mandatory Conversion Condition,

would not be satisfied, calculated as if each reference to "Relevant Date" in those conditions were a reference to the "Change of Control Conversion Date".

- (d) If clause 4.10(c) applies, ANZ must:
 - (i) notify Holders as soon as practicable that Conversion will not (or did not) occur (a **Deferred Change of Control Conversion Notice**); and
 - (ii) subject to this clause 4.10, give a new Change of Control Conversion Notice on or before the 25th Business Day prior to the immediately succeeding Distribution Payment Date (under clause 3.5(a)) which is at least 25 Business Days after the date on which the Deferred Change of Control Conversion Notice was given.
- (e) If a new Change of Control Conversion Notice is revoked, clause 4.10(d) shall be reapplied in respect of each subsequent Distribution Payment Date (under clause 3.5(a)) until a Conversion occurs.
- (f) Nothing in clause 4.10 limits the operation of clause 4.8.

5 OPTIONAL EXCHANGE BY ANZ

5.1 OPTIONAL EXCHANGE BY ANZ

ANZ may by notice to Holders (an **Exchange Notice**) elect to Exchange:

- (a) all or some Notes on an Exchange Date following the occurrence of a Tax Event or a Regulatory Event; or
- (b) all or some Notes on the Optional Exchange Date.

An Exchange Notice once given is irrevocable, subject to clauses 4.8 and 4.9.

5.2 CONTENTS OF EXCHANGE NOTICE

An Exchange Notice must specify:

- (a) the details of any Tax Event or Regulatory Event to which the Exchange Notice relates;
- (b) the date on which Exchange is to occur (the **Exchange Date**), which:
 - (i) in the case of a Tax Event or a Regulatory Event, will be the last Business Day of the month following the month in which the Exchange Notice was given by ANZ unless ANZ determines an earlier Exchange Date having regard to the best interests of Holders as a whole and the relevant event; or
 - (ii) in the case of the Optional Exchange Date, the Optional Exchange Date which must fall:
 - (A) no earlier than 25 Business Days after the date on which the Exchange Notice is given, where the Exchange Method is Conversion; and
 - (B) no earlier than 5 Business Days after the date on which the Exchange Notice is given, where the Exchange Method is Redemption or Resale;
- (c) the Exchange Method, which may not be Redemption unless either:
 - (i) Notes the subject of the Exchange are replaced concurrently or beforehand with Tier 1 Capital of the same or better quality and the replacement of the Notes is done under conditions that are sustainable for ANZ's income capacity; or
 - (ii) APRA is satisfied that the capital position of the ANZ Level 1 Group, the ANZ Level 2 Group and, if applicable, the ANZ Level 3 Group is well above its minimum capital requirements after ANZ elects to Redeem the Notes; ~~and (d) if less than all Outstanding Notes are subject to Exchange, which Notes are subject to Exchange; and~~

- (d) if less than all Outstanding Notes are subject to Exchange, which Notes are subject to Exchange; and
- (e) whether any Distribution will be paid on the Exchange Date.

5.3 EXCHANGE METHOD

If ANZ elects to Exchange Notes in accordance with this clause 5, it must, subject to APRA's prior written approval and clause 5.2(c) and clause 5.4, elect which of the following (or which combination of the following) it intends to do in respect of Notes (the **Exchange Method**):

- (a) Convert Notes into Ordinary Shares in accordance with clause 6;
- (b) Redeem Notes in accordance with clause 7; or
- (c) Resell Notes in accordance with clause 8.

If ANZ issues an Exchange Notice to Exchange only some Notes, ANZ must endeavour to treat Holders on an approximately proportionate basis, but may discriminate to take account of the effect on holdings which would be Non-marketable Parcels and other considerations.

5.4 RESTRICTIONS ON ELECTION BY ANZ OF CONVERSION AS EXCHANGE METHOD

ANZ may not elect Conversion as the Exchange Method in respect of an Exchange under this clause 5 if:

- (a) on the second Business Day before the date on which an Exchange Notice is to be sent by ANZ (or, if trading in Ordinary Shares did not occur on that date, the last Business Day prior to that date on which trading in Ordinary Shares occurred) (the **Non-Conversion Test Date**) the VWAP on that date is less than or equal to 22.50% of the Issue Date VWAP (the **First Optional Conversion Restriction**); or
- (b) a Delisting Event applies in respect of the Non-Conversion Test Date (the **Second Optional Conversion Restriction**) and, together with the First Optional Conversion Restriction, the **Optional Conversion Restrictions**).

5.5 CONDITIONS TO CONVERSION OCCURRING ONCE ELECTED BY ANZ

If ANZ has given an Exchange Notice in which it has elected Conversion as the Exchange Method but, if the Exchange Date were a Relevant Date for the purposes of clause 4, either the Second Mandatory Conversion Condition (as if it referred to 20.21% of the Issue Date VWAP) or the Third Mandatory Conversion Condition would not be satisfied in respect of that date, then, notwithstanding any other provision of these Note Terms:

- (a) the Exchange Date will be deferred until the first Distribution Payment Date (under clause 3.5(a)) on which the Mandatory Conversion Conditions would be satisfied if that Distribution Payment Date were a Relevant Date for the purposes of clause 4 (the **Deferred Conversion Date**);
- (b) ANZ must Convert the Notes on the Deferred Conversion Date (unless the Notes are earlier Exchanged in accordance with these Note Terms); and
- (c) until the Deferred Conversion Date, all rights attaching to the Notes will continue as if the Exchange Notice had not been given.

ANZ will notify Holders on or as soon as practicable after an Exchange Date in respect of which this clause 5.5 applies that Conversion did not occur on that Exchange Date (a **Deferred Conversion Notice**).

6 CONVERSION MECHANICS

6.1 CONVERSION

If ANZ elects to Convert Notes or must Convert Notes in accordance with these Note Terms, then, subject to this clause 6 and clause 11, the following provisions apply:

(a) Each Note will be automatically transferred free from any Encumbrance to TopCo on the Mandatory Conversion Date, the Trigger Event Conversion Date, the Exchange Date or the Change of Control Conversion Date (as the case may be);

~~(a)~~(b) TopCo/ANZ will allot and issue on the Mandatory Conversion Date, the Trigger Event Conversion Date, the Exchange Date or the Change of Control Conversion Date (as the case may be) a number of Ordinary Shares in respect of each Note held by the Holder equal to the Conversion Number, where the Conversion Number (but subject to the Conversion Number being no more than the Maximum Conversion Number) is a number calculated according to the following formula:

$$\text{Conversion Number} = \frac{\text{Face Value}}{(99\% \times \text{VWAP})}$$

where:

VWAP (expressed in dollars and cents) means the VWAP during the VWAP Period and where the **Maximum Conversion Number** means a number calculated according to the following formula:

$$\text{Maximum Conversion Number} = \frac{\text{Face Value}}{\text{Issue Date VWAP} \times \text{Relevant Number}}$$

Where **Relevant Number** means:

- (i) if Conversion is occurring on a Mandatory Conversion Date, 0.5; and
- (ii) if Conversion is occurring at any other time, 0.2;

~~(b)~~(c) each Holder's rights (including to payment of Face Value and Distributions other than the Distribution, if any, payable on a date when Conversion is required that is not a Trigger Event Conversion Date) in relation to each Note that is being Converted will be automatically transferred immediately and irrevocably terminated for an amount equal to the Face Value of that Note and TopCo/ANZ will apply that Face Value by way of payment for subscription for the Ordinary Shares to be allotted and issued under clause 6.1(b)–6.1(a) and in accordance with the Deed Poll. Each Holder is taken to have irrevocably directed that any amount payable under this clause 6.1 is to be applied as provided for in this clause 6.1 and no Holder has any right to payment in any other way;

~~(c)~~(d) if the total number of additional Ordinary Shares to be allotted to a Holder in respect of their aggregate holding of Notes upon Conversion includes a fraction of an Ordinary Share, that fraction of an Ordinary Share will be disregarded;—and

(e) the rights attaching to Ordinary Shares issued as a result of Conversion do not take effect until 5:00pm (Melbourne time) on the Mandatory Conversion Date, the Trigger Event Conversion Date (unless another time is required for Conversion on that date), the Exchange Date or the Change of Control Conversion Date (as the case may be). At that time all other rights conferred or restrictions imposed on that Note under these Note Terms will no longer have effect (except for rights relating to a Distribution which is payable but has not been paid on or before a date when Conversion is required that is not a Trigger Event Conversion Date which will continue); and

~~(d)~~(f) as agreed between, amongst others, TopCo and ANZ under the Implementation Deed, TopCo, ANZ and their Related Bodies Corporate will deal with the Notes being Converted so that they are converted into ANZ Ordinary Shares as contemplated by clause 14.2(a) (the "Related Conversion Steps").

6.2 ADJUSTMENTS TO VWAP

For the purposes of calculating VWAP in these Note Terms:

- (a) where, on some or all of the Business Days in the relevant VWAP Period, Ordinary Shares have been quoted on ASX as cum dividend or cum any other distribution or entitlement and Notes will Convert into Ordinary Shares after the date those Ordinary Shares no longer carry that dividend or

any other distribution or entitlement, then the VWAP on the Business Days on which those Ordinary Shares have been quoted cum dividend or cum any other distribution or entitlement shall be reduced by an amount (**Cum Value**) equal to:

- (i) in case of a dividend or other distribution, the amount of that dividend or other distribution including, if the dividend or other distribution is franked, the amount that would be included in the assessable income of a recipient of the dividend or other distribution who is both a resident of Australia and a natural person under the Tax Act;
 - (ii) in the case of any other entitlement that is not a dividend or other distribution under clause 6.2(a)(i) which is traded on ASX on any of those Business Days, the volume weighted average sale price of all such entitlements sold on ASX during the VWAP Period on the Business Days on which those entitlements were traded; or
 - (iii) in the case of any other entitlement which is not traded on ASX during the VWAP Period, the value of the entitlement as reasonably determined by the Directors; and
- (b) where, on some or all of the Business Days in the VWAP Period, Ordinary Shares have been quoted on ASX as ex dividend or ex any other distribution or entitlement, and Notes will Convert into Ordinary Shares which would be entitled to receive the relevant dividend or other distribution or entitlement, the VWAP on the Business Days on which those Ordinary Shares have been quoted ex dividend or ex any other distribution or entitlement shall be increased by the Cum Value.

6.3 ADJUSTMENTS TO VWAP FOR DIVISIONS AND SIMILAR TRANSACTIONS

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

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

where:

A means the aggregate number of Ordinary Shares immediately before the Reorganisation; and

B means the aggregate number of Ordinary Shares immediately after the Reorganisation.

- (b) Any adjustment made by ANZ in accordance with clause 6.3(a) will be effective and binding on Holders under these Note Terms and these Note Terms will be construed accordingly. Any such adjustment must be promptly notified to all Holders.

6.4 ADJUSTMENTS TO ISSUE DATE VWAP

For the purposes of determining the Issue Date VWAP, adjustments to VWAP will be made in accordance with clause 6.2 and clause 6.3 during the VWAP Period for the Issue Date VWAP. On and from the Issue Date, adjustments to the Issue Date VWAP:

- (a) may be made in accordance with clauses 6.5 to 6.7 (inclusive); and
- (b) if so made, will correspondingly affect the application of the Mandatory Conversion Conditions, the Optional Conversion Restrictions, and cause an adjustment to the Maximum Conversion Number.

6.5 ADJUSTMENTS TO ISSUE DATE VWAP FOR BONUS ISSUES

- (a) Subject to clause 6.5(b) below, if [TopCoANZ](#) makes a pro rata bonus issue of Ordinary Shares to holders of Ordinary Shares generally, the Issue Date VWAP will be adjusted immediately in accordance with the following formula

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

where:

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

V₀ means the Issue Date VWAP applying immediately prior to the application of this formula;

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

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

- (b) Clause 6.5(a) does not apply to Ordinary Shares issued as part of a bonus share plan, employee or executive share plan, executive option plan, share top up plan, share purchase plan or a dividend reinvestment plan.
- (c) For the purpose of clause 6.5(a), an issue will be regarded as a pro rata issue notwithstanding that [TopCoANZ](#) does not make offers to some or all holders of Ordinary Shares with registered addresses outside Australia, provided that in so doing [TopCoANZ](#) is not in contravention of the ASX Listing Rules.
- (d) No adjustments to the Issue Date VWAP will be made under this clause 6.5 for any offer of Ordinary Shares not covered by clause 6.5(a), including a rights issue or other essentially pro rata issue.
- (e) The fact that no adjustment is made for an issue of Ordinary Shares except as covered by clause 6.5(a) shall not in any way restrict [TopCoANZ](#) from issuing Ordinary Shares at any time on such terms as it sees fit nor require any consent or concurrence of any Holders.

6.6 ADJUSTMENT TO ISSUE DATE VWAP FOR DIVISIONS AND SIMILAR TRANSACTIONS

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

where:

A means the aggregate number of Ordinary Shares immediately before the Reorganisation; and

B means the aggregate number of Ordinary Shares immediately after the Reorganisation.

- (b) Any adjustment made by ANZ in accordance with clause 6.6(a) will be effective and binding on Holders under these Note Terms and these Note Terms will be construed accordingly.
- (c) Any such adjustment must be promptly notified to all Holders.
- (d) Each Holder acknowledges that [TopCoANZ](#) may consolidate, divide or reclassify securities so that there is a lesser or greater number of Ordinary Shares at any time in its absolute discretion without any such action requiring any consent or concurrence of any Holders.

6.7 NO ADJUSTMENT TO ISSUE DATE VWAP IN CERTAIN CIRCUMSTANCES

Despite the provisions of clauses 6.5 and 6.6, no adjustment shall be made to the Issue Date VWAP where such adjustment (rounded if applicable) would be less than one percent of the Issue Date VWAP then in effect.

6.8 ANNOUNCEMENT OF ADJUSTMENT TO ISSUE DATE VWAP

ANZ will notify Holders (an **Adjustment Notice**) of any adjustment to the Issue Date VWAP under this clause 6 within 10 Business Days of ANZ determining the adjustment and the adjustment set out in the announcement will be final and binding.

6.9 ORDINARY SHARES

Each Ordinary Share issued upon Conversion ranks pari passu with all other fully paid Ordinary Shares.

6.10 FOREIGN HOLDERS

Where Notes held by a Foreign Holder are to be Converted, unless ANZ is satisfied that the laws of the Foreign Holder's country of residence permit the issue of Ordinary Shares to the Foreign Holder (but as to which ANZ is not bound to enquire), either unconditionally or after compliance with conditions which ANZ in its absolute discretion regards as acceptable and not unduly onerous, the Ordinary Shares which the Foreign Holder is obliged to accept will be issued to a nominee (which may not be ANZ or a Related Entity of ANZ) who will sell those Ordinary Shares and pay a cash amount equal to the Proceeds to the Foreign Holder.

6.11 FATCA WITHHOLDING

Where a FATCA Withholding is required to be made in respect of Ordinary Shares issued on Conversion of Notes, the Ordinary Shares which the Holder is obliged to accept will be issued to the Holder of the Note only to the extent (if at all) that the issue is net of FATCA Withholding and TopCo-ANZ will issue the balance of the Ordinary Shares (if any) to a nominee (which may not be ANZ or a Related Entity of ANZ) who will sell those Ordinary Shares, deal with any proceeds of their disposal in accordance with FATCA and pay a cash amount equal to the Proceeds net of any FATCA Withholding to the Holder.

6.12 LISTING ORDINARY SHARES ISSUED ON CONVERSION

TopCo-ANZ shall use all reasonable endeavours to list the Ordinary Shares issued upon Conversion of the Notes on ASX.

6.13 WRITE OFF

Notwithstanding clause 9.1(a), if Conversion has not been effected within 5 Business Days after the relevant Trigger Event Conversion Date for any reason (including an Inability Event), each Note which, but for clause 4.9(c) and this clause 6.13, would be Converted, will be Written Off with effect on and from the Trigger Event Conversion Date.

In this clause 6.13, **Written Off** means that, in respect of a Note and a Trigger Event Conversion Date:

- (a) the Note will not be Converted on that date and will not be Converted, Redeemed or Resold under these Note Terms on any subsequent date; and
- (b) the relevant Holders' rights (including to payment of Distributions and Face Value) in relation to such Note are immediately and irrevocably terminated and written off.

6.14 NO DUTIES ON SALE

For the purposes of clauses 6.10 and 6.11, none of ANZ, TopCo or the nominee owes any obligations or duties to Holders in relation to the price at which Ordinary Shares are sold or has any liability for any loss suffered by a Holder as a result of the sale of Ordinary Shares.

6.15 TRANSITIONAL PROVISION

For the purposes of clauses 6.2 to 6.6 (inclusive):

- (a) where any part of a VWAP Period has commenced before the Approved NOHC Substitution Date, in respect of such part of the VWAP Period, each reference to Ordinary Shares and to TopCo in

clauses 6.2 and 6.6 and the definition of VWAP and VWAP Period shall be taken to be a reference to ANZ Ordinary Shares and ANZ; and

(b) each reference in clauses 6.5 and 6.6 and the definition of "Reorganisation" to Ordinary Shares and to TopCo shall be read as a reference to ANZ Ordinary Shares and ANZ in respect of any pro rata bonus issue of shares or Reorganisation occurring before the Approved NOHC Substitution Date.

7 REDEMPTION MECHANICS

7.1 REDEMPTION MECHANICS TO APPLY TO REDEMPTION

If, subject to APRA's prior written approval and compliance with the conditions in clause 5.2(c), ANZ elects to Redeem Notes in accordance with these Note Terms, the provisions of this clause 7 apply to that Redemption.

Holders should not expect that APRA's approval will be given for any Exchange of Notes under the Note Terms.

7.2 REDEMPTION

Notes will be Redeemed by payment on the Exchange Date of the Face Value to the Holder.

7.3 EFFECT OF REDEMPTION ON HOLDERS

On the Exchange Date the only right Holders will have in respect of Notes will be to obtain the Face Value payable in accordance with these Note Terms and upon payment of the Face Value, all other rights conferred, or restrictions imposed, by the Notes will no longer have effect.

8 RESALE ON EXCHANGE DATE

(a) If, subject to APRA's prior written approval, ANZ elects to Resell Notes in accordance with these Note Terms, the provisions of this clause 8 apply to that Resale.

(b) If ANZ issues an Exchange Notice specifying Resale as the Exchange Method:

- (i) each Holder is taken irrevocably to offer to sell the relevant number of their Notes to the Purchaser on the Exchange Date for a cash amount per Note equal to the Face Value;
- (ii) subject to payment by the Purchaser of the Face Value to Holders, all right, title and interest in the relevant number of Notes will be transferred from the Holders to the Purchaser on the Exchange Date; and
- (iii) if the Purchaser does not pay the Face Value to the relevant Holders on the Exchange Date, the relevant number of Notes will not be transferred to the Purchaser, those Notes are not Resold on that date and a Holder has no claim on ANZ as a result of that non-payment.

(c) Clause 13 will apply to payments by the Purchaser as if the Purchaser was ANZ. If any payment to a particular Holder is not made or treated as made on the Exchange Date because of any error by or on behalf of the Purchaser, the relevant Notes of that Holder will not be transferred until payment is made but the transfer of all other relevant Notes will not be affected by the failure.

9 GENERAL RIGHTS IN RESPECT OF NOTES

9.1 RANKING IN A WINDING-UP

(a) If an order is made by a court of competent jurisdiction in Australia (other than an order successfully appealed or permanently stayed within 30 days), or an effective resolution passed, for the winding-up of ANZ in Australia, the Notes are redeemable for the Face Value in accordance with this clause 9.1.

(b) In a winding-up of ANZ in Australia, a Note confers upon the Holder, subject to clauses 4.8 and 6.13, the right to payment in cash of the Face Value on a subordinated basis in accordance with clause

9.1(c), but no further or other claim on ANZ in the winding-up of ANZ in Australia, including with respect to any unpaid Distribution.

- (c) Holders will rank for payment of the Face Value in a winding-up of ANZ in Australia:
- (i) in priority to [ANZ](#) Ordinary Shares;
 - (ii) equally among themselves and with all Equal Ranking Instruments with respect to priority of payment in a winding-up; and
 - (iii) junior to the claims of all Senior Creditors with respect to priority of payment in a winding-up in that:
 - (A) all claims of Senior Creditors must be paid in full (including in respect of any entitlement to interest under section 563B of the Corporations Act) before the claims of the Holders are paid; and
 - (B) until the Senior Creditors have been paid in full, the Holders must not claim in the winding-up of ANZ in competition with the Senior Creditors so as to diminish any distribution, dividend or payment which, but for that claim, the Senior Creditors would have been entitled to receive,so that the Holder receives, for each Note it holds, an amount equal to the amount it would have received if, in the winding-up of ANZ, it had held an issued and fully paid Preference Share.

9.2 NO CHARGE

Nothing in clause 9.1 or clause 9.3 shall be taken to:

- (a) create a charge or security interest on or over any right of the Holder, or
- (b) require the consent of any Senior Creditor to any amendment of these Note Terms made in accordance with clause 14.

9.3 AGREEMENTS OF HOLDERS AS TO SUBORDINATION

Each Holder irrevocably agrees:

- (a) that clause 9.1 is a debt subordination for the purposes of section 563C of the Corporations Act;
- (b) that it does not have, and waives to the maximum extent permitted by law, any entitlement to interest under section 563B of the Corporations Act to the extent that a holder of a Preference Share would not be entitled to such interest;
- (c) not to exercise any voting or other rights as a creditor in the winding-up of ANZ in any jurisdiction:
 - (i) until after all Senior Creditors have been paid in full; or
 - (ii) otherwise in a manner inconsistent with the subordination contemplated by clause 9.1;
- (d) that it must pay or deliver to the liquidator any amount or asset received on account of its claim in the winding-up of ANZ in respect of a Note in excess of its entitlement under clause 9.1; and
- (e) that the debt subordination effected by clause 9.1 is not affected by any act or omission of ANZ or a Senior Creditor which might otherwise affect it at law or in equity.

9.4 CALCULATIONS AND ROUNDING OF PAYMENTS

Unless otherwise specified in these Note Terms:

- (a) all calculations of amounts payable in respect of a Note will be rounded to four decimal places; and
- (b) for the purposes of making payment to a Holder in respect of the Holder's aggregate holding of Notes, any fraction of a cent will be disregarded.

9.5 NO SET-OFF OR OFFSETTING RIGHTS

A Holder:

- (a) may not exercise any right of set-off against ANZ or any other member of the ANZ Group in respect of any claim by ANZ or any other member of the ANZ Group against that Holder; and
- (b) will have no offsetting rights or claims on ANZ or any other member of the ANZ Group if ANZ does not pay a Distribution when scheduled under the Note Terms. ANZ may not exercise any right of set-off against a Holder in respect of any claim by that Holder against ANZ or any other member of the ANZ Group.

9.6 NO SECURITY

Notes are unsecured.

9.7 SHORTFALL ON WINDING-UP

If, upon a return of capital on a winding-up of ANZ, there are insufficient funds to pay in full the Face Value and the amounts payable in respect of any other instruments in ANZ ranking equally with Notes on a winding-up of ANZ, Holders and the holders of any such other instruments will share in any distribution of assets of ANZ in proportion to the amounts to which they are entitled respectively.

9.8 NO OTHER CLAIM

Notes do not confer on the Holders any claim on ANZ in a winding-up beyond payment of the Face Value.

9.9 POWER OF ATTORNEY

- (a) Each Holder appoints each of ANZ, TopCo, their respective ~~its~~ officers and any External Administrator of ANZ or TopCo (each an Attorney) severally to be the attorney of the Holder with power in the name and on behalf of the Holder to sign all documents and transfers and do any other thing as may in the Attorney's opinion be necessary or desirable to be done in order for the Holder to observe or perform the Holder's obligations under these Note Terms including, but not limited to, effecting any transfer or Conversion of Notes, making any entry in the Register or exercising any voting power in relation to any consent or approval required for Conversion, Redemption or Resale or in respect of an Approved NOHC Event or the transfer of Notes to an Approved NOHC as contemplated by clause 14.2.
- (b) The power of attorney given in this clause 9.9 is given for valuable consideration and to secure the performance by the Holder of the Holder's obligations under these Note Terms and is irrevocable.

9.10 HOLDER ACKNOWLEDGMENTS

Each Holder irrevocably:

- (a) upon Conversion of a Note in accordance with clause 6, consents to becoming a member of TopCo~~ANZ~~ and agrees to be bound by the Constitution, in each case in respect of the Ordinary Shares issued on Conversion (or, where an Approved NOHC Substitution Notice has been given, consents to becoming a member of that Approved NOHC and agrees to be bound by its constitution);
- (b) acknowledges and agrees that an Approved NOHC may be substituted for TopCo~~ANZ~~ as issuer~~provider~~ of ordinary shares on Conversion and that if such a substitution is effected on the terms provided by the amendment in accordance with clause 14.2, the Holder is obliged to accept ordinary shares in that Approved NOHC on a Conversion, and will not receive Ordinary Shares;
- (c) acknowledges and agrees that any amendment made in accordance with clause 14.2 to effect the substitution of an Approved NOHC as the issuer of ordinary shares on Conversion does not require the consent of Holders;

- (d) acknowledges and agrees that it is obliged to accept ordinary shares upon a Conversion notwithstanding anything that might otherwise affect a Conversion of Notes including:
- (i) any change in the financial position of ANZ, TopCo, the ANZ Group or any Approved NOHC since the Issue Date;
 - (ii) any disruption to the market or potential market for the ordinary shares or to capital markets generally;
 - (iii) any breach by ANZ, TopCo or any Approved NOHC of any obligation in connection with Notes; and
 - (iv) any dispute as to the calculation of the Common Equity Capital Ratio.
- (e) acknowledges and agrees that:
- (i) where clause ~~4.84.8~~ applies, there are no other conditions to Conversion occurring as and when provided in clauses ~~4.54.5~~ to ~~4.94.9~~ (inclusive);
 - (ii) the only conditions to a Mandatory Conversion are the Mandatory Conversion Conditions;
 - (iii) the only conditions to a Conversion pursuant to clause 4.10 or on account of an Exchange under clause 5 are the conditions expressly applicable to such Conversion as provided in clauses 4.10 and 5 of these Note Terms and no other conditions or events will affect Conversion; and
 - (iv) the Holder should not expect that APRA's approval will be given for any Exchange of Notes under the Note Terms;
- ~~(iv)~~ (f) ~~(f)~~ agrees to provide to ANZ, and TopCo any information necessary to give effect to a Conversion and, if applicable, to surrender any certificate relating to the Notes on the occurrence of the Conversion;
- ~~(f)~~ (g) acknowledges and agrees that a Holder has no right to request an Exchange; ~~and~~
- (h) acknowledges it has no remedies on account of a failure by ANZ, TopCo or any other member of the ANZ Group:
- (i) to make any payment in respect of a Conversion;
 - (ii) to issue Ordinary Shares in accordance with clause 6 other than (and subject always to clause 4.9) to seek specific performance of TopCo's ~~the~~ obligation to issue the Ordinary Shares; or
 - (iii) perform any of the Related Conversion Steps; and
- ~~(g)~~ (i) acknowledges and agrees that if, in respect of a Conversion, TopCo has issued the Conversion Number of Ordinary Shares to the Holder but the Note has not been transferred free from Encumbrance to TopCo, the Note shall be Written Off in accordance with clause 6.13 without prejudice to the issue of the Ordinary Shares.

9.11 NO OTHER RIGHTS

- (a) Notes do not confer any claim on ANZ, TopCo or any other member of the ANZ Group except as set out in these Note Terms.
- (b) Notes do not confer on Holders any right to subscribe for new securities in ANZ, TopCo or any other member of the ANZ Group (other than on a Conversion) or to participate in any bonus issues of securities of ANZ, TopCo or any other member of the ANZ Group.
- (c) Nothing in these Note Terms prevents ANZ from issuing securities of any kind or, except as provided in clause 3.8, redeeming, buying back, returning capital on or converting any securities, other than the Notes.

9.12 CHESS

The Notes will be entered in and dealt with in CHESS. While the Notes remain in CHESS:

- (a) the rights and obligations of a person holding Notes; and
- (b) all dealings (including transfers and payments) in relation to the Notes within CHESS,

will be subject to and governed by the ASX Settlement Operating Rules (but without affecting any provisions in these Note Terms which affect the eligibility of the Notes as Additional Tier 1 Capital).

No certificates will be issued to Holders unless ANZ determines that certificates should be available or are required by law.

9.13 INDEPENDENT OBLIGATIONS

Each entry in the Register constitutes a separate and individual acknowledgement to the relevant Holder of the indebtedness to, and obligations of, ANZ and TopCo to the relevant Holder. The Holder to whom those obligations are owed is entitled to enforce them without having to join any other Holder or any predecessor in title of a Holder.

10 VOTING AND OTHER RIGHTS

10.1 MEETINGS

Meetings of Holders may be held in accordance with the Meeting Provisions. A meeting may consider any matter affecting the interests of Holders, including any amendment to these Note Terms proposed by ANZ in accordance with clause 14.

10.2 NO VOTING

Notes do not confer on Holders a right to vote at any meeting of members of ANZ, TopCo or any other member of the ANZ Group.

10.3 NO RIGHT TO APPLY FOR THE WINDING-UP ~~OF ANZ~~

Each Holder acknowledges and agrees that a Holder has no right to apply for ANZ, TopCo or any other member of the ANZ Group to be wound up, or placed in administration, or to cause a receiver, or a receiver and manager, to be appointed in respect of ANZ, TopCo or any other member of the ANZ Group in any jurisdiction merely on the grounds that ANZ does not pay a Distribution when scheduled in respect of Notes.

10.4 NO EVENTS OF DEFAULT

Each Holder acknowledges and agrees that these Note Terms contain no events of default. Accordingly (but without limitation) failure to pay in full, for any reason, a Distribution on the scheduled Distribution Payment Date will not constitute an event of default.

11 APPROVED NOHC EVENTS AND SUBSTITUTION

11.1 ANZ MAY GIVE APPROVED NOHC SUBSTITUTION NOTICE

If:

- (a) an Approved NOHC Event is proposed to occur, and
- (b) the Approved NOHC agrees for the benefit of Holders:
 - (i) to deliver Approved NOHC Ordinary Shares under all circumstances when TopCo ~~ANZ~~ would have otherwise been obliged to deliver Ordinary Shares on a Conversion, subject to the same terms and conditions as set out in these Note Terms as amended by this clause 11; and

- (ii) to use all reasonable endeavours and furnish all such documents, information and undertakings as may be reasonably necessary in order to procure quotation of all Approved NOHC Ordinary Shares issued under these Note Terms (with all necessary modifications) on the securities exchanges on which the other Approved NOHC Ordinary Shares are quoted at the time of a Conversion,

ANZ may give a notice (an **Approved NOHC Substitution Notice**) to Holders (which, if given, must be given as soon as practicable before the Approved NOHC Event and in any event no later than 10 Business Days before the Approved NOHC Event occurs) specifying the amendments to these Note Terms which will be made in accordance with clause 14.2 to effect the substitution of an Approved NOHC as the issuer of ordinary shares on Conversion (the **Approved NOHC Substitution Terms**).

An Approved NOHC Substitution Notice, once given, is irrevocable.

11.2 CONSEQUENCES OF APPROVED NOHC SUBSTITUTION NOTICE

If ANZ gives an Approved NOHC Substitution Notice to Holders in accordance with clause 11.1, the Approved NOHC Substitution Terms will have effect on and from the date specified in the Approved NOHC Substitution Notice.

11.3 NO OBLIGATION TO SUBSTITUTE

A Holder has no right to require ANZ to give an Approved NOHC Substitution Notice.

12 NOTICES

12.1 NOTICES TO HOLDERS

All notices, certificates, consents, approvals, waivers and other communications in connection with a Note to the Holders must be in writing and may be:

- (a) sent by prepaid post (airmail if appropriate) or left at the address of the relevant Holder (as shown in the Register at the close of business on the day which is 3 Business Days before the date of the relevant notice or communication), sent by fax to the fax number (if any) nominated by that person or sent by electronic message to the electronic address (if any) nominated by that person;
- (b) given by an advertisement published in the Australian Financial Review or The Australian; or
- (c) in the case of a Non-Conversion Notice, a Deferred Conversion Notice, a Deferred Change of Control Conversion Notice, an Exchange Notice, a Change of Control Conversion Notice, a Trigger Event Notice, an Adjustment Notice, an Approved NOHC Substitution Notice and an ANZ Details Notice, given to Holders by ANZ publishing the notice on its website and announcing the publication of the notice to ASX.

12.2 NON-RECEIPT OF NOTICES BY HOLDERS

The non-receipt of a notice by a Holder or an accidental omission to give notice to a Holder will not invalidate the giving of that notice either in respect of that Holder or generally.

12.3 NOTICES TO ANZ

All notices or other communications by a Holder to ANZ in respect of these Note Terms must be:

- (a) in legible writing or typing and in English;
- (b) addressed as shown below

Attention: Company Secretary
Australia and New Zealand Banking Group Limited

Address: ANZ Centre Melbourne Level 9
833 Collins Street

Docklands 3008 Victoria Australia

Fax No: +61 3 8542 5252

or to such other address or fax number as ANZ notifies to Holders as its address or fax number (as the case may be) for notices or other communications in respect of these Note Terms from time to time (an **ANZ Details Notice**);

- (c) signed by the person making the communication or by a person duly authorised by that person; and
- (d) delivered or posted by prepaid post to the address, or sent by fax to the fax number, in accordance with clause 12.3(b).

12.4 RECEIPT

A notice or other communication will be taken to be received:

- (a) if sent by fax or electronic message (if applicable), when actually received in its entirety in legible form, unless that day is not a Business Day, or is after 5:00pm (Melbourne time) on a Business Day, in which case that communication will be regarded as received at 9:00am (Melbourne time) on the next Business Day;
- (b) if sent by post, Six Business Days after posting if posted to an address in Australia and 10 Business Days after posting if posted to an address outside of Australia;
- (c) if published by an announcement on ASX, when the announcement is made on ASX; and
- (d) if published in a newspaper, on the first date that publication has been made in the chosen newspaper.

13 PAYMENTS

13.1 PAYMENTS TO HOLDERS ON THE RECORD DATE

Interest amounts are only payable on a Distribution Payment Date to those persons registered as Holders on the Record Date for that Distribution payment.

13.2 MANNER OF PAYMENT TO HOLDERS

Payments will be made by ANZ in its absolute discretion by:

- (a) crediting on the relevant payment date the amount due to an Australian dollar bank account maintained in Australia with a financial institution (excluding credit card accounts), notified by the Holder to the Registry by close of business on the Record Date in respect of that payment; or
- (b) at ANZ's option if no such account is notified, by sending a cheque through the post at the Holder's risk directed to:
 - (i) the address of the Holder (or in the case of a jointly held Note, the address of the joint Holder named first in the Register); or
 - (ii) to any other address the Holder (or in the case of a jointly held Note, all the joint Holders) directs in writing.

A cheque sent through the post on or before the date for payment is taken to have been received on the payment date.

13.3 UNCOMPLETED PAYMENTS

If:

- (a) a Holder has not notified the Registry of an Australian dollar bank account maintained with a financial institution (excluding credit card accounts) to which payments in respect of the Notes may be credited; or

- (b) the transfer of any amount for payment to the credit of the nominated account does not complete for any reason, the amount of the uncompleted payment will be held in a special purpose account maintained by ANZ or the Registry until:
- (i) the Holder nominates a suitable Australian dollar account maintained in Australia with a financial institution to which the payment may be credited or ANZ elects to pay the amount by cheque;
 - (ii) ANZ determines as permitted by clause 13.4 to refuse any claim in respect of that amount in which case ANZ may treat that amount as its own; or
 - (iii) ANZ is entitled or obliged to deal with the amount in accordance with the law relating to unclaimed moneys.

A Holder is not entitled to any interest in respect of the account in which uncompleted payments are held or in respect of any delay in payment.

13.4 TIME LIMIT ON CLAIMS

ANZ is entitled to refuse any claim against it for a payment under a Note where the claim is made more than 10 years (in the case of Face Value) or 5 years (in the case of Distributions and other amounts) from the date on which payment first became due.

13.5 DETERMINATION AND CALCULATION FINAL

Except where there is fraud or a manifest error, any determination or calculation which ANZ makes in accordance with these Note Terms is final and binds ANZ, the Registry and each Holder.

13.6 PAYMENT TO JOINT HOLDERS

A payment to any one of joint Holders will discharge ANZ's liability in respect of that payment.

13.7 PAYMENT ON BUSINESS DAYS

If a payment is to be made to an account on a Business Day on which banks are not open for business in the place the account is located, payment will be made on the next day on which banks are open for business in that place, and no additional interest is payable in respect of that delay in payment. Nothing in this clause applies to any payment referred to in clause ~~6.1(c)6.4(b)~~.

13.8 NO INTEREST ACCRUES

No interest accrues on any unpaid amount in respect of any Note.

13.9 PAYMENTS SUBJECT TO LAW

All payments are subject to applicable law.

13.10 FATCA

ANZ or TopCo may withhold or make deductions from payments or from the issue of Ordinary Shares to a Holder where it is required to do so under or in connection with FATCA, or where it has reasonable grounds to suspect that the Holder or a beneficial owner of Notes may be subject to FATCA, and may deal with such payment, and any Ordinary Shares in accordance with FATCA. If any withholding or deduction arises under or in connection with FATCA, neither ANZ nor TopCo will ~~not~~ be required to pay any further amounts or issue any further Ordinary Shares on account of such withholding or deduction or otherwise reimburse or compensate, or make any payment to, a Holder or a beneficial owner of Notes for or in respect of any such withholding or deduction. A dealing with such payment and any Ordinary Shares in accordance

with FATCA satisfies ANZ's or TopCo's (as the case may be) obligations to that Holder to the extent of the amount of that payment or issue of Ordinary Shares.

14 AMENDMENT OF THESE NOTE TERMS

14.1 AMENDMENT WITHOUT CONSENT

Subject to complying with all applicable laws and clause 14.4, ANZ may amend these Note Terms without the authority, assent or approval of Holders where the amendment in the reasonable opinion of ANZ:

- (a) is made to correct a manifest error;
- (b) is of a formal, minor or technical nature;
- (c) is necessary to comply with any law, the provisions of any statute or the requirements of any statutory authority;
- (d) is made in accordance with ANZ's adjustment rights in clause 6;
- (e) is expedient for the purpose of enabling the Notes to be listed or to remain listed on a securities exchange (including, without limitation, in connection with any change in the principal securities exchange on which Ordinary Shares are listed) or lodged in a clearing system or to remain lodged in a clearing system or to be offered for sale or for subscription under the laws for the time being in force in any place;
- (f) ~~amends~~ amends any date or time period stated, required or permitted in connection with any Mandatory Conversion or Exchange in a manner necessary to facilitate the Mandatory Conversion or Exchange; or
- (g) in any other case, will not materially adversely affect the rights of Holders as a whole.

14.2 AMENDMENT WITHOUT CONSENT FOR SUBSTITUTION OF AN APPROVED NOHC

Subject to complying with all applicable laws and clause 14.4, if the circumstances described in clauses 11.1(a) and 11.1(b) apply, without the authority, assent or approval of Holders, ANZ may give an Approved NOHC Substitution Notice which:

- (a) amends the definition of "Conversion" in clause 6 such that, unless APRA otherwise agrees, on the date Notes are to be Converted:
 - (i) each Note that is being Converted will be automatically transferred by each Holder free from Encumbrance to the Approved NOHC on the date the Conversion is to occur;
 - (ii) each Holder (or nominee where clause 6.10 applies) will be issued a number of Approved NOHC Ordinary Shares equal to the Conversion Number; and
 - (iii) as between ANZ and the Approved NOHC each Note held by the Approved NOHC as a result of the transfer will be automatically Converted into ANZ Ordinary Shares in a number such that the total number of ANZ Ordinary Shares held by the Approved NOHC increases by the number which equals the number of Approved NOHC Ordinary Shares issued by the Approved NOHC to Holders on Conversion; and
- (b) makes such other amendments as in ANZ's reasonable opinion are necessary and appropriate to effect the substitution of an Approved NOHC as the provider of the ordinary shares on Conversion in the manner contemplated by these Note Terms and consistent with the requirements of APRA in relation to Additional Tier 1 Capital, including without limitation:
 - (i) amendments and additions to the definition of "ANZ Group", "Franking Rate", "Ordinary Shares", "Regulatory Event" and "Tax Event";
 - (ii) amendments to the mechanics for adjusting the Conversion Number; and

- (iii) any term defining the rights of Holders if the Conversion is not effected which is appropriate for the Notes to remain as Tier 1 Capital.

14.3 AMENDMENT WITH CONSENT

Without limiting clause 14.1 or clause 14.2, but subject to clause 14.4, ANZ may amend these Note Terms if the amendment has been approved by a Special Resolution.

14.4 APRA APPROVAL

No amendment to these Note Terms is permitted without APRA's prior written approval if such amendment would impact, or potentially impact, the classification of Notes as Additional Tier 1 Capital on a Level 1, Level 2 or (if applicable) Level 3 basis. This applies regardless of whether such amendment would require Holder approval.

14.5 MEANINGS

In this clause 14, amend includes modify, cancel, alter or add to, and amendment has a corresponding meaning.

15 QUOTATION ON ASX

ANZ must use all reasonable endeavours and furnish all such documents, information and undertakings as may be reasonably necessary in order to procure, at its own expense, quotation of the Notes on ASX.

16 GOVERNING LAW AND JURISDICTION

16.1 GOVERNING LAW

The Notes and these Note Terms are governed by and shall be construed in accordance with the laws in force in the State of Victoria, Australia.

16.2 JURISDICTION

ANZ ~~and TopCo~~ has irrevocably agreed for the benefit of the Holders that the courts of Victoria, Australia are to have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Notes and accordingly has submitted to the non-exclusive jurisdiction of the courts of Victoria, Australia. ANZ ~~and TopCo~~ waives any objection to the courts of Victoria, Australia on the grounds that they are an inconvenient or inappropriate forum.

16.3 SERVICE OF PROCESS

(a) ANZ agrees that process in connection with any proceedings in Victoria, Australia may be served at the principal office of ANZ, which, as at the Issue Date is located at ANZ Centre Melbourne, Level 9, 833 Collins Street, Docklands 3008 Victoria, Australia.

(b) TopCo agrees that process in connection with any proceedings in Victoria, Australia may be served at the principal office of TopCo, which, as at the Issue Date is located at ANZ Centre Melbourne, Level 9, 833 Collins Street, Docklands 3008 Victoria, Australia.

(c) Nothing in these Note Terms affects the right to serve process in any other manner permitted by law.

17 INTERPRETATION AND DEFINITIONS

17.1 INTERPRETATION

- (a) Unless otherwise specified, a reference to a clause is a reference to a clause of these Note Terms.
- (b) If a calculation is required under these Note Terms, unless the contrary intention is expressed, the calculation will be rounded to four decimal places.

- (c) Any provisions which refer to the requirements of APRA or any other prudential regulatory requirements will apply to ANZ or TopCo only if ANZ or TopCo (as the case may be) is an entity, or the holding company of an entity, or is a direct or indirect Subsidiary of a NOHC, subject to regulation and supervision by APRA at the relevant time.
- (d) Any provisions which require APRA's consent or approval will apply only if APRA requires that such consent or approval be given at the relevant time.
- (e) Any provisions in these Note Terms requiring the prior approval of APRA for a particular course of action to be taken by ANZ do not imply that APRA has given its consent or approval to the particular action as of the Issue Date.
- (f)) A reference to any term defined by APRA (including, without limitation, "Common Equity Tier 1 Capital", "Level 1", "Level 2", "Level 3", "Additional Tier 1 Capital", "Tier 1 Capital" and "Tier 1 Capital Ratio") shall, if that term is replaced or superseded in any of APRA's applicable prudential regulatory requirements or standards, be taken to be a reference to the replacement or equivalent term.
- (g) The terms takeover bid, relevant interest, scheme of arrangement, ~~and~~ buy-back and voting shares when used in these Note Terms have the meaning given in the Corporations Act.
- (h) Headings and boldings are for convenience only and do not affect the interpretation of these Note Terms.
- (i) The singular includes the plural and vice versa.
- (j) A reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them.
- (k) Other than in relation to a Trigger Event and a Conversion on a Trigger Event Conversion Date, if an event under these Note Terms must occur on a stipulated day which is not a Business Day, then the stipulated day will be taken to be the next Business Day.
- (l) A reference to dollars, A\$, \$ or cents is a reference to the lawful currency of Australia.
- (m) A reference to a term defined by the ASX Listing Rules, the ASX Settlement Operating Rules or the ASX Operating Rules shall, if that term is replaced in those rules, be taken to be a reference to the replacement term.
- (n) If the principal securities exchange on which Ordinary Shares are listed becomes other than ASX, unless the context otherwise requires a reference to ASX shall be read as a reference to that principal securities exchange and a reference to the ASX Listing Rules, the ASX Settlement Operating Rules, the ASX Operating Rules or any term defined in any such rules, shall be read as a reference to the corresponding rules of that exchange or corresponding defined terms in such rules (as the case may be).
- (o) Calculations, elections and determinations made by ANZ or TopCo under these Note Terms are binding on Holders in the absence of manifest error.
- (p) So long as the Notes are quoted on ASX and in CHESS, the Note Terms are to be interpreted in a manner consistent with the ASX Listing Rules and ASX Settlement Operating Rules except to the extent that an interpretation consistent with those rules would affect the eligibility of the Notes as Additional Tier 1 Capital.
- (q) A reference to Australia includes any political subdivision of, or authority in, the Commonwealth of Australia.

17.2 DEFINITIONS

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

Adjustment Notice has the meaning given in clause 6.8.

ANZ means Australia and New Zealand Banking Group Limited (ABN 11 005 357 522).

ANZ Capital Notes 5 has the meaning given in clause 1.1.

ANZ Capital Notes 5 Deed Poll means the deed poll relating to the Notes made by ANZ on or about 16 August 2017, as amended and restated on or about 27 October 2022 by the amending deed made by the Issuer and TopCo in favour of Holders.

ANZ Constitution means the constitution of ANZ as amended from time to time.

ANZ Details Notice has the meaning given in clause 12.3.

ANZ Directors means some or all of the directors of ANZ acting as a board.

ANZ Group means TopCoANZ and its Controlled Entities.

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

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

ANZ Level 3 Group means ANZ together with each Related Entity included by APRA from time to time in the calculation of ANZ's capital ratios on a Level 3 basis.

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

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

ANZ Perpetual Subordinated Contingent Convertible Securities means the 6.75% fixed rate resetting perpetual subordinated contingent convertible securities issued by ANZ London Branch on 15 June 2016.

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

Approved NOHC means a NOHC arising as a result of an Approved NOHC Event.

Approved NOHC Event means a NOHC Event in respect of which the proviso to the definition of "Change of Control Event" is satisfied.

Approved NOHC Ordinary Share means a fully paid ordinary share in the capital of the Approved NOHC.

Approved NOHC Substitution Date means the date on which an Approved NOHC Substitution Notice takes effect.

Approved NOHC Substitution Notice has the meaning given in clause 11.1.

Approved NOHC Substitution Terms has the meaning given in clause 11.1.

APRA means the Australian Prudential Regulation Authority (ABN 79 635 582 658) or any successor body responsible for prudential regulation of ANZ, the ANZ Group, TopCo or any NOHC.

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

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

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

ASX Settlement Operating Rules means the settlement operating rules of ASX from time to time with any applicable modifications or waivers granted by ASX.

Attorney has the meaning given in clause 9.9.

Banking Act means the Banking Act 1959 (Cth).

BBSW Rate has the meaning given in clause 3.1

Broker Firm Reinvestment Offer has the meaning given in the Prospectus.

Broker Firm Reinvestment Offer Bookbuild means the process conducted prior to the opening of the Broker Firm Reinvestment Offer whereby certain investors lodge bids for Notes under the Broker Firm Reinvestment Offer and, on the basis of those bids, ANZ and the joint lead managers to the Offer determine the Margin.

Business Day means:

- (a) a day which is a business day within the meaning of the ASX Listing Rules; and
- (b) for the purposes of determining an Exchange Date (except where the Exchange is by way of Conversion on account of a Trigger Event), the calculation or payment of a Distribution or of any other sum, a day on which banks are open for general business in Melbourne, Victoria.

Buy-Back means a transaction involving the acquisition by ANZ of [ANZ's](#) Ordinary Shares pursuant to an offer made in its discretion in accordance with the provisions of Chapter 2J of the Corporations Act.

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

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

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

Capital Notes 4 means the convertible notes issued by ANZ in 2016 under a prospectus dated 24 August 2016 (which replaced a prospectus dated 16 August 2016).

Capital Reduction means a reduction in capital initiated by ANZ in its discretion in respect of [ANZ's](#) Ordinary Shares in any way permitted by the provisions of Chapter 2J of the Corporations Act.

Change of Control Conversion Date has the meaning given in clause 4.10(b).

Change of Control Conversion Notice has the meaning given in clause 4.10(a).

Change of Control Event means:

- (a) a takeover bid (as defined in the Corporations Act) is made to acquire all or some of the Ordinary Shares [or all or some of the ANZ Ordinary Shares \(as the case may be\)](#) and such offer is, or becomes, unconditional and:
 - (i) the bidder has at any time during the offer period, a relevant interest in more than 50% of the Ordinary Shares [or more than 50% of the ANZ Ordinary Shares](#) on issue; or
 - (ii) the Directors [or the ANZ Directors \(as the case may be\), in each case](#), acting as a board, issue a statement that at least a majority of the Directors [or the ANZ Directors \(as the case may be\)](#) who are eligible to do so have recommended acceptance of such offer (in the absence of a higher offer),

and all regulatory approvals necessary for the acquisition to occur have been obtained; ~~or~~

- (b) a court orders the holding of meetings to approve a scheme of arrangement under Part 5.1 of the Corporations Act, which scheme would result in a person having a relevant interest in more than 50% of the Ordinary Shares [or more than 50% of the ANZ Ordinary Shares](#) that will be on issue after the scheme is implemented and:
 - (i) all classes of members of [TopCo or ANZ \(as the case may be\)](#) pass all resolutions required to approve the scheme by the majorities required under the Corporations Act to approve the scheme;

- (ii) an independent expert issues a report that the proposals in connection with the scheme are in the best interests of the holders of Ordinary Shares or ANZ Ordinary Shares (as the case may be); and
- (iii) all conditions to the implementation of the scheme, including any necessary regulatory or shareholder approvals (but not including approval of the scheme by the court) have been satisfied or waived; or

(c) a person together with its associates (as defined in section 12 of the Corporations Act):

- (i) acquires or comes to hold beneficially more than 50% of the voting shares in the capital of ANZ; or
- ~~(iii)~~(ii) enters into an agreement to acquire beneficially more than 50% of the voting shares in the capital of ANZ and the agreement to acquire is, or becomes, unconditional;

Notwithstanding the foregoing, none of the events described above will constitute a Change of Control Event if:

- (i) the event would be a NOHC Event and:
 - ~~(A)~~(A) the acquirer (or its ultimate holding company) assumes all of **ANZTopCo**'s obligations to Convert the Notes into Ordinary Shares by undertaking to convert such Notes into ordinary shares of the acquirer (or its ultimate holding company) on any Mandatory Conversion Date, or earlier upon the occurrence of a Trigger Event or Change of Control Event, ~~or a Trigger Event~~ in respect of the acquirer (or its ultimate holding company) (for which purposes all references in this clause to **TopCoANZ** will be read as a reference to the acquirer (or its ultimate holding company)); and
 - (B) the ordinary shares of the acquirer (or its ultimate holding company) are listed on ASX; or
- (ii) in the case of ANZ, the person acquiring the relevant interest in or acquiring voting shares in ANZ is a wholly owned Subsidiary of TopCo.

CHES means the Clearing House Electronic Subregister System operated by ASX Settlement Pty Limited (ABN 49 008 504 532).

Common Equity Capital Ratio means either of:

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

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

Common Equity Capital Trigger Event has the meaning given in clause 4.5.

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

Constitution means the constitution of **TopCoANZ** as amended from time to time.

Control has the meaning given in the Corporations Act.

Controlled Entity means, in respect of **TopCoANZ**, an entity **TopCoANZ** Controls.

Conversion means, in relation to a Note, the allotment and issue of Ordinary Shares and the termination of the Holder's rights in relation to that Note, in each case in accordance with clause 6 and Convert and Converted have corresponding meanings.

Conversion Number has the meaning given in clause 6.1.

Corporations Act means the Corporations Act 2001 (Cth).

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

Cum Value has the meaning given in clause 6.2.

Deferred Change of Control Conversion Notice has the meaning given in clause 4.10(d).

Deferred Conversion Date has the meaning given in clause 5.5.

Deferred Conversion Notice has the meaning given in clause 5.5.

Delisting Event means, in respect of a date, that:

- (a) Ordinary Shares ceased to be listed or admitted to trading on ASX on or before that date (and where the cessation occurred before that date, Ordinary Shares continue not to be listed or admitted to trading on that date); or
- (b) trading of Ordinary Shares on ASX is suspended for a period of consecutive days which includes:
 - (i) at least five consecutive Business Days prior to that date; and
 - (ii) that date; or
- (c) an Inability Event subsists.

Directors means some or all of the directors of [TopCoANZ](#) acting as a board.

Distribution has the meaning given in clause 3.1.

Distribution Payment Date has the meaning given in clause 3.5 whether or not a Distribution is, or is able to be, paid on that date.

Distribution Period means in respect of:

- (a) the first Distribution Period, the period from (and including) the Issue Date until (but not including) the first Distribution Payment Date following the Issue Date; and
- (b) each subsequent Distribution Period, the period from (and including) the preceding Distribution Payment Date until (but not including) the next Distribution Payment Date.

Distribution Rate has the meaning given in clause 3.1.

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

Equal Ranking Instruments means, in respect of the return of capital in a winding-up:

- (a) CPS3;
- (b) each other preference share that ANZ may issue that ranks or is expressed to rank equally with the foregoing and the Notes in respect of distributions or for the return of capital in a winding-up of ANZ (as the case may be);
- (c) Capital Notes 1;
- (d) Capital Notes 2;
- (e) Capital Notes 3;
- (f) Capital Notes 4;
- (g) ANZ Perpetual Subordinated Contingent Convertible Securities; and

(h) any present or future securities or other instruments that rank or are expressed to rank in respect of the return of capital in a winding-up equally with those preference shares and the Notes.

Exchange means the Conversion, Redemption or Resale of the Notes and Exchanged has a corresponding meaning.

Exchange Date has the meaning given in clause 5.2(b).

Exchange Method has the meaning given in clause 5.3.

Exchange Notice has the meaning given in clause 5.1.

External Administrator means, in respect of a person:

- (a) a liquidator, a provisional liquidator, an administrator or a statutory manager of that person; or
- (b) a receiver, or a receiver and manager, in respect of all or substantially all of the assets and undertaking of that person, or in either case any similar official.

Face Value means the face value and denomination of the Notes as specified in clause 1.2.

FATCA means the Foreign Account Tax Compliance Act provisions, sections 1471 through 1474 of the United States Internal Revenue Code (including any regulations or official interpretations issued, agreements or intergovernmental agreements entered into or non-US laws enacted with respect to those provisions).

FATCA Withholding means any deduction or withholding imposed or required pursuant to FATCA.

First Mandatory Conversion Condition has the meaning given in clause 4.3.

First Optional Conversion Restriction has the meaning given in clause 5.4.

First Test Date has the meaning given in clause 4.3.

Foreign Holder means a Holder whose address in the Register is a place outside Australia or who ANZ otherwise believes may not be a resident of Australia.

Franking Rate (expressed as a decimal) means the franking percentage (within the meaning of Part 3-6 of the Tax Act or any provisions that revise or replace that Part) applicable to the franking account of [TopCo](#) ANZ as at the relevant Distribution Payment Date.

Holder means a person whose name is registered in the Register as the holder of a Note.

Implementation Deed means the deed titled "[ANZ Capital Notes 5 Implementation Deed](#)" entered into between, amongst others, [TopCo](#) and ANZ on or about 27 October 2022.

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

Issue Date means the date on which Notes are issued.

Issue Date VWAP means the VWAP during the period of 20 Business Days on which trading in [ANZ](#) Ordinary Shares took place immediately preceding (but not including) the first date on which any Notes were issued, as adjusted in accordance with clauses 6.5 to 6.7 (inclusive).

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

Mandatory Conversion means the mandatory conversion under clause 4 of the Notes to Ordinary Shares on the Mandatory Conversion Date.

Mandatory Conversion Condition has the meaning given in clause 4.3.

Mandatory Conversion Date has the meaning given in clause 4.2.

Margin has the meaning given in clause 3.1.

Maximum Conversion Number has the meaning given in clause [6.1\(b\)](#) ~~6.1(a)~~.

Meeting Provisions means the provisions for the convening of meetings of, and passing of resolutions by, Holders set out in schedule 2 of the ANZ Capital Notes 5 Deed Poll.

NOHC means the ultimate holding company of ANZ after a NOHC Event which must be a “non-operating holding company” within the meaning of the Banking Act.

NOHC Event means an event which:

- (a) is initiated by the Directors, acting as a board; and
- (b) would otherwise be a Change of Control Event,

but the result of which would be that the person who would be the ultimate holding company of ANZ would be a NOHC.

Non-Conversion Notice has the meaning given in clause 4.4.

Non-Conversion Test Date has the meaning given in clause 5.4.

Non-marketable Parcel has the meaning given in the Constitution.

Non-Viability Trigger Event has the meaning given in clause 4.6.

Note has the meaning given in clause 1.1.

Note Terms means these terms of issue of Notes.

Notification Date has the meaning given in the Meeting Provisions.

Offer means the invitation under the Prospectus made by ANZ for persons to subscribe for Notes.

Optional Conversion Restrictions has the meaning given in clause 5.4.

Optional Exchange Date means the Distribution Payment Date falling on 20 March 2025.

Ordinary Share means a fully paid ordinary share in the capital of [TopCoANZ](#).

Ordinary Shareholder means a person whose name is registered as the holder of an Ordinary Share.

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

Outstanding Notes has the meaning given in the Meeting Provisions.

Payment Condition means, with respect to a Distribution payment on the Notes on a Distribution Payment Date:

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

Preference Share means a notional preference share in the capital of ANZ conferring a claim in the winding-up of ANZ equal to the Face Value and ranking equally in respect of return of capital in a winding-up with each of the preference shares which is an Equal Ranking Instrument.

Proceeds means the net proceeds of a sale of Ordinary Shares actually received by the nominee calculated after deduction of any applicable brokerage, stamp duty and other taxes and charges, including the nominee’s reasonable out of pocket costs, expenses and charges properly incurred by it or on its behalf in connection with such sale from the sale price of the Ordinary Shares.

Prospectus means the prospectus for the Offer including these Note Terms.

Publication Time has the meaning given in clause 3.1.

Purchaser means one or more third parties selected by ANZ in its absolute discretion (which may not be ANZ or any Related Entity of ANZ).

Record Date means for payment of a Distribution:

- (a) the date which is eight calendar days before the Distribution Payment Date for that Distribution; or
- (b) such other date as is determined by the [ANZ](#) Directors in their absolute discretion and communicated to ASX not less than seven Business Days before the specified Record Date,

or in either case such other date as may be required by ASX.

Redeem means, in relation to a Note, redeem it in accordance with clause 7, and Redeemed and Redemption have corresponding meanings.

Register means a register of holders of Notes established and maintained by or on behalf of ANZ. The term Register includes:

- (a) any sub-register maintained by, or on behalf of ANZ under the Corporations Act, the ASX Listing Rules or ASX Settlement Operating Rules; and
- (b) any branch register, provided that, in the event of any inconsistency, the principal register will prevail over any sub-register or branch register.

Registry means ANZ or any other registrar that maintains the Register.

Regulatory Event means:

- (a) the receipt by the [ANZ](#) Directors of an opinion from a reputable legal counsel that, as a result of any amendment to, clarification of or change (including any announcement of a change that will be introduced) in, any law or regulation in Australia or any official administrative pronouncement or action or judicial decision interpreting or applying such laws or regulations or any statement of APRA which amendment, clarification or change is effective, or pronouncement, action or decision is announced, on or after the Issue Date and which on the Issue Date is not expected by ANZ to come into effect (each, a **Regulatory Change**), additional requirements would be imposed on ANZ [or TopCo](#) in relation to or in connection with Notes which the [ANZ](#) Directors (having received all approvals they consider in their absolute discretion to be necessary (including from APRA)) determine at their absolute discretion, to be unacceptable; or
- (b) the determination by the [ANZ](#) Directors (having received all approvals they consider in their absolute discretion to be necessary (including from APRA)) that, as a result of a Regulatory Change, ANZ is not or will not be entitled to treat all Notes as Additional Tier 1 Capital, except where the reason ANZ is not or will not be entitled to treat all Notes as Additional Tier 1 Capital is because ANZ has exceeded a limit or other restriction on the recognition of Additional Tier 1 Capital which was in effect on the Issue Date or which on the Issue Date is expected by ANZ to come into effect.

[Related Bodies Corporate](#) has the meaning given in the Corporations Act.

[Related Conversion Steps](#) has the meaning given in clause 6.1.

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

Relevant Date has the meaning given in clause 4.2.

Relevant Distribution Payment Date has the meaning given in clause 3.8.

Relevant Number has the meaning given in clause 6.1.

Relevant Security means, where a Trigger Event occurs, a Tier 1 Capital instrument that, in accordance with its terms or by operation of law, is capable of being converted into Ordinary Shares or written off where that event occurs. It includes Notes, Capital Notes 1, Capital Notes 2, Capital Notes 3, Capital Notes 4, ANZ Perpetual Subordinated Contingent Convertible Securities and, where a Common Equity Capital Trigger Event occurs on account of the Common Equity Capital Ratio in respect of the ANZ Level 2 Group, CPS3.

Reorganisation has the meaning given in clause 6.3(a).

Resale means the sale of Notes by Holders to the Purchaser in accordance with clause 8 and Resell and Resold have corresponding meanings.

Scheduled Mandatory Conversion Date has the meaning given in clause 4.2.

Second Mandatory Conversion Condition has the meaning given in clause 4.3 (but in clause 4.10 and clause 5.5, as adjusted in that clause).

Second Optional Conversion Restriction has the meaning given in clause 5.4.

Second Test Period has the meaning given in clause 4.3.

Senior Creditors means all present and future creditors of ANZ, including depositors, whose claims are:

- (a) entitled to be admitted in the winding-up of ANZ; and
- (b) not expressed to rank equally with, or subordinate to, the claims of a Holder.

Special Resolution means either (i) a resolution passed at a meeting of Holders by a majority of at least 75% of the votes validly cast by Holders in person or by proxy and entitled to vote on the resolution or (ii) a resolution signed within one month from the Notification Date by Holders representing at least 75% of the aggregate nominal amount of Outstanding Notes as at the Notification Date.

Subsequent Mandatory Conversion Date has the meaning given in clause 4.2.

Subsidiary has the meaning given in the Corporations Act.

Tax has the meaning given in clause 3.7.

Tax Act means:

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

Tax Event means the receipt by the [ANZ](#) Directors of an opinion from a reputable legal counsel or other tax adviser in Australia experienced in such matters to the effect that, as a result of:

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

in each case, by any legislative body, court, governmental authority (including, without limitation, a tax authority) or regulatory body in Australia, irrespective of the manner in which such amendment, clarification, change or Administrative Action is made known, which amendment, clarification, change or Administrative Action is effective, or which pronouncement or decision is announced, on or after the Issue Date and which on the Issue Date is not expected by ANZ to come into effect, there is more than an insubstantial risk which the [ANZ](#) Directors determine (having received all approvals they consider in their absolute discretion to be necessary (including from APRA)) at their absolute discretion to be unacceptable that:

- (i) [ANZ, TopCo or another member of the ANZ Group](#) would be exposed to more than a de minimis adverse tax consequence (including without limitation through the imposition of any taxes, duties, assessments or other charges) in relation to Notes; or

- (ii) any Distribution would not be a frankable dividend or distribution within the meaning of Division 202 of the Tax Act.

Tax Rate has the meaning given in clause 3.1.

Third Mandatory Conversion Condition has the meaning given in clause 4.3.

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

Tier 1 Capital Ratio means that ratio as defined by APRA from time to time.

TopCo means [ANZ Group Holdings Limited \(ACN 659 510 791\)](#).

TopCo Shares means [Ordinary Shares or any other shares in the capital of TopCo](#).

Trigger Event means a Common Equity Capital Trigger Event or a Non-Viability Trigger Event.

Trigger Event Conversion Date has the meaning given in clause 4.7.

Trigger Event Notice has the meaning given in clause 4.8(d).

VWAP means, subject to any adjustments under clause 6, the average of the daily volume weighted average sale prices (such average being rounded to the nearest full cent) of Ordinary Shares sold on ASX during the relevant period or on the relevant days but does not include any "Crossing" transacted outside the "Open Session State" or any "Special Crossing" transacted at any time, each as defined in the ASX Operating Rules, or any overseas trades or trades pursuant to the exercise of options over Ordinary Shares.

VWAP Period means:

- (a) in the case of a Conversion resulting from a Change of Control Event the lesser of:
- (i) 20 Business Days on which trading in Ordinary Shares took place; and
 - (ii) the number of Business Days after the occurrence of the Change of Control Event on which:
 - (A) the Ordinary Shares are quoted for trading on ASX; and
 - (B) trading in Ordinary Shares took place;in each case immediately preceding (but not including) the Business Day before the Change of Control Conversion Date;
- (b) in the case of a Conversion resulting from a Trigger Event, the period of 5 Business Days on which trading in Ordinary Shares took place immediately preceding (but not including) the Trigger Event Conversion Date;
- (c) in the case of any other Conversion, the period of 20 Business Days on which trading in Ordinary Shares took place immediately preceding (but not including) the date on which Conversion is to occur in accordance with these Note Terms; or
- (d) otherwise, the period for which VWAP is to be calculated in accordance with these Note Terms.

Written Off has the meaning given in clause 6.13, and **Write Off** has the corresponding meaning.