

1. Participation in the BOP

Participation by shareholders in the ANZ Bonus Option Plan ("BOP") is optional.

An application to participate in the BOP may be varied or cancelled at any time prior to a record date by completing an Election Form.

2. Degree of Participation

Participation may be either "full" or "partial" for:

- (i) all of the shares registered in the name of the shareholder, or
- (ii) the number of shares specified in an Election Form,

provided that, at all times, a shareholder's total shareholding participating in the BOP may not exceed 50,000 shares. A signed Election Form which does not specify the degree of participation shall be deemed to be a request for the lesser of full participation of all shares owned by the shareholder or that number of shares which brings the shareholder's total shareholding participating in the BOP to 50,000 shares.

Subject to the cap of 50,000 shares, shares issued under the BOP will be added to those already participating in the BOP and these will automatically forego future dividends and generate further bonus shares until the shareholder notifies the ANZ Share Registry otherwise.

3. Entitlement to Shares

3.1 For each participating shareholder, the Company will establish a BOP Account and will record in that account the number of shares held by the shareholder participating in the BOP from time to time (including any additional shares allotted in respect of such shares under Rule 3.2 of the BOP) (a "BOP Account").

3.2 The number of shares which may be allotted to a shareholder shall be the whole number ("N") next below the number calculated by the formula:

$$\frac{(S \times D) + PB}{C}$$

where:

"S" is the number of shares held by the shareholder in the BOP Account on the record date for the purpose of the relevant dividend;

"D" is the amount in cents per fully paid ordinary share of the relevant dividend which is payable on fully paid shares ranking fully for the dividend other than shares participating in the BOP;

"PB" is the amount expressed in cents (if any) determined in accordance with Rule 3.3;

"C" is the weighted average sale price expressed in cents of all fully paid ordinary shares ranking fully for the dividend of the Company sold on the Australian Stock Exchange during the first five trading days immediately following the relevant record date rounded to the nearest whole cent.

3.3 If N as determined in accordance with Rule 3.2 in respect of a BOP Account of a shareholder is in any case less than the quotient determined in accordance with the formula in Rule 3.2, then, for the purposes of determining under Rule 3.2 the entitlement (if any) next arising in respect of the BOP Account, "PB" shall be the amount in cents calculated in accordance with the following formula:

$$PB=(Q - N) \times C$$

where:

"PB" is the amount in cents;

"Q" is the quotient as determined by applying the formula in Rule 3.2 in relation to the previous dividend;

"N" is the whole number determined pursuant to Rule 3.2 in relation to the previous dividend; and
"C" is the amount determined as C pursuant to Rule 3.2 in relation to the previous dividend.

4. Shares to be Allotted

The Directors shall issue and allot to the relevant shareholder the number of shares determined under Rule 3 as fully paid bonus ordinary shares.

Accordingly, the shares so issued and allotted shall be fully paid ordinary shares for whose issue no consideration is payable to the Company. An allotment of bonus shares to which participating shareholders become entitled shall be effected by the allotment and issue of such bonus shares without any amount being credited to the Company's share capital account.

Statements covering shares so issued and allotted shall be posted to the relevant shareholders on the dividend payment date. Shares so issued and allotted will rank *pari passu* with existing fully paid shares in the Company having full dividend rights and will rank for all dividends on shares declared thereafter, subject to their participation in the BOP. Shares so issued and allotted will be issued on the register on which the shareholder's holding is currently registered.

5. Variation or Termination of Participation

A shareholder may at any time give notice to the Company:

- (a) increasing or decreasing the number of the shareholder's ordinary shares participating in the BOP; or
- (b) terminating the shareholder's participation in the BOP.

The notice of alteration or termination shall be in accordance with the Election Form and will, subject to paragraph 11 hereof, take effect commencing on the next record date after receipt by the ANZ Share Registry.

If a shareholder dies or becomes bankrupt, the participation of that shareholder and any other shareholder with whom the deceased or bankrupt shareholder was a joint shareholder will be terminated upon receipt by the Company of notice of the death or bankruptcy, as the case may be.

Upon termination of participation by a shareholder for any reason, the shareholder will not be entitled to receive from the Company payment of any money in respect of a BOP Account at the time when participation by the shareholder in the BOP is terminated or the shareholder ceases to participate in the BOP.

6. Reduction or Termination of Participation where no notice is given

Where a shareholder with partial participation disposes of part of the shareholder's ordinary shareholding, then, unless the shareholder advises the Company otherwise, the ordinary shares disposed of will be deemed to be ordinary shares not participating in the BOP. If the number of ordinary shares disposed of is greater than the number of the shareholder's ordinary shares not participating in the BOP, the disposal will be deemed to include, firstly, all the shareholder's ordinary shareholding not participating in the BOP (including DRP shares) and, secondly, as to the balance of the disposal, part of the shareholder's ordinary shareholding which participates in the BOP.

7. Modification and Termination of the BOP

The BOP may be modified, suspended or terminated by the Company at any time by giving not less than one month's prior written notice to all ordinary shareholders. In the case of a modification, it will be deemed that existing participating shareholders will continue under the modified BOP unless the ANZ Share Registry is notified to the contrary by receipt of a correctly completed Plan Election Form.

In the event that the BOP is suspended or terminated by the Company, a shareholder will not be entitled to receive from the Company payment of any money in respect of a BOP account at the time when participation by the shareholder in the BOP is suspended or terminated.

8. Cost to Shareholders

No brokerage or stamp duty will be payable by shareholders in respect of shares allotted under the BOP.

9. Stock Exchange Listing

The Company will promptly make application for shares allotted under the BOP to be listed on the official list of the Australian Stock Exchange and the New Zealand Stock Exchange.

10. Foreign Shareholders

This BOP does not extend to shareholders who are residents of either the United States of America, its possessions or territories or Canada.

11. Closing Time

To be effective for the next dividend, Election Forms must be received by the ANZ Share Registry by 5.00pm on the relevant record date.

12. Taxation

Given the complex nature of taxation and of other legislation, the variety of jurisdictions involved, and the diverse taxation and financial circumstances applying to ANZ shareholders, the Company cannot take any responsibility for any advice expressed or implied in this document.

Shareholders should obtain their own professional advice in relation to the financial and taxation implications of any of the dividend alternatives offered.

This document does not contain the information which would be contained in a prospectus. It is limited to information concerning the operation of the BOP.

13. General

- (a) The BOP and its operation and these terms and conditions shall be governed by the laws of the State of Victoria.
- (b) The accidental omission to give notice of modification, suspension or termination to, or the non-receipt of any notice by, any shareholder shall not invalidate the modification, suspension or termination of the BOP.
- (c) The Company reserves the right to waive strict compliance with any of the provisions of these terms and conditions.