

INFORMATION MEMORANDUM



Suncorp-Metway Limited

ABN 66 010 831 722

Domestic Medium Term Note, Transferable Deposit and Other Debt Instruments Programme

Arranger

Citigroup Global Markets Australia Pty Limited ABN 64 003 114 832



Dealers

Citigroup Global Markets Australia Pty Limited ABN 64 003 114 832

Deutsche Bank AG, Sydney Branch ABN 13 064 165 162

Macquarie Bank Limited ABN 46 008 583 542

Suncorp-Metway Limited ABN 66 010 831 722

UBS AG, Australia Branch ABN 47 088 129 613

29 April 2008

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1. Important Notice

1.1 Responsibility for Information

This Information Memorandum is issued by Suncorp-Metway Limited ABN 66 010 831 722 (the "**Issuer**") solely in relation to its programme (the "**Programme**") for the subscription for and issuance of:

- (a) Medium Term Notes (the "**MTNs**");
 - (b) the making and acceptance of transferable deposits (the "**Transferable Deposits**" or "**TDs**"); and/or
 - (c) other debt instruments,
- (together the "**Securities**"). This Information Memorandum does not relate to and is not relevant for the purposes of any other matter.

The Issuer has taken all reasonable care to ensure that the information in this Information Memorandum is correct as of the Effective Date (as defined in section 1.5 below) and does not omit anything likely to affect its meaning in the context of the issue, and offering, of the Securities. The Issuer confirms that, to the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), this Information Memorandum does not contain any statement which is misleading or deceptive or which is likely to mislead or deceive in the context of the issue and offering of the Securities. Accordingly, the Issuer accepts responsibility for the information contained in, and has authorised the distribution of, this Information Memorandum.

1.2 Supplements to Information Memorandum

This Information Memorandum should be read and construed with any amendment or supplement distributed by the Issuer from time to time and with any other documents incorporated in this Information Memorandum by reference.

1.3 Authority to Provide Information

No person has been authorised by the Issuer to give any information or to make any representation relating to the Programme or the Securities which is not contained in or which is inconsistent with this Information Memorandum. If any such information or representation is given or made, it should not be relied upon as having been authorised by the Issuer.

1.4 No Responsibility of Arranger or Dealers

The only role of Citigroup Global Markets Australia Pty Limited (the "**Arranger**") and the Dealers in the preparation of this Information Memorandum has been to confirm to the Issuer that the information under their respective descriptions under the heading "**Directory**" is accurate as at the Effective Date. Apart from this, no representation, warranty or undertaking is made or implied by the Arranger or any Dealer and neither the Arranger nor any Dealer makes any representation or warranty, or accepts any responsibility, as to:

- (a) the origin, accuracy, completeness or distribution of, or any errors in, or omissions from, this Information Memorandum;
- (b) any amendment or supplement to this Information Memorandum or any other documents incorporated in this Information Memorandum by reference; or
- (c) any other information supplied in connection with the Securities.

1.5 Effective Date

Neither the delivery of this Information Memorandum nor the offering, sale or registration of any Security shall, in any circumstances, imply that the information contained in this Information Memorandum is true subsequent to, or that there has been no adverse change (or any development likely to lead to an adverse change) in the financial position of the Issuer since, the Effective Date.

In this Important Notice section, "**Effective Date**" means in relation to:

- (a) this Information Memorandum (other than financial accounts incorporated by reference in it), the date indicated on its face or, if the Information Memorandum has been amended or supplemented, the date indicated on the face of that amendment or supplement;
- (b) financial statements incorporated by reference in this Information Memorandum, the date up to or as at which those statements were prepared; and
- (c) any other item of information which is to be read in conjunction with this Information Memorandum, the date indicated on its face as being its date of release.

1.6 Providing Information for the Secondary Market

Where a Dealer delivers this Information Memorandum for the purpose of facilitating a secondary market in Securities issued before the most recent Information Memorandum then this Information Memorandum is provided only for the purposes of giving information in relation to the Terms and Conditions of those Securities.

1.7 Non-Disclosable Offers and Invitations

Each offer for issue or sale, and each invitation to subscribe for or buy, the Securities made to or by a person (as the case may be) where the offer or invitation is received by that person in Australia will be made on such terms that the offer or invitation will not require disclosure to investors under Chapter 6D of the Corporations Act 2001 (Cth). Accordingly, this Information Memorandum is not required to be lodged with the Australian Securities and Investments Commission.

1.8 Recipients to Make Own Assessment

Each recipient of this Information Memorandum is taken to have made its own decisions as to the sufficiency and relevance for its purpose of the information contained in this Information Memorandum, and its investigation and appraisal of the condition (financial and otherwise) of the Issuer. Neither the Arranger nor any Dealer undertakes to review the business or financial affairs of the Issuer or advise the holders of the Securities of any information coming to its attention with respect to the Issuer. This Information Memorandum has not been prepared with any knowledge or consideration of the investment or other objectives, financial situation, tax position or other particular needs or requirements of any recipient of this Information Memorandum. Each recipient should obtain their own taxation advice regarding investing in the Securities.

No advice is given in respect of the taxation treatment of potential investors or purchasers in connection with investment in any Securities and each investor or purchaser is advised to consult its own professional adviser.

1.9 Compliance with Laws

The distribution of this Information Memorandum and the offering of the Securities in certain jurisdictions is restricted by law. No action has been taken or will be taken by the Issuer, the Arranger or any Dealer which would permit:

- (a) a public offering of Securities; or
- (b) possession or distribution of this Information Memorandum, any prospectus, circular, advertisement or any other offering or other material issued by or on behalf of the Issuer, in relation to any Securities,

in any jurisdiction where action for that purpose is required. Persons into whose possession this Information Memorandum comes are required to inform themselves of and observe all such restrictions and take all such action.

Nothing in this Information Memorandum is to be construed as authorising the distribution of this Information Memorandum or the offer or sale of Securities in any jurisdiction other than the Commonwealth of Australia, and none of the Issuer, the Arranger or any Dealer accepts any liability in that regard.

The Securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"). Subject to certain exceptions, the Securities may not be offered, sold or delivered within the United States or to U.S. persons. For a description of certain restrictions on acceptance, offers, issues and sales of the Securities and on distribution of this Information Memorandum: see section 6 ("Subscription and Sale") below.

1.10 Disclosure of Interests

The Arranger, each Dealer and Austraclear Services Limited ABN 28 003 284 419 discloses that it, its respective subsidiaries, directors and employees may:

- (a) have pecuniary or other interests in the Securities and may also have interests pursuant to other arrangements; and
- (b) receive fees, brokerage and/or commissions and may act as principal in any dealing in the Securities.

1.11 Credit Ratings

There are various references in this Information Memorandum to the credit ratings assigned to the Securities and the Issuer by Standard & Poor's (Australia) Pty. Ltd., a Division of The McGraw-Hill Companies, Inc. ("**Standard & Poor's**"), Moody's Investors Service Pty Limited ("**Moody's**") or Fitch Australia Pty Ltd ("**Fitch**"). None of them has been involved in the preparation of this Information Memorandum. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the relevant rating agency.

2. Documents incorporated by reference

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

- (a) all amendments and supplements to this Information Memorandum prepared by the Issuer from time to time;
- (b) initially, the published audited annual consolidated financial statements of the Issuer for its financial year ended 30 June 2007 and at all times thereafter the most recently published audited annual consolidated financial statements of the Issuer;
- (c) the most recently published unaudited interim consolidated financial statements of the Issuer;
- (d) the most recently published Ratings Report of Standard & Poor's, Moody's and Fitch in relation to:
 - (i) the Issuer; and
 - (ii) the Securities issued under the Programme, as amended from time to time; and
- (e) all documents issued by the Issuer and stated to be incorporated in this Information Memorandum by reference.

Copies of documents incorporated by reference are available for inspection at the offices of the Issuer and the Arranger.

3. Programme Summary

The following summary does not purport to be complete. It is adapted from, and qualified in its entirety by, the remainder of the Information Memorandum and the relevant Pricing Supplement. Terms defined in, or used in, the "Terms and Conditions of Securities" have the same meaning when used in this summary.

Under the Programme, the Issuer may issue Securities from time to time. The terms applicable to any Securities will be agreed between the Issuer and the Dealers prior to issuance, and will be set out in the Deed Poll and in a Pricing Supplement to be executed by the Issuer prior to the issue of each Tranche or Series of Securities.

Issuer: Suncorp-Metway Limited ABN 66 010 831 722.

Programme Description: Domestic programme for the subscription for the issuance of the Securities.

Arranger: Citigroup Global Markets Australia Pty Limited ABN 64 003 114 832.

Dealers: Initially Citigroup Global Markets Australia Pty Limited, Deutsche Bank AG, Sydney Branch, , Macquarie Bank Limited, Suncorp-Metway Limited and UBS AG, Australia Branch. Other dealers may subsequently be appointed, either in relation to the Programme as a whole, or in relation to specific Issues from time to time.

Maturity of the Securities (other than the Subordinated Perpetual MTNs): Securities (other than any Subordinated Perpetual MTN) will have a maturity determined by the Issuer, subject to compliance with legal and regulatory requirements. The Maturity Date applicable to each Tranche of Securities (other than any Subordinated Perpetual MTN) will be specified in the relevant Pricing Supplement.

Maturity of the Subordinated Perpetual MTNs: The Subordinated Perpetual MTNs are perpetual and do not have a maturity date.

Currency: In relation to TDs, Australian Dollars, and for all other Securities, Australian Dollars or as otherwise specified in the relevant Pricing Supplement.

Programme Limit: Unlimited.

Direct Issues: The Issuer may also issue Securities directly to investors procured by it.

Denominations: Securities will be issued in denominations of A\$10,000 or such other amounts as specified in the relevant Pricing Supplement.

Selling and Transfer Restrictions:

Unless otherwise specified in the relevant Pricing Supplement, Securities may only be issued by the Issuer or transferred by a Holder of the Securities:

- (a) if the aggregate consideration payable by the investor (in the case of a Transferable Deposit by way of deposit with the Issuer) is at least A\$500,000 (or equivalent) (disregarding moneys lent by the Issuer or transferor (as the case may be) or its associates) or if the Securities are otherwise issued or transferred in a manner that does not require disclosure to investors in accordance with Part 6D.2 of the Corporations Act;
- (b) to a person who is not a "retail client" within the meaning of Section 761G of the Corporations Act; and
- (c) if the issue or transfer complies with the laws of the jurisdiction in which the issue or transfer takes place.

Form of Securities:

Securities will be issued in registered form. Securities issued by the Issuer will be constituted by a deed poll ("**Deed Poll**") dated on or about 29 April 2008 given by the Issuer for the benefit of the Holders of those Securities from time to time and will take the form of entries on a Register maintained by the Registrar. A copy of the Deed Poll is available for inspection by Holders during normal business hours at the offices of the Registrar.

The terms and conditions of the Securities are contained in Schedule 1 to the Deed Poll and are modified and supplemented by the relevant Pricing Supplement.

Other Securities:

The Issuer may from time to time issue Securities in a form not contemplated by the "**Terms and Conditions of the Securities**" herein. Terms applicable to any other type of Security that the Issuer and any relevant Dealer(s) or other investor may agree to issue under the Programme will be set out in the relevant Pricing Supplement.

3. Programme Summary

Redemption of Securities (other than Subordinated Perpetual MTNs):

The Pricing Supplement relating to each Tranche of Securities (other than Subordinated Perpetual MTNs) issued by the Issuer will indicate either that the Securities of such Tranche cannot be redeemed prior to their stated maturity (other than in specified instalments if applicable, or for taxation or regulatory reasons or following an Event of Default) or that such Securities will be redeemable at the option of the Issuer and/or the Holders upon giving not less than 15 nor more than 30 days' irrevocable notice (or such other notice period (if any) as is indicated in the relevant Pricing Supplement) to the Holders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such terms as are indicated in the relevant Pricing Supplement.

Any early redemption of a Subordinated MTN (other than for an Event of Default) will be subject to the provisions set out in Condition 6.9 or as otherwise specified in the relevant Pricing Supplement.

Redemption of Subordinated Perpetual MTNs:

Subordinated Perpetual MTNs can only be redeemed for taxation or regulatory reasons or following an Event of Default or at the option of the Issuer upon giving not less than 15 nor more than 30 days' irrevocable notice to the Holders of Subordinated Perpetual MTNs at the Optional Redemption Amount(s), and on such terms, as are indicated in the relevant Pricing Supplement.

Any redemption of a Subordinated Perpetual MTN (other than for an Event of Default) will be subject to the provisions set out in Condition 6.9 or as otherwise specified in the relevant Pricing Supplement.

Status of Transferable Deposits

The Issuer is an "authorised deposit-taking institution" (an "ADI") under the *Banking Act 1959* of Australia. Transferable Deposits will constitute deposit liabilities in Australia of the Issuer for the purpose of section 13A of that Act. Section 13A provides that in the event of an ADI becoming unable to meet its obligations or suspending payment, the assets of the ADI in Australia shall be available to meet the ADI's deposit liabilities in Australia in priority to all other liabilities of the ADI.

Status of the Senior MTNs:

Senior MTNs issued by the Issuer will be direct, unsubordinated (subject to the provisions of Condition 3), unsecured and general obligations of the Issuer and will rank *pari passu*, without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future (other than indebtedness preferred by mandatory provisions of law) – see Condition 3.2.

3. Programme Summary

Status of the Subordinated MTNs:

Subordinated MTNs issued by the Issuer will be direct, unsecured and subordinated obligations of the Issuer and will (unless otherwise specified in the applicable Pricing Supplement) rank *pari passu* without any preference among themselves.

The claims of the Holders of Subordinated MTNs against the Issuer will, in the event of a winding up of the Issuer, be subordinated in right of payment to the claims of Unsubordinated Creditors (as defined in Condition 1.1) in the manner provided in Condition 3.3, but senior to the Subordinated Perpetual Creditors.

Status of the Subordinated Perpetual MTNs:

Subordinated Perpetual MTNs issued by the Issuer will be direct, unsecured and subordinated obligations of the Issuer and will (unless otherwise specified in the applicable Pricing Supplement) rank *pari passu* without any preference among themselves.

The claims of the Holders of Subordinated Perpetual MTNs against the Issuer will, in the event of a winding up of the Issuer, be subordinated in right of payment to the claims of the Unsubordinated Creditors and Subordinated Creditors (as each such term is defined in Condition 1.1) in the manner provided in Condition 3.4.

Cross Default:

The terms of the Senior MTNs will contain a cross-default provision as further described in Condition 10.1. The terms of the Subordinated MTNs and the Subordinated Perpetual MTNs will not contain a cross-default provision and will contain only limited events of default as further described in Conditions 10.2 and 10.3 respectively.

Settlement:

Securities will be lodged in and settled through the Austraclear System unless otherwise specified in the relevant Pricing Supplement. Securities may only be uplifted from the Austraclear System in accordance with the Austraclear Regulations.

3. Programme Summary

Payments and Record Date:

Payments will be made on the payment dates specified in the Pricing Supplement to the persons whose names are entered in the Register as at 5.00pm local time in the office of the Registrar on the eighth calendar day before the relevant due date for payment.

Payments in respect of Securities lodged within the Austraclear System will be made by crediting the amount due to the account of the Holder in accordance with the Regulations. If Securities are not Austraclear Securities, payments will be made to the account of the Holder noted on the Register. If no account is notified, then payments will be made by cheque mailed to the Holder (at its address appearing on the Register on the Record Date) on the Business Day immediately preceding the relevant:

- (a) Interest Payment Date;
- (b) (other than in the case of Subordinated Perpetual MTNs) Maturity Date; or
- (c) (in the case of the Subordinated Perpetual MTNs) date on which the Subordinated Perpetual MTNs are redeemed by the Issuer in accordance with the Terms and Conditions, as applicable.

3. Programme Summary

Payments under the Subordinated Perpetual MTNs:

Prior to the winding-up of the Issuer, any payments by the Issuer (including of interest or other payments) on the Subordinated Perpetual MTNs will be:

- (a) at the option of the Issuer; and
- (b) (unless APRA has given its prior written approval to the making of a payment), conditional on:
 - (i) the Issuer being Solvent (as defined in Condition 1.1) at the time of, and immediately after, such payment by the Issuer; and
 - (ii) the amount of any payment not exceeding the Issuer's Distributable Profits (as defined in Condition 1.1).

Any failure to make a payment of interest (including any Deferred Interest) on a Subordinated Perpetual MTN:

- (a) will not constitute an event of default for the purposes of the Subordinated Perpetual MTNs; or
- (b) will not vest Holders with any right to apply for the winding-up or administration of the Issuer, or cause a receiver or receiver and manager to be appointed in respect of the Issuer;

(c) will (until the Deferred Interest is paid in full), subject to certain exceptions, restrict the Issuer from paying interest on, declaring or paying dividends, distributions or interest on any other securities or instruments of the Issuer which rank junior to, or pari passu with, the Subordinated Perpetual MTNs.

Any interest on the Subordinated Perpetual MTNs which is not paid on a scheduled Interest Payment Date will be deferred.

Deferred Interest does not accrue interest and a Holder of a Subordinated Perpetual MTN has no claim in respect of interest on the Deferred Interest.

Business Days:

Business days in Sydney, or otherwise as specified in the relevant Pricing Supplement.

Registrar:

Austraclear Services Limited or such other entity as specified in the relevant Pricing Supplement or as determined by the Issuer.

Austraclear:

Unless otherwise specified in the relevant Pricing Supplement, application will be made to Austraclear Limited ABN 94 002 060 773 for approval for each Tranche of Securities to be traded on the settlement system operated by Austraclear Limited (in accordance with the Regulations and Operating Manual of Austraclear Limited).

3. Programme Summary

Transfer Procedure:	Austraclear Securities may be transferred in accordance with the Regulations. Securities which are not lodged in the Austraclear System are transferable by Transfer and Acceptance in accordance with the Terms and Conditions of the Securities.
Listing:	Securities under the Programme may be listed on the Australian Stock Exchange or such other stock exchange as specified in the relevant Pricing Supplement. Unless otherwise specified in the relevant Pricing Supplement, Securities listed on the Australian Stock Exchange will not be tradeable through CHESS.
Legal and regulatory requirements:	Each issue of Securities denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see " Subscription and Sale ").
Stamp Duty:	There is no stamp duty applicable on the issue of the Securities. Any stamp duty payable on the transfer of the Securities will be for the account of investors.
Selling Restrictions:	<p>No action has been taken or will be taken which would permit a public offering of the Securities, or possession or distribution of this Information Memorandum, in any country or jurisdiction where action for that purpose is required.</p> <p>The Securities have not been and will not be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold within the United States or to, or for the account or benefit of, US persons except in accordance with Regulation S under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act.</p> <p>The offer of Securities is subject to selling restrictions in Australia, New Zealand, United States of America, the European Economic Area, Singapore, Hong Kong, Japan and the United Kingdom, and also to such other restrictions as may be required in connection with a particular issue of Securities and as more fully set out in "Subscription and Sale".</p>
Tax File Number:	The Issuer will deduct tax from payments of interest at the highest marginal rate plus the highest Medicare levy if an Australian resident investor has not supplied an Australian Business Number, appropriate tax file number or exemption details.

3. Programme Summary

Withholding Tax:

If specified in the Pricing Supplement, Securities will be issued in a manner which enables the Issuer to pay interest to Holders free of Australian withholding tax and all payments by the Issuer in respect of the Securities will be made free and clear of and without withholding or deduction for, or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by the Commonwealth of Australia or any political subdivision therein or thereof unless required by law, in which case the Issuer will make additional payments so that the net amount received by a Holder will equal the amount which would otherwise have been received had no such withholding or deduction been made (subject to the exceptions set out in Condition 9.3). In the event that the Issuer is required to make such additional payments, the relevant Securities may (in the case of the Subordinated MTNs and Subordinated Perpetual MTNs, subject to APRA's prior written approval) be redeemed at the option of the Issuer.

Franking of interest under Subordinated Perpetual MTNs:

If the Subordinated Perpetual MTNs qualify as 'equity instruments' for Australian tax purposes, payments of interest under the Subordinated Perpetual MTNs may, if so specified in the relevant Pricing Supplement, be fully franked.

If the Subordinated Perpetual MTNs qualify as 'equity instruments' for Australian tax purposes and:

(a) the Holder of that Subordinated Perpetual MTN is not an Australian resident; and

(b) the Issuer is obliged to deduct and withhold any dividend withholding tax,

then, notwithstanding Condition 9.3, the Issuer will not pay any additional amounts to the relevant Holder in respect of amounts so deducted or withheld.

Taxes:

Prospective investors must make their own assessment of the tax consequences of buying, selling or holding Securities.

Governing Law:

State of Queensland.

4. Terms and Conditions of Securities

The following are the Terms and Conditions of the Securities, which as varied, amended, supplemented or disapplied by the relevant Pricing Supplement, are applicable to each Tranche of Securities.

*Each Security is constituted by the Deed Poll executed by the Issuer (the "**Deed Poll**") and the relevant Pricing Supplement.*

Securities are issued upon and subject to the terms of the Deed Poll which is enforceable by each Holder in respect of Securities held by it. Each Holder, by applying for, subscribing for or purchasing Securities, is and agrees to be bound by, and is deemed to have notice of the provisions of, the Deed Poll.

A copy of the Deed Poll is available for inspection by Holders during normal business hours at the offices of the Registrar, as specified in the Information Memorandum.

Words and expressions defined in the Deed Poll, or used in the Pricing Supplement shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and in the event of inconsistency between the Deed Poll and the Pricing Supplement, the Pricing Supplement will prevail.

1. Definitions and interpretation

1.1 Definitions

In these Terms and Conditions:

"**A\$**" and "**Dollar**" means the lawful currency of the Commonwealth of Australia.

"**Accrual Period**" means, in respect of an Interest Period, the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date during that Interest Period except that the last Interest Accrual Period ends on (and excludes) the Maturity Date or, in the case of the Subordinated Perpetual MTNs, the date on which the Subordinated Perpetual MTNs are redeemed by the Issuer in accordance with the Terms and Conditions.

"**ADI**" means "authorised deposit-taking institution" as defined in the *Banking Act 1959* of Australia and of which the Issuer is one.

"**Advice**" has the same meaning as in the Registry Services Agreement.

"**AFMA**" means the Australian Financial Markets Association.

"**Amortised Face Amount**" means, in relation to a Zero Coupon Security, the amount calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^y$$

Where:

"**RP**" means the amount specified as the Reference Price in the relevant Pricing Supplement; and

"**AY**" means the yield expressed as a decimal specified as the Accrual Yield in the relevant Pricing Supplement; and

"**y**" is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Securities to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Security becomes due and repayable and the denominator of which is 360,

or on such other calculation basis as may be specified in the relevant Pricing Supplement.

4. Terms and Conditions of Securities

"**APRA**" means Australian Prudential Regulation Authority.

"**Arranger**" means Citigroup Global Markets Australia Pty Limited ABN 64 003 114 832.

"**Assets**" means the non-consolidated gross assets of the Issuer as shown by the latest published accounts of the Issuer but adjusted for contingencies and for events subsequent to the date of such accounts in such manner and to such extent as the directors of the Issuer or the Auditors may determine to be appropriate.

"**ASX**" means ASX Limited ABN 98 008 624 691.

"**Auditors**" means the auditors for the time being of the Issuer or, in the event of their being unable or unwilling promptly to carry out any action requested of them pursuant to the provisions of the Conditions, such other firm of accountants as may be nominated by the Issuer for the purposes of the Conditions.

"**Austraclear**" means Austraclear Limited ABN 94 002 060 773.

"**Austraclear Securities**" means, at any time, all Securities which are lodged in the System at that time or all Securities to be lodged in the System upon issuance in accordance with these Terms and Conditions (as the context requires).

"**Authorised Signatory of the Issuer**" means any director of the Issuer or any other officer of the Issuer authorised by the Issuer to sign the solvency reports referred to in Conditions 3.5 and 3.6.

"**BBSW**" means, in relation to a Floating Rate Security and an Interest Period relating thereto, the rate calculated by taking the rates quoted on the Reuters Screen BBSW Page at approximately 10.00 am, Sydney time, on the first day of that Interest Period as being the mean buying and selling rate for a bill (which for the purpose of this definition means a bill of exchange of the type specified for the purpose of quoting on the Reuters Screen BBSW Page) having a tenor equal or approximately equal to that Interest Period, eliminating the highest and the lowest mean rates and taking the average of the remaining mean rates and then (if necessary) rounding the resultant figure to the nearest four decimal places. If on the first day of an Interest Period fewer than five banks have quoted rates on the Reuters Screen BBSW Page, the rate shall be calculated as above by taking the rates otherwise quoted by five of such banks on application by the Issuer for such a bill of the same tenor. If the rate for that Interest Bearing Security and that Interest Period cannot be determined in accordance with the foregoing procedures then the rate shall mean such rate as is conclusively determined by the Issuer acting in good faith having regard to comparable indices then available.

"**Business Day**" means a day (other than a Saturday, Sunday or public holiday) upon which banks and the relevant financial markets are open for business generally in Sydney and in relation to a Series, any other place specified in the relevant Pricing Supplements.

"**Business Day Convention**" means, in relation to a Security, the convention for adjusting the date upon which any payment is due to be made or anything is required to be done under or in respect of that Security if that date is not a Business Day, where such Business Day Conventions as specified in the relevant Pricing Supplement in relation to any Security have the following meanings:

- (a) the "Floating Rate Convention", such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month in which falls the Specified Period (specified in the relevant Pricing Supplement) after the preceding applicable Interest Payment Date occurred; or

4. Terms and Conditions of Securities

- (b) the "Following Business Day Convention", such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (c) the "Modified Following Business Day Convention", such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (d) the "Preceding Business Day Convention", such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

"Calculation Agent" means in relation to a particular Issue, such person appointed by the Issuer as the Calculation Agent for the purposes of that Issue and specified as such in the relevant Pricing Supplement, or if such person resigns, or its appointment is terminated, as Calculation Agent, the person from time to time appointed in its place to perform the functions of the Calculation Agent in relation to that Issue.

"Certificate" means a certificate certifying that a Holder owns a Security.

"CHESS" means the Clearing House Electronic Subregister System operated by ASX Settlement and Transfer Corporation Pty Limited, as approved as the securities clearing house under the Corporations Act.

"Controlled Entity" means any entity which the Issuer "controls" (as defined in section 9 of the Corporations Act).

"Corporations Act" means the *Corporations Act 2001* of Australia.

"Day Count Fraction" means, in respect of the calculation of an amount of interest for any Interest Period:

- (a) in respect of Fixed Rate Securities:
 - (i) if "Actual / Actual (ICMA)" is specified in the relevant Pricing Supplement:
 - A. in the case of Securities where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the "Accrual Period") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the relevant Pricing Supplement) that would occur in one calendar year; or
 - B. in the case of Securities where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - 1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
 - 2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the

4. Terms and Conditions of Securities

- number of Determination Dates that would occur in one calendar year; and
- (ii) if "30 / 360" is specified in the relevant Pricing Supplement, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant Interest Payment Date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360; and
- (b) in respect of Floating Rate Securities and Index-Linked Interest Securities:
- (i) if "Actual / 365" or "Actual / Actual" is specified in the relevant Pricing Supplement, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
 - (ii) if "Actual / 365 (Fixed)" is specified in the relevant Pricing Supplement, the actual number of days in the Interest Period divided by 365;
 - (iii) if "Actual / 360" is specified in the relevant Pricing Supplement, the actual number of days in the Interest Period divided by 360;
 - (iv) if "30 / 360", "360 / 360" or "Bond Basis" is specified in the relevant Pricing Supplement, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30 day month, or (b) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

"Dealers" means, initially, Citigroup Global Markets Australia Pty Limited, Deutsche Bank AG, Sydney Branch, UBS AG, Australia Branch, Suncorp-Metway Limited and Macquarie Bank Limited and, subsequently, each person from time to time appointed by the Issuer as a dealer to the Programme and whose appointment has not ceased.

"Deed Poll" means the deed poll so entitled dated on or about 29 April 2008 executed and delivered to the Issuer relating to the Programme.

"Deferred Interest" means, in relation to a Subordinated Perpetual MTN, any unpaid interest which has, at any time, been deferred by the Issuer in accordance with Condition 4.2(g).

"Denomination" means:

- (a) in the case of a Zero Coupon Security, the nominal principal amount payable on the Maturity Date of that Security; and
- (b) in relation to any other Security, the initial Principal Outstanding of that Security.

"Determination Date" means the date so specified in the relevant Pricing Supplement.

"Determination Period" means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination

Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date).

"Distributable Profit" means the lesser of:

- (a) Level 1 Distributable Profits; and
- (b) Level 2 Distributable Profits.

"Early Redemption Amount" means an amount calculated as follows:

- (a) in the case of a Security with a Final Redemption Amount equal to the Issue Price, at the Principal Outstanding together with accrued interest (if any) to the date on which the Security is to be redeemed or such other early redemption amount as may be specified in or calculated in accordance with the provisions of the relevant Pricing Supplement;
- (b) in the case of a Security (other than a Zero Coupon Security but including an Instalment Security and a Partly Paid Security) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Security is denominated, at the amount specified in, or determined in the manner specified in, the relevant Pricing Supplement or, if no such amount or manner is so specified in the Pricing Supplement, at their Nominal Amount;
- (c) in the case of a Zero Coupon Security, at the Amortised Face Amount; or
- (d) on such other calculation basis as may be specified in the relevant Pricing Supplement.

"Early Redemption Amount (Non-deductibility and Regulatory)" means:

- (a) in relation to Floating Rate Securities, the Principal Outstanding together with accrued interest (if any) to the date on which the Floating Rate Securities are to be redeemed or such other early redemption amounts as may be specified in or calculated in accordance with the provisions of the relevant Pricing Supplement; and
- (b) in relation to Fixed Rate Securities, the amount calculated by the Issuer as being the sum of the present values of the remaining scheduled payments of the Fixed Rate Securities for the period to the first Optional Redemption Date of the Fixed Rate Securities (including an assumed redemption of the Fixed Rate Securities for the Principal Outstanding at the first Optional Redemption Date) discounted to the relevant Early Redemption Date at a rate, on a semi-annual basis, equal to the rate being the sum of the Redemption Base Swap Rate (as calculated 3 Business Days prior to the Early Redemption Date) and the Margin. This calculation is performed by applying this semi-annual rate as the yield (defined as "i") to the Reserve Bank of Australia Bond Price Formula as set out in Appendix A of the relevant Deed Poll. The Early Redemption Amount (Non-deductibility and Regulatory) includes interest accrued but not yet paid up to but excluding the Early Redemption Date.

"Early Redemption Date" means the day on which a Security is to be redeemed under Condition 6.2.

"Event of Default" means in relation to Senior MTNs an event specified in Condition 10.1, and in relation to Subordinated MTNs and the Subordinated Perpetual MTNs, an event specified in Conditions 10.2 and 10.3 respectively.

"Extraordinary Resolution" has the meaning given to it in the Meeting Provisions.

"Final Redemption Amount" means the amount payable in respect of a Security (other than a Subordinated Perpetual MTN) and specified as such in (or calculated in accordance with the provisions of) the relevant Pricing Supplement.

"Financial Arrangement" includes a futures contract or futures option or a currency swap, an interest rate swap, a forward exchange rate agreement, a forward interest rate agreement or any other option agreement or combination of the above or any similar arrangement.

"Financial Indebtedness" means, in respect of any person, any indebtedness, present or future, actual or contingent of that person in respect of moneys borrowed or raised or any financial accommodation or Financial Arrangement whatsoever including (without limiting the generality of the foregoing):

- (a) under or in respect of any Guarantee, bill, acceptance or endorsement or any discounting arrangement;
- (b) in respect of any obligation to pay par value, premium and dividend (whether or not declared, and whether or not there are sufficient profits or other moneys for payment) of any redeemable share or stock issued by that person or to purchase any share or stock issued by that person which is the subject of a put option against that person;
- (c) in respect of any Lease which under current accounting practice would be required to be capitalised on the balance sheet of the lessee;
- (d) the deferred purchase price (for more than 90 days) of any asset or service and any related obligation; and
- (e) in respect of any obligation to deliver goods or services which are paid for in advance by a financier or which are paid for in advance in relation to any financing transaction.

"Fixed Interest Period" means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

"Fixed Rate Security" means an Interest Bearing Security in respect of which the relevant Pricing Supplement specifies that the rate of interest applicable thereto is to be a fixed rate.

"Floating Rate Security" means an Interest Bearing Security in respect of which the relevant Pricing Supplement specifies that the rate of interest applicable thereto is to be a floating rate.

"Government Body" means:

- (a) any person, government or body exercising an executive, legislative, judicial or other government function of any country or political subdivision of any country;
- (b) any public authority constituted by or under a law of any country or any political subdivision of any country; or
- (c) any person deriving a right directly or indirectly from any other Government Body.

"Group" means the Issuer and its Controlled Entities.

"Guarantee" means any guarantee, indemnity, letter of credit, suretyship or any other obligation (whatever called and of whatever nature):

- (a) to pay or to purchase; or
 - (b) to provide funds (whether by the advance of money, the purchase of or subscription for shares or other securities, the purchase of assets, rights or services, or otherwise) for the payment or discharge of; or
 - (c) to indemnify against the consequences of default in the payment of; or
 - (d) otherwise to be responsible for,
- any obligation or indebtedness, any dividend, capital or premium on shares or stock or the insolvency or the financial condition of any other person.

4. *Terms and Conditions of Securities*

"Holder" means, in relation to a Security, and at any time, the person inscribed in the Register as the holder of that Security at that time (this includes Austraclear in relation to Austraclear Securities).

"Index" means the index applying to that Security, as specified in the relevant Pricing Supplement.

"Index-Linked Interest Security" means a Security that bears interest at a rate calculated by reference to an Index.

"Index Linked Securities" means an Index-Linked Interest Security or an Index Linked Redemption Security.

"Index Linked Redemption Security" means a Security the Early Redemption Amount or Final Redemption Amount in respect of which is calculated by reference to an Index.

"Information Memorandum" means the most recent document so entitled issued by the Issuer as updated or supplemented from time to time, including any financial statements or other documents from time to time incorporated by reference in such document, together with any further items and information released with or in connection with such document authorised on behalf of the Issuer.

"Instalment Security" means a Security the Early Redemption Amount or Final Redemption Amount in respect of which is payable in the Instalment Amounts and on the Instalment Dates (as each such term is specified in the Pricing Supplement).

"Interest Amount" means the amount of interest payable, and in the case of Fixed Rate Securities, also means the Fixed Coupon Amount or Broken Amount, as the case may be, so specified in the relevant Pricing Supplement.

"Interest Bearing Security" means a Security which the relevant Pricing Supplement indicates is to bear interest.

"Interest Commencement Date" means the Issue Date in respect of Securities or such other date as may be specified in the Pricing Supplement.

"Interest Determination Date" means, with respect to a Rate of Interest and Accrual Period, the date specified as such in the Pricing Supplement or, if none is so specified the first day of such Accrual Period.

"Interest Payment Date" means the date or dates specified as such in, or determined in accordance with the provisions of, the relevant Pricing Supplement and adjusted, if not a Business Day, in accordance with the applicable Business Day Convention.

"Interest Period" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date, except that the final Interest Period ends on (but excludes) the Maturity Date or, in the case of any Subordinated Perpetual MTNs, the date on which that Subordinated Perpetual MTN is redeemed by the Issuer in accordance with these Terms and Conditions.

"Issue" means each issue or proposed issue (as the context requires) of Securities under and in accordance with these Terms and Conditions.

"Issue Amount" means, in relation to a Tranche of Securities, the amount specified in the Pricing Supplement or in relation to any Certificate the aggregate Nominal Amount of the Securities to which that Certificate relates.

"Issue Date" means, in relation to a Security, the date on which that Security is created and issued as specified in or determined in accordance with the relevant Pricing Supplement, or (as the context requires) is proposed to be created and issued, by inscription in the Register in accordance with these Terms and Conditions and the relevant Registry Services Agreement, (and in the case of Transferable Deposits will

4. Terms and Conditions of Securities

be the same date as the date of acceptance of the relevant Transferable Deposit by the Issuer).

"Issue Price" means the issue price for Securities specified in, calculated in or determined in accordance with the provisions of the Pricing Supplement.

"Issuer" means Suncorp-Metway Limited ABN 66 010 831 722.

"Lead Manager" means, in relation to an Issue, the entity specified as such in the relevant Pricing Supplement.

"Lease" means:

- (a) any lease, charter or hiring arrangement of any property;
- (b) any other agreement under which any property is or may be used or operated by a person other than the owner; and
- (c) any agreement under which any property is or may be managed or operated for or on behalf of the owner or another person by a person other than the owner, and the operator or manager or its related body corporate (as defined in Section 9 of the Corporations Act) (whether in the same or another agreement) is required to make or assure minimum, fixed and/or floating rate payments of a periodic nature,

(other than agreements under which the manager of a joint venture uses assets owned by the joint venture on behalf of the joint venture).

"Level 1" has the meaning given to that term in the Prudential Standard known as "APS III Capital Adequacy: Measurement of Capital" as amended replaced or supplemented from time to time by APRA.

"Level 2" has the meaning given to that term in the Prudential Standard known as "APS III Capital Adequacy: Measurement of Capital" as amended replaced or supplemented from time to time by APRA.

"Level 1 Distributable Profits" means, in relation to an Interest Payment Date, an amount calculated using the following formula:

Level 1 Distributable Profits = **A - B**

where:

"A" is the net profits after tax of the Issuer (on a Level 1 basis) (determined before any interest, dividends or distributions paid or payable by the Issuer on its Upper Tier 2 Capital and Residual Tier 1 Capital) (as disclosed in the latest publicly available financial results for the Issuer) for the relevant Reporting Period (or any other amount as determined by APRA in its discretion to be appropriate in the Issuer's circumstances on a Level 1 basis for the purposes of paying interest, dividends or distributions on the Issuer's Residual Tier 1 Capital and Upper Tier 2 Capital); and

"B" is the aggregate amount of interest, dividends, distributions or other amounts paid or payable by the Issuer in the 12 months to and including the relevant Interest Payment Date on:

- (1) the Subordinated Perpetual MTNs; and
- (2) any other Residual Tier 1 Capital or Upper Tier 2 Capital of the Issuer (on a Level 1 basis),

but excluding:

- (i) interest payable in relation to the Subordinated Perpetual MTNs on the relevant Interest Payment Date;
- (ii) any such interest, dividend, distribution or other amount to which the Issuer was or is beneficially entitled; and
- (iii) any such interest, dividend, distribution or other amount which is included in the calculation of consolidated net profit after tax within the meaning of "A" above.

"Level 2 Distributable Profits" means, in relation to an Interest Payment Date, an amount calculated using the following formula:

Level 2 Distributable Profits = **A** - **B**

where:

"A" is the aggregate of the consolidated net profits after tax of the Group (on a Level 2 basis) (determined before any interest, dividends or distributions paid or payable by the Issuer on its Upper Tier 2 Capital and Residual Tier 1 Capital) for the relevant Reporting Period (or any other amount as determined by APRA in its discretion to be appropriate in the Issuer's circumstances for the purposes of paying interest, dividends or distributions on the Issuer's Residual Tier 1 Capital and Upper Tier 2 Capital).

"B" is the aggregate amount of interest, dividends, distributions or other amounts paid or payable by any member of the Group in the 12 months to and including the relevant Interest Payment Date on:

- (1) the Subordinated Perpetual MTNs; and
- (2) any other Residual Tier 1 Capital or Upper Tier 2 Capital of any member of the Group (on a Level 2 basis) (as disclosed in the latest publicly available financial results for the Group) to the extent interest, dividends, distributions or other amounts on those securities are funded by the Issuer or by instruments of the Issuer

but excluding:

- (i) interest payable in relation to the Subordinated Perpetual MTNs on the relevant Interest Payment Date;
- (ii) any such interest, dividend, distribution or other amount to which any member of the Group was or is beneficially entitled; and
- (iii) any such interest, dividend, distribution or other amount which is included in the calculation of consolidated net profit after tax within the meaning of "A" above.

"Liabilities" means the non-consolidated gross liabilities of the Issuer to Unsubordinated Creditors, as shown by the latest published accounts of the Issuer but adjusted for contingencies and for events subsequent to the date of such accounts in such manner and to such extent as the directors of the Issuer or the Auditors may determine to be appropriate.

"Listing Rules" means, at any time:

- (a) the Listing Rules of ASX or any other stock exchange specified in the relevant Pricing Supplement, as applicable at that time; and
- (b) in relation to a person, those Listing Rules to the extent to which they apply to, and subject to such modifications, conditions or waivers that ASX or such other stock exchange, as applicable has granted to, that person at that time.

"Margin" means the margin, if any, specified in the relevant Pricing Supplement.

"Material Subsidiary" means a Subsidiary of the Issuer in respect of which either or both of the following conditions is satisfied:

- (a) its net profits attributable to the Issuer (before taxation and extraordinary items) for its last completed financial year are not less than the greater of A\$2,000,000.00 and 5 per cent of the consolidated net profits (before taxation and extraordinary items but after deducting minority interests in Subsidiaries) of the Issuer and its Subsidiaries for its last completed financial year; or
- (b) its gross assets attributable to the Issue for its last completed financial year represent 5 per cent or more of the consolidated gross assets (after deducting

minority interests in Subsidiaries) of the Issuer and its Subsidiaries for its last completed financial year.

"Maturity Date" means the maturity date specified in, or determined in accordance with the provisions of, the relevant Pricing Supplement and as recorded in the Register.

"Maximum Rate of Interest" means the maximum interest rate (if any) specified in, or calculated or determined in accordance with the provisions of the relevant Pricing Supplement.

"Maximum Redemption Amount" means the amount specified as such (if any) in the relevant Pricing Supplement.

"Meeting Provisions" means the provisions for the convening of meetings of, and passing of resolutions by Holders set out in Schedule 2 of the Deed Poll.

"Minimum Rate of Interest" means the minimum interest rate (if any) specified in, or calculated or determined in accordance with the provisions of the relevant Pricing Supplement.

"Minimum Redemption Amount" means the amount specified as such (if any) in the relevant Pricing Supplement.

"MTN" means a medium term note, being a debt obligation of the Issuer owing to a Holder, the details of which are identified in the Register and, in these Terms and Conditions, references to MTNs are references to MTNs of the relevant Series.

"Nominal Amount" means the notional nominal amount of each Security which will, unless indicated otherwise, be the same amount as the **"Specified Denomination"** of each Security so specified in the relevant Pricing Supplement.

"Optional Redemption Amount" means the amount specified as the Optional Redemption Amount in the relevant Pricing Supplement.

"Optional Redemption Date" means the date specified as the Optional Redemption Date in the relevant Pricing Supplement.

"Partly Paid Security" means a Security the consideration for which is specified in the Pricing Supplement to be partly paid.

"Pricing Supplement" means, in relation to an Issue, the pricing supplement substantially in the form of Schedule 3 to the Deed Poll, as relevant to the Securities of a particular Tranche.

"Principal Outstanding" means at any time:

- (a) in relation to a Security, other than a Zero Coupon Security, the principal amount of that Security recorded in the Register at that time, to the extent not repaid, prepaid or reduced in accordance with these Terms and Conditions and the relevant Pricing Supplement; and
- (b) in relation to a Zero Coupon Security, the amount specified in or calculated in accordance with the relevant Pricing Supplement at that time.

"Programme" means the Issuer's programme for the issue of Securities under the Deed Poll and as described in the Information Memorandum.

"Quoted" means official quotation by ASX in accordance with the Listing Rules.

"Rate of Interest" or **"Interest Rate"** means the rate of interest payable from time to time in respect of the particular Security and that is either specified or calculated in accordance with the provisions set out in the Pricing Supplement.

"Record Date" means, in relation to a Series, 5.00 pm on the date which is eight calendar days before the date for payment of principal or interest, including:

- (a) each Interest Payment Date for that Series (or such other date as may be specified in the relevant Pricing Supplement); and
- (b) in the case of:

- (i) any Subordinated Perpetual MTNs, the date on which that Subordinated Perpetual MTN is redeemed by the Issuer in accordance with these Terms and Conditions; and
- (ii) any other Security, the Maturity Date for that Series (or such other date as may be specified in the relevant Pricing Supplement).

"Redemption Base Swap Rate" means the rate calculated by the Issuer to be the linearly interpolated AFMA mid swap rate (converted (if necessary) to a semi annual basis) rounded to 3 decimal places for a term equal to the period from but excluding the relevant Early Redemption Date to the first Optional Redemption Date of the relevant Securities, as published by AFMA on the "SWAPREF" reference page on the Reuters Monitor System or other electronic media at or about 10.00am (Sydney time) on the day that is 3 Business Days prior to the Early Redemption Date. If no such rate is available, the rate will be the average of the mid rates quoted to the Issuer at or around 5.00pm on the day which is 3 Business Days prior to the Early Redemption Date by 4 leading swap dealers on the assumption that the parties are of the highest credit status.

"Redemption Event" means where the Issuer has redeemed the Subordinated Perpetual MTNs in accordance with the Terms and Conditions and with approval of APRA.

"Reference Banks" means the institutions specified as such in the Pricing Supplement or, if none, four major banks selected by the Calculation Agent in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the Reference Rate specified in the Pricing Supplement.

"Reference Rate" means the Reference Rate, if any, specified in the relevant Pricing Supplement.

"Register" means:

- (a) in relation to the Austraclear Securities, the register established and maintained in accordance with or as contemplated by Condition 2.3(a) and the relevant Registry Services Agreement; and
- (b) in relation to all other Securities, the register established and maintained by the relevant Registrar in accordance with and as contemplated by Condition 2.3(b) and Condition 7.

"Registrar" means:

- (a) in relation to the Austraclear Securities, Austraclear Services Limited; and
- (b) in relation to all other Securities, any person appointed by the Issuer from time to time to perform the functions which these Terms and Conditions contemplate being performed by the Registrar.

"Registry Services Agreement" means:

- (a) in relation to the Austraclear Securities, the Agency and Registry Services Agreement dated 28 November 2002 made between Austraclear Services Limited and the Issuer; and
- (b) in relation to all other Securities, these Terms and Conditions and each document made or to be made from time to time between the applicable Registrar and the Issuer setting out the agreement between them as to the maintaining of the Register.

"Regulations" means the regulations (as amended or replaced from time to time) known as the "Regulations and Operating Manual" established by Austraclear to govern the System.

"Relevant Date" in respect of any Security means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly

withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Holders that such payment will be made, provided that payment is in fact made.

"Relevant Financial Centre" means, with respect to any Floating Rate Security to be determined in accordance with Screen Rate Determination on an Interest Determination Date the financial centre specified as such in the Pricing Supplement or, if none is so specified, the financial centre with which the relevant Reference Rate is most closely connected.

"Relevant Screen Page" means the page specified as such in the relevant Pricing Supplement.

"Relevant Time" means, with respect to any Interest Determination Date, the relevant time specified in the Pricing Supplement.

"Reporting Period" means, in respect of any Interest Payment Date, the immediately preceding two 6 monthly financial periods for which results have been publicly announced.

"Residual Tier 1 Capital" means at any time any equity, debt or other capital instrument so described by APRA.

"Screen Rate Determination" has the meaning specified in the relevant Pricing Supplement.

"Securities Act" means the *United States Securities Act of 1933*, as amended.

"Security" means each MTN, TD or other debt instrument issued by the Issuer under the Deed Poll on these Terms and Conditions (as modified by any relevant Pricing Supplement).

"Security Interest" includes any mortgage, pledge, lien or charge or any security or preferential interest or arrangement of any kind (including, without limitation, retention of title and any deposit of money by way of security), but excluding:

- (a) any charge or lien arising in favour of any Government Body by operation of statute (provided there is no default in payment of moneys owing under such charge or lien);
- (b) a right of title retention in connection with the acquisition of goods in the ordinary course of business on the terms of sale of the supplier (provided there is no default in connection with the relevant acquisition); and
- (c) any security or preferential interest or arrangement arising under or created pursuant to any right of set-off.

"Senior MTNs" means MTNs which are issued subject to Condition 3.2 of the Terms and Conditions.

"Series" means all Securities which are issued upon and subject to identical terms and conditions except that:

- (a) Tranches of Securities comprised in a Series may be issued on different Issue Dates and in different Denominations; and
- (b) in the case of an Interest Bearing Security:
 - (i) the first Interest Period may commence on different dates; and
 - (ii) the amount or basis of calculation of interest payable in respect of the first Interest Period may be different.

"Specified Currency" means such currency as may be so specified in the relevant Pricing Supplement.

"Specified Denomination" means the minimum integral amount in which transfers of Securities can be made as specified in the relevant Pricing Supplement and which will, unless indicated otherwise, be the notional amount of each Security.

"Subordinated Creditors" means:

- (a) the Holders of Subordinated MTNs; and

- (b) creditors whose claims against the Issuer rank, or are expressed to rank, *pari passu* with the claims of the Holders of Subordinated MTNs, which creditors shall be deemed to include all creditors, present and future, to whom the Issuer is indebted where the terms of such indebtedness:
- (i) provide that such indebtedness will become due and payable on a specified or determinable date or at the end of a specified or determinable period, and that in the event of a Winding-Up of the Issuer the claims of those creditors against the Issuer will be, or are expressed to be, subordinated in right of payment to the claims of all Unsubordinated Creditors but senior in right of payment to the claims of Subordinated Perpetual Creditors; and
 - (ii) do not provide that in the event of a Winding-Up of the Issuer the claims of those creditors against the Issuer will rank, or are expressed to rank, ahead of the claims of any Holders of Subordinated MTNs to whom the Issuer is indebted.

"Subordinated MTNs" means MTNs which are issued subject to Condition 3.3 of the Terms and Conditions.

"Subordinated Perpetual Creditors" means:

- (a) the Holders of Subordinated Perpetual MTNs; and
- (b) creditors whose claims against the Issuer rank, or are expressed to rank, *pari passu* with the claims of the Holders of Subordinated Perpetual MTNs, which creditors shall be deemed to include all creditors, present and future, to whom the Issuer is indebted where the terms of such indebtedness:
 - (i) provide that such indebtedness will become due and payable on a specified or determinable date or at the end of a specified or determinable period, and that in the event of a Winding-Up of the Issuer the claims of those creditors against the Issuer will be, or are expressed to be, subordinated in right of payment to the claims of all Unsubordinated Creditors and Subordinated Creditors; and
 - (ii) do not provide that in the event of a Winding-Up of the Issuer the claims of those creditors against the Issuer will rank, or are expressed to rank, ahead of the claims of any Holder of Subordinated Perpetual MTNs to whom the Issuer is indebted.

"Subordinated Perpetual MTNs" means MTNs which are issued subject to Condition 3.4 of the Terms and Conditions.

"Subsidiary" has the meaning given to that term in the Corporations Act.

"Sub-Unit" means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

"System" means the system operated by Austraclear for holding securities and electronic recording and settling of transactions in those securities between members of that system.

"Terms and Conditions" and **"Conditions"** means these terms and conditions to which the Securities are subject.

"Tranche" means all Securities issued on the same Issue Date and upon and subject to identical terms and conditions, except that a Tranche may comprise Securities in more than one Denomination.

"Transfer and Acceptance" means a transfer and acceptance in such form as may be approved by the Issuer and the Registrar from time to time.

"Transferable Deposit" or **"TD"** means a transferable deposit made by an investor and accepted by the Issuer, the details of which are recorded in the Register, being a

deposit liability in Australia of the Issuer and in these Terms and Conditions references to Transferable Deposits are references to Transferable Deposits of the relevant Series.

"Unsubordinated Creditors" means all creditors of the Issuer (including but not limited to the depositors of the Issuer) other than:

- (a) the Subordinated Creditors;
- (b) the Subordinated Perpetual Creditors; and
- (c) creditors whose claims against the Issuer rank, or are expressed to rank, after the claims of the Subordinated Perpetual Creditors.

"Upper Tier 2 Capital" means at any time any equity, debt or other capital instrument so described by APRA.

"Winding-Up" shall mean any procedure whereby the Issuer may be wound-up, dissolved, liquidated or cease to exist as a body corporate whether brought or instigated by a Holder or any other person, but shall exclude any Winding-Up which results in there being a successor to the Issuer and the obligations under the MTNs are assumed by the successor.

"Zero Coupon Security" means a Security issued at a discount to its Nominal Amount and not bearing interest (other than in relation to interest due after its Maturity Date), and which is specified in the relevant Pricing Supplement to be a Zero Coupon Security.

1.2 Interpretation

In these Terms and Conditions, unless the context indicates a contrary intention:

- (a) the expression **"person"** includes an individual, a corporation and a Government Body;
- (b) a reference to any party includes that party's executors, administrators, successors, substitutes and assigns, including any person taking by way of novation;
- (c) a reference to any document or agreement (including these Terms and Conditions) is to such document or agreement as amended, novated, supplemented, varied or replaced from time to time;
- (d) a reference to any statute or to any section or provision thereof includes any statutory modification or re-enactment or any statutory provision substituted therefore and all ordinances, by-laws, regulations and other statutory instruments issued thereunder;
- (e) words importing the singular shall include the plural (and vice versa) and words denoting a given gender shall include all other genders;
- (f) headings are for convenience only and shall not affect the interpretation hereof;
- (g) a reference to a Condition is to a clause of these Terms and Conditions;
- (h) a reference to a specified paragraph is to the specified paragraph in the clause or Condition in which the reference appears;
- (i) if any word or phrase is given a defined meaning, any other part of speech or other grammatical form in respect of such word or phrase has a corresponding meaning;
- (j) a reference to **"writing"** includes any mode of representing or reproducing words in tangible and permanently visible form, and includes fax transmission;
- (k) a reference to time is to local time in Sydney;
- (l) a reference to a month means a calendar month; and
- (m) a reference to a right includes a remedy, authority or right.

2. Issue and form of Securities and Title

2.1 Execution of Pricing Supplement

Subject to the Deed Poll and the dealer agreement dated on or about the date of the Information Memorandum between the Issuer, the Arranger and persons named as Dealers, the Issuer may from time to time:

- (a) execute and deliver to the Registrar a Pricing Supplement; and
- (b) issue Securities comprised in a Series, or a Tranche of a Series, in accordance with and upon and subject to the terms of that Pricing Supplement and the relevant Registry Services Agreement.

2.2 Form of Securities

Each Security constitutes a debt obligation of the Issuer constituted by and owing under the Deed Poll, issued upon and subject to the terms of these Terms and Conditions and the relevant Pricing Supplement, and will be issued in registered form. No Certificate will be issued in respect of any Security unless the Issuer determines such Certificate should be made available or it is required to do so pursuant to any applicable law or regulation.

2.3 Issue by Inscription

The issue of each Security will be effected by, and that Security will be created immediately upon:

- (a) in the case of Austraclear Securities only, the Issuer giving to the Registrar of an Advice and a copy of the relevant Pricing Supplement in accordance with the Registry Services Agreement; and
- (b) in the case of all other Securities, the Registrar inscribing in the Register on the Issue Date the name and address of the initial Holder and of the other details required to be entered in the Register under and in accordance with the relevant Registry Services Agreement.

2.4 Title

The entry of the name of a person as a purchaser or transferee of a Security on the Register will constitute the passing of title of that Security and will be conclusive evidence of that person's entitlement to receive interest and repayment of principal subject to the Deed Poll and the relevant Pricing Supplement. A Security in the name of more than one person is held under joint tenancy, unless requested otherwise and in a form satisfactory to the Issuer. No notice will be taken of any trusteeship in respect of a Security. Neither the Issuer nor the Registrar is obliged to take notice of any other claim to a Security, except as required by law.

2.5 Independent obligations

Each entry in the Register constitutes a separate and individual title to the Holder of the indebtedness of the Issuer to the relevant Holder.

2.6 Denomination and Non-Disclosable Offers and Invitations

Unless otherwise specified in the relevant Pricing Supplement, Securities will be issued in minimum Denominations of A\$10,000. Unless otherwise specified in the relevant Pricing Supplement, the total consideration payable to the Issuer by the investor (in the case of Transferable Deposits by way of a deposit with the Issuer) must be at least A\$500,000 (or the equivalent amount in an alternate currency determined at the Issue Date and in either case, disregarding moneys lent by the Issuer or its

associates) unless the offer does not otherwise constitute an offer or invitation for which disclosure is required to be made to investors in accordance with Part 6D.2 of the Corporations Act. The offer or invitation must not be made to a person who is a "retail client" within the meaning of Section 761G of the Corporations Act and the issue must comply with the laws of the jurisdiction in which the issue takes place.

2.7 Location of Securities

The property in Securities shall for all purposes be regarded as situated at the place where the Register for those Securities is located.

2.8 Austraclear Securities

Austraclear Securities may be created (without the receipt of any money) by Austraclear being recorded in the Register as the initial Holder and the Issuer or its nominee being the person in whose Securities Record (as defined in the Regulations) those Securities are recorded.

2.9 No Liability of Austraclear

The acceptance by Austraclear Services Limited of its obligations under the relevant Registry Services Agreement in respect of Austraclear Securities comprised in any Issue or the approval by Austraclear Services Limited of a Security as a certain type of Security under and for the purposes of the relevant Registry Services Agreement is not a recommendation or endorsement by Austraclear Services Limited or Austraclear of those Securities, but only indicates that it is considered by Austraclear Services Limited to be compatible with the performance by it of those obligations under the relevant Registry Services Agreement.

3. Status of the Securities

3.1 Transferable Deposits

The Transferable Deposits constitute deposit liabilities in Australia of the Issuer for the purposes of section 13A of the *Banking Act 1959* of Australia. That section provides that if the Issuer becomes unable to meet its obligations or suspends payment, the assets of the Issuer in Australia shall be available to meet the Issuer's deposit liabilities in Australia in priority to all its other liabilities.

3.2 Status of the Senior MTNs

This Condition 3.2 only applies to Senior MTNs.

The Senior MTNs are direct, unsecured, unsubordinated and general obligations of the Issuer and rank and will rank *pari passu*, without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future (other than indebtedness preferred by mandatory provisions of law, including Section 13A(3) of the *Banking Act 1959* of Australia).

Section 13A(3) of the Banking Act 1959 of Australia provides that, in the event of an ADI becoming unable to meet its obligations or suspending payment, the assets of the ADI in Australia are to be available to meet its deposit liabilities in Australia in priority to all other liabilities of the ADI. The Senior MTNs do not constitute deposit liabilities in Australia of the Issuer. Section 86 of the Reserve Bank Act 1959 of Australia provides that debts due to the Reserve Bank of Australia by an ADI shall, in a winding-up, but subject to the aforesaid Section 13A(3), have priority over all other debts other than debts due to the Commonwealth of Australia.

3.3 Status of the Subordinated MTNs

- (a) This Condition 3.3 only applies to Subordinated MTNs and references to Holders shall, unless expressly stated otherwise, be construed as references to the Holders of Subordinated MTNs.
- (b) The Subordinated MTNs:
 - (i) are direct, unsecured and subordinated obligations of the Issuer; and
 - (ii) unless otherwise specified in the applicable Pricing Supplement:
 - A. rank and will rank *pari passu* without any preference among themselves; and
 - B. rank at least *pari passu* with all other unsecured subordinated obligations incurred or assumed by the Issuer other than those mandatorily preferred by law.
- (c) The Subordinated MTNs do not constitute deposit liabilities of the Issuer.
- (d) On the Winding-Up of the Issuer:
 - (i) the rights of the Holders against the Issuer to recover any sums payable in respect of such Subordinated MTNs shall:
 - A. be subordinate and junior in right of payment to the claims against the Issuer of any Unsubordinated Creditors, to the intent that all such claims of Unsubordinated Creditors shall be entitled to be paid in full before any payment shall be paid on account of any sums payable; and
 - B. rank at least *pari passu* and rateably (as to its due proportion only) with the claims of other subordinated creditors of the Issuer other than the Holders of Subordinated Perpetual MTNs and any other subordinated creditors which are expressed to rank subordinate and junior in right of payment to the claims under the Subordinated MTNs; and
 - (ii) the Holders shall only be entitled to prove for any sums payable in respect of the Subordinated MTNs, as a debt which is subject to and contingent upon prior payment in full of the Unsubordinated Creditors, and the Holders waive to the fullest extent permitted by law any right to prove in any such Winding-Up as a creditor ranking for payment in any other manner.
- (e) No Holder shall be entitled:
 - (i) to any contractual right to set-off any amounts due in respect of the Subordinated MTNs against:
 - A. any amount held by the Holder to the credit of the Issuer whether in any account, in cash or otherwise;
 - B. any deposits with, advances to or debts of the Issuer; or
 - C. any other amount owing by the Holder to the Issuer on any account whatsoever;
 - (ii) to effect any reduction of the amount due to such Holder in respect of a Subordinated MTN by merger of accounts or lien or the exercise of any other rights the effect of which is or may be to reduce the amount due in respect of that Subordinated MTN in breach of these Terms and Conditions.
- (f) Any payment whether voluntary or in any other circumstances received by a Holder from or on account of the Issuer (including by way of credit, set-off

or otherwise howsoever) or from any liquidator, receiver, manager, administrator or statutory manager of the Issuer in breach of this Condition 3.3 or Condition 10.2 will be held by the relevant Holder in trust for and to the order of the Unsubordinated Creditors. The trust hereby created shall be for a term expiring on the earlier of the date on which all Unsubordinated Creditors have been paid in full or eighty years from the date of the issue of the Subordinated MTNs.

*In the event of the Winding-Up of the Issuer, the rights of the Holders will rank in preference only to the rights of (i) any Holder of Subordinated Perpetual MTNs, (ii) preferred and ordinary shareholders, (iii) creditors of the nature referred to in paragraph (c) of the definition of "Unsubordinated Creditors" in Condition 1.1 whose claims against the Issuer rank, or are expressed to rank, after the claims of the Holders and (iv) creditors whose claims against the Issuer may at any future time be expressed to rank after the claims of the Holders while not necessarily ranking *pari passu* with the claims of creditors of the nature referred to in paragraph (c) of the definition of "Unsubordinated Creditors" in Condition 1.1.*

3.4 Status of the Subordinated Perpetual MTNs

- (a) This Condition 3.4 only applies to Subordinated Perpetual MTNs and references to Holders shall, unless expressly stated otherwise, be construed as references to the Holders of Subordinated Perpetual MTNs.
- (b) The Subordinated Perpetual MTNs are direct, unsecured and subordinated obligations of the Issuer and, unless otherwise specified in the applicable Pricing Supplement:
 - (i) rank and will rank *pari passu* without any preference among themselves; and
 - (ii) rank at least *pari passu* with all other unsecured subordinated obligations incurred or assumed by the Issuer other than the Subordinated MTNs and any other unsecured subordinated obligations mandatorily preferred by law.
- (c) The Subordinated Perpetual MTNs do not constitute deposit liabilities of the Issuer.
- (d) On the Winding-Up of the Issuer:
 - (i) the rights of the Holders against the Issuer to recover any sums payable in respect of such Subordinated Perpetual MTNs shall:
 - A. be subordinate and junior in right of payment to the claims against the Issuer of Unsubordinated Creditors and Subordinated Creditors, to the intent that all such claims of Unsubordinated Creditors and Subordinated Creditors shall be entitled to be paid in full before any payment shall be paid on account of any sums payable; and
 - B. rank at least *pari passu* and rateably (as to its due proportion only) with the claims of other subordinated creditors of the Issuer other than:
 - 1) the Subordinated Creditors; and
 - 2) those creditors of the Issuer which are expressed to rank subordinate and junior in right of payment to the claims under the Subordinated Perpetual MTNs; and
 - (ii) the Holders shall only be entitled to prove for any sums payable in respect of the Subordinated Perpetual MTNs, as a debt which is

subject to and contingent upon prior payment in full of the Unsubordinated Creditors and the Subordinated Creditors, and the Holders waive to the fullest extent permitted by law any right to prove in any such Winding-Up as a creditor ranking for payment in any other manner.

- (e) No Holder shall, at any time, be entitled:
 - (i) to any contractual right to set-off any amounts due in respect of the Subordinated Perpetual MTNs against:
 - A. any amount held by the Holder to the credit of the Issuer whether in any account, in cash or otherwise;
 - B. any deposits with, advances to or debts of the Issuer; or
 - C. any other amount owing by the Holder to the Issuer on any account whatsoever; or
 - (ii) to effect any reduction of the amount due to such Holder in respect of a Subordinated Perpetual MTN by merger of accounts or lien or the exercise of any other rights the effect of which is or may be to reduce the amount due in respect of that Subordinated Perpetual MTN in breach of these Terms and Conditions.
- (f) Any payment whether voluntary or in any other circumstances received by a Holder from or on account of the Issuer (including by way of credit, set-off or otherwise howsoever) or from any liquidator, receiver, manager, administrator or statutory manager of the Issuer in breach of this Condition 3.4 or Condition 10.3 will be held by the relevant Holder in trust for and to the order of firstly the Unsubordinated Creditors and secondly the Subordinated Creditors. The trust hereby created shall be for a term expiring on the earlier of the date on which all Unsubordinated Creditors and Subordinated Creditors have been paid in full or eighty years from the date of the issue of the Subordinated Perpetual MTNs.

In the event of the Winding-Up of the Issuer, the rights of the Holders will rank in preference only to the rights of (i) the rights of Holders of preferred and ordinary shareholders, (ii) creditors of the nature referred to in paragraph (c) of the definition of "Unsubordinated Creditors" in Condition 1.1 whose claims against the Issuer rank, or are expressed to rank, after the claims of the Holders and (iii) creditors whose claims against the Issuer may at any future time be expressed to rank after the claims of the Holders while not necessarily ranking pari passu with the claims of creditors of the nature referred to in paragraph (c) of the definition of "Unsubordinated Creditors" in Condition 1.1.

3.5 Solvency Requirements - Payments in respect of Subordinated MTNs

This Condition 3.5 applies only to Subordinated MTNs and any reference to "principal" is a reference to principal which is due prior to the Maturity Date. Prior to the Winding-Up of the Issuer:

- (a) the obligations of the Issuer to make payments of any principal or interest due in respect of the Subordinated MTNs shall be conditional upon the Issuer being Solvent (as defined below) at the time of payment by the Issuer;
- (b) no principal or interest due shall be payable in respect of the Subordinated MTNs except to the extent that the Issuer could make such payment and still be Solvent immediately thereafter; and
- (c) failure to make payments of any principal or interest due, if the Issuer is not Solvent at the time of payment or if the Issuer can not make such payment and still be Solvent immediately thereafter, does not constitute an Event of Default.

For the purposes of this Condition 3.5, the Issuer shall be considered to be "**Solvent**" if:

- (a) it is able to pay its debts to Unsubordinated Creditors as they fall due; and
- (b) its Assets exceed its Liabilities.

A report as to whether the Issuer is Solvent signed by two Authorised Signatories of the Issuer or the Auditors shall, unless the contrary is proved, be treated and accepted by the Issuer and the Holders as correct and sufficient evidence of the truth of its contents.

3.6 **Solvency Requirements - Subordinated Perpetual MTNs**

This Condition 3.6 applies only to Subordinated Perpetual MTNs.

Prior to the Winding-Up of the Issuer:

- (a) the obligations of the Issuer to make payments of interest (including any Deferred Interest) or any other payments in respect of the Subordinated Perpetual MTNs will be at the option of the Issuer and (unless APRA has given its prior written approval) shall be conditional upon the Issuer being Solvent (as defined below) at the time of payment by the Issuer;
- (b) (unless APRA has given its prior written approval) no interest shall be paid in respect of the Subordinated Perpetual MTNs except to the extent that:
 - (i) the Issuer could make such payment and still be Solvent immediately thereafter; and
 - (ii) the amount of such payment does not exceed the Distributable Profits on the day immediately prior to the date of the proposed payment; and
- (c) failure to make payments of any interest (including any Deferred Interest) or other payments under or in respect of any Subordinated Perpetual MTN does not constitute an Event of Default and does not vest the Holders of Subordinated Perpetual MTNs with any right to apply for the winding up or administration of the Issuer, or to cause a receiver or receiver and manager to be appointed in respect of the Issuer.

For the purposes of this Condition 3.6, the Issuer shall be considered to be "**Solvent**" if:

- (a) it is able to pay its debts to Unsubordinated Creditors as they fall due; and
- (b) its Assets exceed its Liabilities.

A report as to whether the Issuer is Solvent signed by two Authorised Signatories of the Issuer or the Auditors shall, unless the contrary is proved, be treated and accepted by the Issuer and the Holders as correct and sufficient evidence of the truth of its contents.

3.7 **Rights of holders of Subordinated Perpetual MTNs**

- (a) This Condition 3.7 applies only to Subordinated Perpetual MTNs.
- (b) In the event that the Issuer's retained earnings are negative for any period (a **Relevant Period**), the Holders will, in respect of the accrual and payment of interest under the Subordinated Perpetual MTNs for any such Relevant Period, have the same rights (in all respects including priority of payment) as they would have in relation to the accrual and payment of dividends if:
 - (i) the whole of the Principal Outstanding on the Subordinated Perpetual MTNS were during such Relevant Period converted to and paid up for the issuance of Ordinary Shares;
 - (ii) the Holders were Ordinary Shareholders of such shares during such Relevant Period;

- (iii) interest in respect of periods antecedent to the Relevant Period accrued but unpaid at its commencement were treated as if it were part of the dividend which had become due and payable during the Relevant Period; and
 - (iv) dividends on the Ordinary Shares were declared, and became payable, as soon as permitted by law (including, without limitation, the Corporations Act and (to the extent applicable) any prudential standards published by APRA or its successors).
- (c) In this Condition 3.7:
- (i) any reference to any "**Holder**" shall, unless expressly stated otherwise, be construed as references to the Holders of Subordinated Perpetual MTNs;
 - (ii) "**Ordinary Shareholder**" means any holder (notional or otherwise) of any Ordinary Share; and
 - (iii) "**Ordinary Shares**" means an ordinary share of the Issuer which has the following rights to dividends:
 - A. the right to receive, at the discretion of the directors of the Issuer, a dividend at the rate or of the amount (which may be fixed or variable) and on the conditions (including conditions which may be changed or reset at certain times or upon certain events) that would have been applicable during a Relevant Period to the interest payable under the Subordinated Perpetual MTNs as set out in the relevant Pricing Supplement (plus the amount in (b)(iii)) and any such dividend is calculated at such rate on the amount for which such shares are notionally issued pursuant to Condition 3.7(b)(i); and
 - B. the right in a winding up of the Issuer, to payment of the amount of any dividends which are due and payable but unpaid on the ordinary shares at the date of that winding up.

4. Interest Bearing Securities

4.1 Interest Bearing Securities

The following provisions of this Condition 4 apply to Interest Bearing Securities except to the extent expressly provided for in the relevant Pricing Supplement.

4.2 Calculation of Interest

(a) **Interest on Fixed Rate Securities**

Each Fixed Rate Security bears interest on its outstanding Nominal Amount (or, if it is a Partly Paid Security, the amount paid up) from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date or, in the case of any Subordinated Perpetual MTN, the date on which that Subordinated Perpetual MTN is redeemed by the Issuer in accordance with these Terms and Conditions.

Except as provided in the relevant Pricing Supplement, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed

Coupon Amount or Broken Amount specified as such in the relevant Pricing Supplement.

If interest is required to be calculated for a period other than a Fixed Interest Period, such interest shall be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest Sub-Unit of the relevant Specified Currency, half of any such Sub-Unit being rounded upwards or otherwise in accordance with applicable market convention.

(b) **Interest on Floating Rate Securities and Index-Linked Interest Securities**

(i) **Interest Payment Dates**

Each Floating Rate Security and Index-Linked Interest Security bears interest on its outstanding Nominal Amount (or, if it is a Partly Paid Security, the amount paid up) from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- A. the Interest Payment Date(s) in each year as specified in the relevant Pricing Supplement; or
- B. if no Interest Payment Date(s) is/are specified in the relevant Pricing Supplement, each date which falls the number of months or other period specified as the Specified Period in the relevant Pricing Supplement after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall, in these Terms and Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

(ii) **Rate of Interest**

The Rate of Interest payable from time to time in respect of Floating Rate Securities and Indexed-Linked Interest Securities will be determined in the manner specified in the relevant Pricing Supplement.

(c) **Screen Rate Determination for Floating Rate Securities**

(i) **Screen Rate Determination**

Where Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- A. the offered quotation; or
- B. the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at approximately 10.00 am on the Interest Determination Date in question plus or minus (as indicated in the relevant Pricing Supplement) the Margin (if any), all as determined by the Issuer. If five or more of such offered

4. Terms and Conditions of Securities

quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Issuer for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

In the event that the Relevant Screen Page is not available or if, in the case of A above, no such offered quotation appears or, in the case of B above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph then, subject as provided below, the Rate of Interest shall be the arithmetic mean of the offered quotations that each of the Reference Banks is quoting (or such of them, being at least two, as are so quoting) to leading banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date, as determined by the Registrar.

If fewer than two Reference Banks are so quoting the Reference Rate, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (determined as a percentage) that the Registrar determines to be the rates (being the nearest equivalent to the Reference Rate) in respect of deposits of A\$100,000 that at least two out of five leading banks selected by the Registrar in the Relevant Financial Centre, are quoting at or about the Relevant Time for a period equivalent to the relevant Accrual Period to leading banks carrying on business in the Relevant Financial Centre; except that, if fewer than two of such banks are so quoting to such leading banks, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date.

(ii) **Minimum and / or Maximum Interest Rate**

If the relevant Pricing Supplement specifies a Minimum Interest Rate for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (i) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the relevant Pricing Supplement specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (i) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(iii) **Determination of Rate of Interest and Calculation of Interest Amounts**

The Registrar will in the case of Floating Rate Securities and the Calculation Agent will in the case of Index-Linked Interest Securities at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. In the case of Index-Linked Interest Securities, the Calculation Agent will notify the Registrar

of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The Registrar will calculate the Interest Amount payable on the Floating Rate Securities or Index-Linked Interest Securities in respect of each Specified Denomination for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest Sub-Unit of the relevant Specified Currency, half of any such Sub-Unit being rounded upwards or otherwise in accordance with applicable market convention.

(iv) **Notification of Rate of Interest and Interest Amounts**

The Registrar or the Calculation Agent (as applicable) will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Registrar and any stock exchange on which the relevant Floating Rate Securities or Index-Linked Interest Securities are for the time being listed and notice thereof to be published in accordance with Condition 15 as soon as possible after their determination but in no event later than the fourth Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange or other relevant authority on which the relevant Floating Rate Securities or Index-Linked Interest Securities are for the time being listed or by which they have been admitted to listing and to the Holders in accordance with Condition 15.

(v) **Notifications to be Final**

All notifications, communications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4.2(c) shall (in the absence of default, bad faith or manifest error by it or any of its directors, officers, employees or agents) be binding on the Issuer, the Registrar, the Calculation Agent and all Holders and (in the absence of the above) no liability to the Issuer or the Holders shall attach to the Calculation Agent or the Registrar in connection with the exercise or non-exercise by it of its powers, duties and discretions under this Condition.

(d) **Dual Currency Securities**

In the case of Dual Currency Securities, if the rate or amount of interest fails to be determined by reference to an exchange rate, the rate or amount of interest payable shall be determined in the manner specified in the available Pricing Supplement.

(e) **Partly Paid Securities**

In the case of Partly Paid Securities (other than Partly Paid Securities which are Zero Coupon Securities), interest will accrue as aforesaid on the paid-up Nominal Amount of such Securities and otherwise as specified in the relevant Pricing Supplement.

(f) **Interest Accrual on Unpaid Interest in relation to Subordinated MTNs**

Interest accrues on each amount of interest which is due but unpaid as a result of the operation of Condition 3.5 at the Rate of Interest applicable to the relevant Subordinated MTN in relation to which the interest is due, from the relevant Interest Payment Date up to, but excluding the date of actual payment.

(g)

Deferred interest on Subordinated Perpetual MTNs

- (i) If and to the extent that an interest payment in respect of the Subordinated Perpetual MTNs is not paid (in full or in part) when due on any Interest Payment Date, the unpaid amount will be deferred and will, subject to Condition 3.6, automatically become due and payable on the next Interest Payment Date or any earlier date:
 - A. on which the Subordinated Perpetual MTNs are redeemed; or
 - B. approved by APRA in writing.
- (ii) Any interest payment made by the Issuer in part will be paid to the Holders of the Subordinated Perpetual MTNs pro rata.
- (iii) Deferred Interest does not accrue interest for the period during which it remains unpaid and no Holder of a Subordinated Perpetual MTN has any claim in respect of interest on any Deferred Interest.
- (iv) The Issuer will as soon as practicable notify the Holders of Subordinated Perpetual MTNs of any non-payment of interest on the Subordinated Perpetual MTNs on any Interest Payment Date. That notice will specify:
 - A. the amount of interest being deferred; and
 - B. (if relevant) the cumulative amount of unpaid Deferred Interest immediately following that Interest Payment Date.

(h)

Dividend restrictions and Subordinated Perpetual MTNs

- (i) For the purposes of this Condition 4.2(h):

"Permitted Payment" means:

 - A. any proportionate payments on any other securities of the Issuer that rank or are expressed to rank for interest payment, dividends or distributions equally with the Subordinated Perpetual MTNs; or
 - B. any repurchases (including buy backs), redemptions or other acquisitions of Suncorp Shares in connection with:
 - 1) any employment contract, employee share scheme, benefit plan, share option plan or other similar arrangement with or for the benefit of any one or more employees, officers, directors or consultants of the Issuer or any Controlled Entity;
 - 2) a dividend reinvestment plan or shareholder share purchase plan; or
 - 3) the issuance of Suncorp Shares, or securities convertible into or exercisable for such shares, as consideration in an acquisition transaction entered into prior to the non-payment of interest referred to in Condition 4.2(h)(ii);

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- 4) an exchange, redemption or conversion of any class or series of Suncorp Shares, or any securities of a subsidiary or of any other entity whose financial results are required to be consolidated with the Issuer's financial statements, for any class or series of Suncorp Shares, or of any class or series of the Issuer's indebtedness for any class or series of Suncorp Shares;
 - 5) the purchase of fractional interests in Suncorp Shares under the conversion or exchange provisions of the shares or the security being converted or exchanged;
 - 6) any payment or declaration of a dividend in connection with any shareholder's rights plan, or the issuance of rights, shares or other property under any shareholder's rights plan, or the redemption or repurchase of rights pursuant to the plan;
 - 7) any dividend in the form of shares, warrants, options or other rights where the dividend shares or the shares issuable upon exercise of such warrants, options or other rights are the same class or series of shares as those on which the dividend is being paid or rank equal or junior to those shares; or
- C. any payment made with the prior consent of those Holders whose Subordinated Perpetual MTNs represent, at the relevant time and with reference to their Nominal Amount, the majority of Subordinated Perpetual MTNs at that time.

"Suncorp Shares" means ordinary shares in the capital of the Issuer.

- (ii) Subject to Condition 4.2(h)(iii), if, on any Interest Payment Date, the Issuer fails to pay interest (in full) on the Subordinated Perpetual MTNs, the Issuer may not pay any interest on, declare or pay any dividends, distributions or interest (or arrears thereof) from the income or capital of the Issuer on, or return any capital or undertake any buy-backs, redemptions, repurchases or other acquisitions of any other securities or instruments of the Issuer that by their terms rank or are expressed to rank, equally with or junior to the Subordinated Perpetual MTNs for payment of interest, dividend or similar payments.
- (iii) The restriction in Condition 4.2(h)(ii) will:
 - A. apply from the relevant Interest Payment Date until the date on which the Issuer pays the applicable Deferred Interest in full; and
 - B. not restrict any Permitted Payment.
- (iv) Nothing in these Conditions prohibits the Issuer or a Controlled Entity from purchasing Suncorp Shares (or an interest in such shares) in connection with:

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- A. transactions for the account of customers of the Issuer or customers of that Controlled Entity; or
 - B. the distribution or trading of Suncorp Shares in the ordinary course of business,
including, without limitation, any acquisition resulting from taking security over Suncorp Shares in the ordinary course of business or acting as trustee for another person where neither the Issuer nor any Controlled Entity 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).
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5. Accrual of interest

Each Security (or, in the case of the redemption of part only of such Security) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (a) the date on which all amounts due in respect of such Security have been paid; and
 - (b) five days after the date on which the full amount of the moneys payable in respect of such Security has been received by the Registrar, as the case may be, and notice to that effect has been given to the Holders in accordance with Condition 15.
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6. Redemption and Repurchase

6.1 At Maturity

- (a) Unless previously redeemed or purchased and cancelled as specified below, each Security (other than any Subordinated Perpetual MTN) will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the relevant Pricing Supplement in the relevant Specified Currency on the Maturity Date.
- (b) Subordinated Perpetual MTNs are perpetual instruments and do not have any Maturity Date.

6.2 Redemption for Tax, Non-deductibility and/or Regulatory Reasons

- (a) Subject to Condition 6.9 in the case of Subordinated MTNs and Subordinated Perpetual MTNs and subject to paragraph (d) in the case of paragraphs (a)(i), (ii), (iii) and (iv) below, the Issuer may in respect of the Securities of any Series, at its option, redeem the Securities in whole, but not in part, at any time (if this Security is neither a Floating Rate Security, an Index-Linked Security or a Dual Currency Security) or on any Interest Payment Date (if this Security is either a Floating Rate Security, an Index-Linked Security or a Dual Currency Security), on giving not less than 30 nor more than 60 days' notice to the Registrar and the Holders (which notice shall be irrevocable), if on the occasion of the next payment due in respect of the Securities:
 - (i) the Issuer would be required to make payment of any Additional Amount (as defined in Condition 9.3); or
 - (ii) the interest payable in respect of the Securities is not or may not be allowed as a deduction for Australian income tax purposes; or

- (iii) where the Securities are Subordinated MTNs only, the Securities cease to qualify as Lower Tier 2 capital under the standards and guidelines published by APRA or its successors; or
 - (iv) where the Securities are Subordinated Perpetual MTNs only, the Securities cease to qualify as Upper Tier 2 capital under the standards and guidelines published by APRA or its successors.
- (b) Prior to the publication of any notice of redemption pursuant to this Condition 6.2, the Issuer shall deliver to the Registrar a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that:
- (i) the Issuer has or will become obliged to pay Additional Amounts referred to in paragraph (a)(i) above; or
 - (ii) the Issuer is not or may not be entitled to the deduction referred to in paragraph (a)(ii) above; or
 - (iii) the Subordinated MTNs cease to qualify as Lower Tier 2 capital as referred to in paragraph (a)(iii) above; or
 - (iv) the Subordinated Perpetual MTNs cease to qualify as Upper Tier 2 capital as referred to in paragraph (a)(iv) above.
- Upon the expiry of any notice as is referred to in this paragraph (b) the Issuer shall be bound to redeem the Securities to which the notice refers in accordance with the provisions of this paragraph.
- (c) Securities redeemed pursuant to:
- (i) Condition 6.2(a)(i) will be redeemed at their Early Redemption Amount together (if appropriate) with interest accrued to (but excluding) the date of redemption; or
 - (ii) Conditions 6.2(a)(ii), (iii) or (iv) will be redeemed at their Early Redemption Amount (Non-deductibility and Regulatory).
- (d) The Issuer may redeem the Securities of any Series under paragraphs (a)(i), (ii), (iii) and (iv) above provided that the Issuer will be in a position on the relevant date to discharge all its liabilities in respect of the Securities and any amounts required to be paid in priority to or ranking equally with the Securities.

6.3 Redemption at the Option of the Issuer

If Issuer Call is specified in the relevant Pricing Supplement, the Issuer, having given (and subject, in the case of Subordinated MTNs or the Subordinated Perpetual MTNs, to Condition 6.9):

- (a) not less than 15 nor more than 30 days' notice to the Holders in accordance with Condition 15; and
- (b) not less than 15 days before the giving of the notice referred to in (a), notice to the Registrar;

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Securities then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the relevant Pricing Supplement together, if appropriate, with interest (including in the case of Subordinated Perpetual MTNs, any Deferred Interest) accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a Nominal Amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount in each

case as may be specified in the relevant Pricing Supplement. In the case of a partial redemption of Securities, the Securities to be redeemed shall be selected as may be fair and reasonable in the circumstances, having regard to prevailing market practices and in such manner as the Issuer deems appropriate, subject to compliance with any applicable laws and stock exchange requirements.

6.4 Redemption at the Option of the Holders

If Investor Put is specified in the relevant Pricing Supplement, upon any Holder giving to the Issuer in accordance with Condition 15 not less than 15 nor more than 30 days' notice or such other period of notice as is specified in the relevant Pricing Supplement the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the relevant Pricing Supplement, in whole (but not in part), such Security on the Optional Redemption Date and at the Optional Redemption Amount specified in, or determined in the manner specified in, the relevant Pricing Supplement together (if appropriate) with interest accrued to (but excluding) the Optional Redemption Date in any multiple of their lowest Specified Denomination. To exercise the right to require redemption of their Security the Holder must deliver, at the specified office of the Registrar any time during normal business hours of the Registrar, falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of the Registrar and in which the Holder must specify a bank account (or, if payment is by cheque, an address to which payment is to be made under this Condition 6.4). Any notice given by a Holder pursuant to this Condition 6.4 shall be irrevocable except where prior to the due date of redemption an Event of Default shall have occurred and be continuing which would entitle the Holder to declare the Security due and payable in which event such Holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 6.4 and instead to declare such Security forthwith due and payable pursuant to Condition 10. For the avoidance of doubt, this Condition 6.4 does not apply to any Subordinated Perpetual MTNs.

6.5 Instalments

If the Securities are repayable in instalments, then subject to early redemption (in which case, the Early Redemption Amount applies), they will be redeemed in the Instalment Amounts and on the Instalment Dates (as each such term is specified in the Pricing Supplement).

6.6 Partly Paid Securities

If the Securities are Partly Paid Securities, they will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition 6.6 and the relevant Pricing Supplement.

6.7 Purchases

The Issuer or any of its Subsidiaries may subject, in the case of Subordinated MTNs and Subordinated Perpetual MTNs, as provided in Condition 6.9, at any time purchase Securities at any price in the open market or otherwise. If purchases are made by tender, tenders must be available to all Holders alike. Such Securities may be held, reissued, resold or, at the option of the Issuer, surrendered to the Registrar for cancellation.

6.8 Cancellation

All Securities which are redeemed or surrendered will forthwith be cancelled.

6.9 Consent of APRA

Unless otherwise specified in the relevant Pricing Supplement, the Issuer has given an undertaking to the APRA not to redeem any Subordinated MTNs or Subordinated Perpetual MTNs pursuant to Conditions 6.2 or 6.3, nor to purchase any Subordinated MTNs or Subordinated Perpetual MTNs pursuant to Condition 6.7, nor to agree to any modification of these Conditions pursuant to Condition 11 in relation to any Subordinated MTNs or Subordinated Perpetual MTNs, without first consulting with and obtaining the prior written approval and consent of APRA.

7. The Register

7.1 Place of Keeping Register, Copies and Access

The Register kept in relation to Securities other than Austraclear Securities must be:

- (a) kept at the Registrar's principal office or at such place as the Issuer may, from time to time, nominate;
- (b) open for inspection by a Holder during normal business hours but only in respect of information relating to that Holder; and
- (c) not made available to be copied by any person except that the Registrar must, upon payment of its reasonable copying costs make available to each Holder an extract of the Register containing details of all Securities held by that Holder,

in each case, in compliance with such terms and conditions (if any) as the Issuer may impose.

7.2 Closing of Register

The Register shall be closed by the Registrar for the purpose of determining the entitlements of Holders to payments under or in respect of Securities other than Austraclear Securities during the period commencing at 5.00 pm on the Record Date prior to each date for the payment of principal, each Interest Payment Date, and the Maturity Date or, in the case of the Subordinated Perpetual MTNs, the date on which the Subordinated Perpetual MTNs are redeemed by the Issuer in accordance with the Terms and Conditions.

7.3 Issuer May Appoint Registrar

The Issuer may appoint another person to be the Registrar and to do all of the things which these Terms and Conditions requires the Registrar to do or contemplates will be done by it, provided that:

- (a) the appointment of that person must be by written agreement between the Issuer and that person;
 - (b) the Issuer must promptly and diligently exercise its rights and enforce performance by that person of its obligations under that agreement; and
 - (c) subject to paragraph (b), the Issuer shall have no liability to any Holder or any other person for the performance by that person of its obligations.
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8. Transfers of Securities

8.1 Restriction on Transfer of Securities

Unless otherwise specified in the Pricing Supplement, Securities may only be transferred:

- (a) in whole;

- (b) within, to or from Australia if the aggregate consideration payable by the transferee at the time of the transfer is a minimum of A\$500,000 (or the equivalent amount in an alternate currency determined at the date of the transfer and in either case, disregarding moneys lent by the transferor or its associates) or the offer or invitation giving rise to the transfer does not constitute an offer or invitation for which disclosure is required to be made to investors in accordance with Part 6D.2 of the Corporations Act;
- (c) to a person who is not a "retail client" within the meaning of Section 761G of the Corporations Act; and
- (d) if the transfer complies with the laws of the jurisdiction in which the transfer takes place.

8.2 Form of Transfer

Every transfer of Securities shall be effected by Transfer and Acceptance, duly completed and executed by the transferor and transferee, duly stamped (if applicable), and lodged with the Registrar. The Registrar will promptly upon request make available to Holders forms of Transfer and Acceptance.

Austraclear Securities may only be transferred on the Register or uplifted from the System as expressly permitted by the relevant Registry Services Agreement.

8.3 CHES Approved Securities

If an interface is established between the Register and CHES, subject to Condition 8.4, the Issuer may:

- (a)
 - (i) by deed poll supplemental to the Deed Poll amend the Terms and Conditions; and
 - (ii) amend the relevant Registry Services Agreement by agreement with the parties to it,in each case in such manner as the Issuer considers necessary or appropriate to facilitate the settlement of transactions in respect of Quoted Securities through CHES; and
- (b) upon such amendments being made, take such action as is necessary for Quoted Securities to be traded and settled as "CHES Approved Securities" within CHES.

8.4 Conditions to Amendments for CHES

The Issuer must not amend the Terms and Conditions in accordance with Condition 8.3 unless it is satisfied that:

- (a) those amendments and the settlement of transactions in respect of the Quoted Securities through CHES are not prejudicial to the interests of Holders; and
- (b) any credit rating assigned by a credit rating agency to any Securities will not be downgraded, suspended, withdrawn or placed on "credit watch negative".

The Issuer must, as soon as reasonably practicable, lodge a copy of each amendment to the Deed Poll with the Registrar, the Dealers and ASX.

8.5 Lodgements in Austraclear System

If the Securities are lodged in the System, despite any other provision of these Terms and Conditions, the Securities are not transferable on the Register, and the Issuer may not, and must procure that the Registrar does not, register any transfer of the Securities and no member of the System has the right to request any registration of any transfer of the Securities, except:

- (a) for any repurchase, redemption or cancellation (whether on or before the Maturity Date of the Securities (if applicable)) of the Securities, a transfer of

- the Securities from Austraclear to the Issuer may be entered in the Register;
and
- (b) if either:
- (i) Austraclear gives notice to the Registrar stating that a member of the System has stated to Austraclear that it needs to be registered in relation to the Securities in order to pursue any rights against the Issuer following an alleged default by the Issuer and that need appears to the Registrar (in its absolute discretion) to be reasonable; or
 - (ii) Austraclear purports to exercise any power it may have under the Austraclear Regulations from time to time or these Terms and Conditions, to require Securities to be transferred on the Register to a member of the System,
- the Securities may be transferred on the Register from Austraclear to the member of the System.

In any of these cases, the Securities will cease to be held in the System.

8.6 Special transferees

The Registrar must register the transfer of a Security to a person entitled upon death, bankruptcy, liquidation or winding-up of a Holder or a vesting order, subject to receipt of satisfactory evidence as to such entitlement or status, and in accordance with applicable laws. A transfer to an unincorporated association is not permitted.

8.7 Partial transfers

If a transferor executes a Transfer and Acceptance for fewer than all Securities registered in the name of that transferor, and the Securities to be transferred are not identified, the Registrar may register the transfer in respect of such of the Securities as are registered in the name of the transferor as the Registrar thinks fit, provided that the aggregate Principal Outstanding amount of the Securities transferred equals the aggregate Principal Outstanding amount of the Securities specified in the Transfer and Acceptance.

8.8 No Fee for Registration of a Security Transfer

No fee shall be charged for the registration of any Transfer and Acceptance.

8.9 Taking Effect of Transfers

- (a) A Transfer and Acceptance shall not take effect until registered, and until the transferee is inscribed in the Register as the Holder of the relevant Securities, the transferor shall remain the Holder of those Securities.
- (b) If a Transfer and Acceptance is received by the Registrar during any period when the Register is closed, the Registrar need not register the Transfer and Acceptance until after the Register is re-opened.

8.10 Inconsistencies

In the event of any inconsistency between the terms of any Registry Services Agreement and the terms of this Condition 8, the terms of the Registry Services Agreement will prevail.

9. **Payments and Prescription**

9.1 **Payment to Designated Account**

All payments in respect of each Security must be made to the Holder in Dollars on the due date for payment:

- (a) according to the details entered on the Register as at 5.00 pm on the Record Date;
- (b) in the case of Austraclear Securities, by settlement in favour of the Holder in accordance with the Regulations; and
- (c) in the case of all other Securities, by payment to such bank account in Australia as the Holder may designate to the Issuer in writing.

Payments in respect of a Security registered in joint names will be made to the relevant Holders jointly unless the Holders specify otherwise.

9.2 **Failure to Designate Account**

If payments in respect of a Security which is not an Austraclear Security are prevented or delayed because a Holder fails to notify the Issuer of an account to which such payments are to be made, that Holder will not be entitled to any interest or other additional payments in respect of such delay. The Holder will, however, continue to be entitled to such prevented or delayed payment upon notification of an account for payment.

9.3 **Taxation**

- (a) If this Condition 9.3 is specified in any Pricing Supplement as being applicable, all payments (whether in respect of principal redemption amount, interest or otherwise) in respect of the relevant Securities will be made without set-off or counterclaim and free and clear of, and without deduction of or withholding on account of any taxes, levies, duties, charges, deductions or withholding of any nature (together, "**Taxes**") now or hereafter imposed, levied, collected, withheld or assessed of or in the Commonwealth of Australia or any political subdivision therein or thereof, unless such withholding or deduction is required by law. In that event the Issuer will pay such additional amounts ("**Additional Amounts**") as may be necessary in order that the net amount received by the Holders after such withholding or deduction equals the respective amounts which would otherwise have been receivable in respect of the relevant Securities in the absence of such withholding or deduction, except that no Additional Amounts are payable in relation to any payments in respect of any Security:
 - (i) to, or to a third party on behalf of, a Holder who is liable to such Taxes in respect of such Security by reason of his having some connection with the Commonwealth of Australia or any political subdivision therein or thereof other than the mere holding of such Security or receipt of payment (whether in respect of principal, redemption amount, interest or otherwise) in respect thereof;
 - (ii) to, or to a third party on behalf of, a Holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or similar cause for exemption to any tax authority in the place where payment under the Security is made;

- (iii) in respect of which a claim for payment is made more than 30 days after the Relevant Date except to the extent that a Holder would have been entitled to Additional Amounts on claiming the same for payment on the last day of the period of 30 days assuming, whether or not such is in fact the case, that day to have been a Business Day;
 - (iv) to, or to a third party on behalf of, a Holder who is liable to the Taxes in respect of the Security by reason of the Holder being an associate of the Issuer within the meaning of sections 128F(5), 128F(6) or 128F(9) of the *Income Tax Assessment Act 1936 (Cth)*;
 - (v) to, or to a third party on behalf of an Australian resident Holder, if that person has not supplied an Australian Business Number, appropriate tax file number or exemption details; or
 - (vi) in such other circumstances as may be specified in the Pricing Supplement.
- (b) In the case of any Subordinated Perpetual MTNs:
- (i) any Additional Amounts will be subordinated in right of payment as described in Condition 3.4; and
 - (ii) if any payments of interest on any Subordinated Perpetual MTN are treated, for tax purposes, as a dividend and are made to a Holder who is not an Australian resident and the Issuer is required to deduct and withhold any dividend withholding tax, then, notwithstanding the obligations described in Condition 9.3(a) or any term of the relevant Pricing Supplement, the Issuer will not pay any Additional Amounts to the relevant Holder in respect of amounts so deducted or withheld.

9.4 No set-off or counterclaim

All payments by the Issuer under or in respect of any Security, whether of principal, interest or other amounts must, except to the extent expressly provided for in the relevant Pricing Supplement, be made free of any set-off or counterclaim.

9.5 Business Day Convention

If the day on or by which any sum is payable under or in respect of any Security, or any act matter or thing is to be done in respect of any Security, is a day other than a Business Day, such sum shall be paid and such act, matter or thing shall be done on the date determined according to the applicable Business Day Convention.

9.6 Prescription

Claims against the Issuer for payment in respect of the Securities shall be prescribed and become void unless made within ten years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

9.7 Order of application

Any payment made by the Issuer in respect of a Security is deemed to be made, and will be applied, in the following order:

- (a) first, in payment of interest due but unpaid;
- (b) second, in payment of other amounts due in respect of the relevant Security, that are not principal or interest; and
- (c) third, in repayment of any Principal Outstanding.

10. Events of Default

10.1 Senior MTNs

This Condition 10.1 applies only to Senior MTNs and references to Holders in this Condition 10.1 shall be construed as references to Holders of Senior MTNs.

If any one or more of the following events occurs and is continuing:

- (a) if the Issuer fails to pay any principal or any interest in respect of the Securities within ten days of the relevant due date;
- (b) the Issuer defaults in performance or observance of or compliance with any of its other obligations set out in the Securities where the failure is incapable of remedy or which, being a default capable of remedy the failure continues for a period of 21 days following the service by a Holder on the Issuer of notice requiring such default to be remedied;
- (c) it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under the Securities;
- (d) the Issuer or any Material Subsidiary:
 - (i) becomes insolvent, is unable pay its debts as they fall due or fails to comply with a statutory demand (which is still in effect) under Section 459F of the Corporations Act; or
 - (ii) stops or suspends or threatens to stop or suspend payment of all or a material part of its debts, or appoints an administrator under Section 436A of the Corporations Act; or
 - (iii) begins negotiations or takes any proceeding or other step with a view to re-adjustment, rescheduling or deferral of all its indebtedness (or any part of its indebtedness which it will or might otherwise be unable to pay when due) or proposes or makes a general assignment or an arrangement or composition with or for the benefit of its creditors, or a moratorium is agreed or declared in respect of or affecting indebtedness of the Issuer or any Subsidiary, except in any case for the purposes of a solvent reconstruction or amalgamation the terms of which have previously been approved by an Extraordinary Resolution of the Holders;
- (e) an order is made or an effective resolution is passed for the winding up of the Issuer or any Material Subsidiary, except in any case for the purposes of a solvent reconstruction or amalgamation the terms of which have previously been approved by an Extraordinary Resolution of the Holders, or an administrator is appointed to the Issuer or any Material Subsidiary by a provisional liquidator of the Issuer or that Issuer or that Material Subsidiary under Section 436B of the Corporations Act;
- (f) a distress, attachment, execution or other legal process is levied, enforced or sued out against or on the Issuer or any Material Subsidiary or against the assets of the Issuer or any Material Subsidiary in respect of any Financial Indebtedness of the Issuer or any Material Subsidiary in excess of \$2,000,000 and is not stayed, satisfied or discharged within 14 days or otherwise contested in bona fide proceedings;
- (g) any present or future Security Interest(s) on or over the assets of the Issuer or any Material Subsidiary becomes enforceable and any step (including the taking of possession or the appointment of a receiver, manager or similar officer which is not vacated or discharged within 14 days) is taken to enforce

- that Security Interest by reason of a default or event of default (howsoever described) having occurred;
- (h) any event occurs which, under the laws of any relevant jurisdiction has an analogous or equivalent effect to any of the events mentioned in this Condition; or
 - (i) any Financial Indebtedness of the Issuer or of any Material Subsidiary which in aggregate exceeds \$20,000,000 (or its equivalent in any other currency or currencies):
 - (i) is not paid when due as a result of the default of the Issuer or a Material Subsidiary (or, if payable or to be discharged or honoured on demand, when demanded); or
 - (ii) becomes due and repayable before its scheduled maturity by reason of a default or event of default (howsoever described),

then any Holder of a Senior MTN may, by written notice to the Issuer, effective upon the date of receipt thereof by the Issuer, declare any Senior MTN held by the Holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount (as described in Condition 6.5), together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

A certificate by the Auditors as to whether a Subsidiary of the Issuer is or is not, or was or was not, at any particular time a Material Subsidiary shall, in the absence of manifest error, be conclusive.

10.2 Subordinated MTNs

- (a) This Condition 10.2 applies only to Subordinated MTNs and references to Holders in this Condition 10.2 shall be construed as references to Holders of Subordinated MTNs.
- (b) Subject to Condition 10.2(c), no remedy against the Issuer (including, without limitation, any right to sue for a sum of damages which has the same economic effect of an acceleration of the Issuer's payment obligations), other than:
 - (i) action to recover amounts of principal, interest or other amounts due in respect of the Subordinated MTNs which the Issuer has failed to pay; or
 - (ii) the institution of proceedings for winding-up or liquidation or proving or claiming in any winding-up or liquidation of the Issuer, shall be available to the Holders for the recovery of amounts owing in respect of such Subordinated MTNs or in respect of any breach by the Issuer of any obligation, condition or provision binding on it under the terms of the Subordinated MTNs. In particular, the Holder shall not be entitled to exercise any right of contractual set-off or counterclaim which may be available to it against amounts owing by the Issuer in respect of such Subordinated MTNs.
- (c) The remedies specified in Condition 10.2(b) shall become exercisable in the event that there is a failure to make payment of any principal, interest or other amounts due in respect of the Subordinated MTNs within 10 days of the due date provided that such remedies will not be exercisable as a result only of a failure to pay any principal which is due prior to the Maturity Date, or interest due, for the reasons specified in Condition 3.5.
- (d) In the event that an effective resolution is passed by shareholders or an order of a court of competent jurisdiction is made that the Issuer be wound up (otherwise than for the purposes of a consolidation, amalgamation, merger or

reconstruction the terms of which have previously been approved by the shareholders of the Issuer or by a court of competent jurisdiction under which the continuing corporation or the corporation formed as a result of such consolidation, amalgamation, merger or reconstruction effectively assumes the entire obligations of the Issuer under the Subordinated MTNs, the terms of such resolution or court order to have been approved by an Extraordinary Resolution of Holders), then any Holder may, by written notice to the Issuer, effective upon the date of receipt thereof by the Issuer, declare any such Subordinated MTNs held by the Holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount, together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

10.3 Subordinated Perpetual MTNs

- (a) This Condition 10.3 applies only to Subordinated Perpetual MTNs and references to Holders in this Condition 10.3 shall be construed as references to Holders Subordinated Perpetual MTNs.
- (b) Subject to Condition 10.3(c), no remedy against the Issuer (including, without limitation, any right to sue for a sum of damages which has the same economic effect of an acceleration of the Issuer's payment obligations) shall be available to the Holders for the recovery of amounts owing in respect of Subordinated Perpetual MTNs or in respect of any breach by the Issuer of any obligation, condition or provision binding on it under the terms of the Subordinated Perpetual MTNs other than the remedy set out in Condition 10.3(d).
- (c) No Holder shall be entitled to exercise any contractual right of set-off or counterclaim which may be available to it against amounts owing by the Issuer in respect of such Subordinated Perpetual MTNs.
- (d) In the event that an effective resolution is passed by shareholders or an order of a court of competent jurisdiction is made that the Issuer be wound up (otherwise than for the purposes of a consolidation, amalgamation, merger or reconstruction the terms of which have previously been approved by the shareholders of the Issuer or by a court of competent jurisdiction under which the continuing corporation or the corporation formed as a result of such consolidation, amalgamation, merger or reconstruction effectively assumes the entire obligations of the Issuer under the Subordinated Perpetual MTNs, the terms of such resolution or court order to have been approved by an Extraordinary Resolution of Holders of Subordinated Perpetual MTNs), then any Holder of Subordinated Perpetual MTNs may, by written notice to the Issuer, effective upon the date of receipt thereof by the Issuer, declare any such Subordinated Perpetual MTNs held by the Holder to be forthwith contractually due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount, together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.
- (e) For the avoidance of doubt:
 - (i) the making of an application to wind up the Issuer or the appointment of a receiver, administrator or official with similar powers to the Issuer (including the exercise of APRA's powers under section 13A(1) of the *Banking Act 1959* of Australia), will

- (ii) not be sufficient to enable any Holder of Subordinated Perpetual MTNs to exercise the remedy specified in Condition 10.3(d);
 - (iii) the event specified in Condition 10.3(d) is the only form of default under any Subordinated Perpetual MTN and will not prejudice the subordination of any Subordinated Perpetual MTN; and
 - (iii) the Holders will not have any right to apply for the winding-up and administration of the Issuer, or cause a receiver or receiver and manager to be appointed in respect of the Issuer on the grounds that the Issuer fails to pay any interest on any Interest Payment Date.
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11. Meeting of Holders, Modifications and Waiver

11.1 Meetings of Holders

Meetings of Holders may be convened in accordance with the Meeting Provisions contained in Schedule 2 of the Deed Poll. Any such meeting may consider any matters affecting the interests of Holders, including, without limitation, the variation of the terms of the Securities by the Issuer and the granting of approvals, consents and waivers, and the declaration of an Event of Default.

11.2 Modification of the Deed Poll

The Deed Poll may be amended by the Issuer, without the consent of any Holder for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein which does not, in the reasonable opinion of the Issuer, adversely affect the interests of the Holders. All other amendments to the Deed Poll must be passed at a duly convened meeting of Holders by an Extraordinary Resolution. The Issuer will notify the Registrar of any amendments made pursuant to this Condition and will use its reasonable endeavours to procure that the Registrar notifies the Holders of the amendment by post to the address of the Holders recorded in the Register.

12. Further Issues of Securities

The Issuer may from time to time without the consent of the Holders create and issue further Securities either having the same terms and conditions as the Securities in all respects (or in all respects except for the Issue Date or first payment of interest on them) and so that such further issue of Securities shall be consolidated and form a single Series with the outstanding Securities of any Series upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Securities include (unless the context requires otherwise) any other Securities issued pursuant to this Condition and forming a single Series with the Securities. Any further issue of Subordinated MTNs or Subordinated Perpetual MTNs by the Issuer will only be permissible with APRA's prior written approval.

13. Credit Rating

The Issuer must at all times, when any Security is outstanding which has not been redeemed in full, ensure that its debt obligations under the Securities are rated by at least one of Standard & Poor's, Moody's or Fitch.

14. Calculation Agent

The Issuer will procure that, for so long as any Securities remain outstanding, there will at all times be a Calculation Agent in relation to those Securities. The Issuer may

terminate the appointment of a Calculation Agent in accordance with the terms of the original appointment of that Calculation Agent. If any person is unable or unwilling to continue to act as a Calculation Agent, or if the appointment of the Calculation Agent is terminated, the Issuer will appoint a successor Calculation Agent to act as such in its place, provided that neither the resignation nor termination of the Calculation Agent will take effect until a successor has been appointed. Notice of the appointment of a successor must be given by the Issuer to the relevant Holders and the Arranger. If a person for any reason fails to perform its function as Calculation Agent by the due time and date in relation thereto, the Issuer may do so or cause another person to do so.

15. Notices

Notices, requests and other communications in relation to any Securities required or contemplated by the Deed Poll or the Terms and Conditions relating to a Security may be given as follows:

- (a) **(Issuer)**: if to the Issuer, by being posted by prepaid or registered mail or delivered to the Issuer at:
Suncorp-Metway Limited ABN 66 010 831 722
Level 17
Suncorp Metway Centre
36 Wickham Terrace
BRISBANE QLD 4000
Attention: Company Secretary

or to such other address as may be specified in the relevant Pricing Supplement or notified to Holders from time to time;

- (b) **(Holders)**: if to a Holder, by being posted by prepaid mail or delivered to the address of that Holder as appearing in the Register (or in the case of joint Holders to the first named); and
- (c) **(Registrar)**: if to the Registrar, to the address or fax number agreed pursuant to the Registry Services Agreement.

A notice to the Issuer or the Registrar is effective when actually received by the Registrar. The Registrar may amend its address for the above purposes in accordance with the Registry Services Agreement.

16. Governing law and jurisdiction

16.1 Governing law

The Deed Poll, each Security, the Terms and Conditions relating to each Security, and each Pricing Supplement are governed by and must be construed in accordance with the laws applying in Queensland.

16.2 Jurisdiction

The Issuer, for the exclusive benefit of the Holders, irrevocably:

- (a) submits to and accepts, generally and unconditionally, the non-exclusive jurisdiction of the courts and appellate courts of Queensland with respect to any legal action or proceedings which may be brought at any time relating in any way to the Deed Poll, the Terms and Conditions relating to each Security, and any Pricing Supplement; and

- (b) waives any objection it may now or in the future have to the venue of any such action or proceedings and any claim it may now or in the future have that any such action or proceeding has been brought in an inconvenient forum.
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17. Inconsistencies

Subject to Condition 8.10, in the event of any inconsistency between the terms of the Deed Poll, the Terms and Conditions relating to each Security and each Pricing Supplement and the terms of the relevant Registry Services Agreement, the terms of the Deed Poll, the Terms and Conditions relating to each Security and each Pricing Supplement prevail.

5. Use of Proceeds

The Issuer will use the net proceeds from the issue of Securities for its general funding purposes.

6. Subscription and Sale

The Issuer may offer the Securities from time to time to the Dealers (subject to the terms and on the conditions contained in each relevant Subscription Agreement entered into between the Issuer and the relevant Dealers). The Issuer may also sell the Securities directly on its own behalf to other intermediaries and purchasers procured by it, at its discretion.

Australia and General

No prospectus or other disclosure document (as defined in the *Corporations Act 2001 (Cth)*) in relation to the Programme or the Securities has been lodged with the Australian Securities and Investments Commission. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, unless the relevant Pricing Supplement provides otherwise, it:

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

unless (i) the minimum aggregate consideration payable by each offeree is at least A\$500,000 (or equivalent) (disregarding moneys lent by the offeror or its associates) or the offer does not require disclosure to investors in accordance with Part 6D.2 of the *Corporations Act 2001 (Cth)*; (ii) the offer or invitation is not made to a person who is a "retail client" within the meaning of section 761G of the *Corporations Act 2001 (Cth)*; and (iii) such action complies with all applicable laws and regulations.

In addition, each Dealer has represented and agreed that, it will not sell the Securities to any person if, at the time of such sale, the employees of the Dealer directly involved in the sale, knew or had reasonable grounds to suspect that, as a result of such sale, any Securities were being, or would later be acquired (directly or indirectly) by an associate of the Issuer for the purposes of section 128F of the *Income Tax Assessment Act 1936 (Cth)*.

No offers for subscription or purchase, or issues of invitations to subscribe for or buy, or sell or deliver any Securities may be made in any jurisdiction outside Australia except in accordance with all laws applicable in that jurisdiction.

This Information Memorandum, any prospectus, circular, advertisement or any other offering or other material issued by or on behalf of the Issuer, relating to any Security, may not be distributed in any jurisdiction outside Australia except in accordance with all laws applicable in that jurisdiction.

New Zealand

The Issuer does not intend that the Securities should be offered for sale or subscription to the public in New Zealand in terms of the Securities Act 1978.

Each Dealer has represented, and each further Dealer appointed under the Programme will be required to represent, that (a) it is a person whose principal business is the investment of money or who, in the course of and for the purpose of its business, habitually invests money; and (b) no Dealer may offer, sell or deliver Securities or distribute any advertisements or offering material relating to the Securities, in breach of any provision of the Securities Act 1978.

United States of America

The Securities have not been and will not be registered under the Securities Act of 1933 of the United States of America (the "**Securities Act**") and may not be offered or sold within the United States or to, or for the account or benefit of, US persons except in certain

transactions exempt from the registration requirements of the Securities Act.

In connection with any Securities which are offered or sold outside the United States in reliance on an exemption from the registration requirements of the Securities Act provided under Regulation S ("**Regulation S Securities**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver such Regulation S Securities:

- (a) as part of their distribution at any time; and
- (b) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Securities on a syndicated basis, the relevant Dealer, of all Securities of the Series of which such Regulation S Securities are a part, within the United States or to, or for the account or benefit of, US persons and it will have sent to each Dealer to which it sells any Regulation S Securities during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Regulation S Securities within the United States or to, or for the account or benefit of, US persons.

Until 40 days after the commencement of the offering of any Series of Securities, an offer or sale of Securities within the United States by any Dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Dealers may arrange for the resale of Securities to a Qualified Institutional Buyer (a "**QIB**") pursuant to Rule 144A of the Securities Act ("**Rule 144A**") and each such purchaser of Securities is hereby notified that the Dealers may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A. The minimum aggregate principal amount of Securities which may be purchased by a QIB pursuant to Rule 144A is US\$100,000 (or the approximate equivalent thereof in any other currency). To the extent that the Issuer is not subject to or does not comply with the reporting requirements of section 13 or 15(d) of the Exchange Act or the information furnishing requirements of rule 12g3-2(b) thereunder, the Issuer has agreed to furnish to Holders of Securities and to prospective purchasers designated by such Holders, upon request, such information as may be required by Rule 144A(d)(4).

Each issue of Securities shall be subject to such additional US selling restrictions as the Issuer and the relevant Dealer or Dealers shall agree as a term of the issue and purchase of such Securities, which additional selling restrictions shall be set out in the applicable Pricing Supplement. Each relevant Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will offer, sell or deliver Securities only in compliance with such additional US selling restrictions.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Directive 2003/71/EC (the "**Prospectus Directive**") (each, a "**Relevant Member State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Securities to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Securities to the public in that Relevant Member State:

- (a) if the final terms in relation to the Securities specify that an offer of those

Securities may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Securities which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable;

- (b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during that last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- (d) at any time to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (e) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

Provided that no such offer of Securities referred to in (b) to (e) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

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

Singapore

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that this Information Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Securities has not been and will not be circulated or distributed by it nor have the Securities been, nor will the Securities be, offered or sold by it, or be made the subject of an invitation for subscription or purchase by it, whether directly or indirectly, to the public or any persons in Singapore other than in circumstances where the registration of a prospectus is not required under the Securities and Futures Act (Cap. 289) of Singapore ("**SFA**") in connection therewith and then only:

- (a) to an institutional investor specified in Section 274 of the SFA;
- (b) to an accredited investor or such other relevant person as defined in Section 275 of the SFA and in accordance with the conditions specified therein;
- (c) to a person who acquires the Securities as principal if the offer is on terms that the Securities may only be acquired at no less than the minimum consideration prescribed under and such offer is in accordance with the other conditions prescribed in Section 275(1A) of the SFA; or

- (d) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Any subsequent sale of Securities within 6 months from a purchase made under paragraphs (a) and (b) above must be confined to institutional investors, relevant persons as defined in Section 275(2) of the SFA, or persons to whom an offer is made pursuant to Section 275(1A) of the SFA.

United Kingdom

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

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

Hong Kong

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

- (a) it has not offered or sold and will not offer or sell into Hong Kong, by means of any document, any Securities other than:
- (i) to persons whose ordinary business it is to buy or sell shares or debentures (whether as principal or agent);
 - (ii) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or
 - (iii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (b) it has not issued or had in its possession for the purpose of issue and will not issue or have in its possession for the purpose of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Securities, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities intended which are or are intended to be disposed of only to persons outside Hong Kong or only to

"professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Japan

The Securities have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No.25 of 1948, as amended; the "FIEL") and each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will not offer or sell any Securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEL and any other applicable laws, regulations and ministerial guidelines of Japan.

GENERAL

The above selling restrictions may be modified by agreement between the Issuer and the Dealers following a change in relevant law, regulation or directive, as set out in the relevant Pricing Supplement.

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

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Securities or has in its possession or distributes the Information Memorandum, any other offering material or any Pricing Supplement and none of the Issuer nor any other Dealer shall have any responsibility thereafter.

7. Australian taxation

The following is a summary of the Australian taxation treatment at the date of this Information Memorandum of payments of interest (as defined in the Income Tax Assessment Act 1936 of Australia ("**Australian Tax Act**")) on the Securities and certain other matters. It is not exhaustive and, in particular, does not deal with the position of certain classes of Holders (such as dealers in securities). Prospective Holders should be aware that the particular terms of issue of any Series of Securities may affect the tax treatment of that and other Series of Securities. The following is a general summary of some of the key issues and should be treated with appropriate caution.

Holders who are in any doubt as to their tax positions should consult their professional advisers.

Interest payable when Securities are treated as debt for tax purposes

The following summary of Australian interest withholding tax laws, is relevant where the Securities qualify as 'debt instruments' for Australian tax purposes, which provisions are expected to apply to all Securities subject to what is said below in relation to Subordinated Perpetual MTNs.

The requirements for obtaining an exemption from Australian interest withholding tax set out in section 128F of the Australian Tax Act have, in recent years, been amended substantially. So far as it applies to the Programme, the Australian Tax Act contains the following key features:

- (a) in order to qualify for the exemption from Australian interest withholding tax, the Issuer must be either :
 - (i) a resident of Australia when it issues the Securities and when interest (as defined in Section 128A(1AB) of the Australian Tax Act) is paid; or
 - (ii) a non-resident of Australia that is carrying on business at or through a permanent establishment in Australia when it issues the Securities and when interest (as defined in Section 128A(1AB) of the Australian Tax Act) is paid;
- (b) the Issuer is required to self assess the availability of the exemption from interest withholding tax;
- (c) there are five public offer tests (of which one must be satisfied), the purpose of which is to ensure that lenders in overseas capital markets are aware that the Issuer is offering Securities for issue. In summary, the five public offer tests are:
 - (i) offers to 10 or more unrelated financiers or securities dealers;
 - (ii) offers to 100 or more investors;
 - (iii) offers of listed Securities;
 - (iv) offers via publicly available information sources; and
 - (v) offers to the Dealers who on-sell the Securities within 30 days by one of the preceding methods;
- (d) no public offer test will be satisfied if, at the time of the issue, the Issuer knew or had reasonable grounds to suspect that the Securities would be, or would later be, acquired either directly or indirectly by an associate of the Issuer and:
 - (i) either:
 - A. the associate is a non-resident and the Securities were not, or would not be, acquired by the associate in carrying on a business in Australia at or through a permanent establishment of the associate in Australia; or
 - B. the associate is a resident of Australia and the Securities were, or would be, acquired by the associate in carrying on a business in a country outside Australia at or through a permanent establishment of the associate in that country; and

- (ii) the Securities were not, or would not be, acquired by an associate in the capacity of a dealer, manager, underwriter, clearing house, custodian, funds manager or responsible entity of a registered scheme; and
- (e) the Section 128F exemption will also not be available if the Issuer knew, or had reasonable grounds to suspect, at the time of payment of interest, that the interest would be paid to an associate and:
- (i) either:
- A. the associate is a non-resident and the payment is not received by the associate in respect of Securities that the associate acquired in carrying on a business in Australia at or through a permanent establishment of the associate in Australia; or
- B. the associate is a resident of Australia and the payment is received by the associate in respect of Securities that the associate acquired in carrying on a business in a county outside Australia at or through a permanent establishment of the associate in that country; and
- (ii) the associate does not receive the payment in the capacity of a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme.

The Issuer intends (where appropriate) to issue the Securities in a manner which will satisfy one of the five public offer tests and which otherwise meets the requirements of Section 128F of the Australian Tax Act.

Section 126 of the Australian Tax Act imposes a form of withholding tax at the rate of 45 per cent. on the payment of or crediting of interest on certain bearer debt securities (other than certain promissory notes) if the Issuer fails to disclose the names and addresses of the holders to the Australian Taxation Office.

Section 126 does not apply to the extent that the debenture is held by a non-resident who is not engaged in carrying on a business in Australia at or through a permanent establishment in Australia where the issue of the Securities satisfied the requirements of Section 128F of the Australian Tax Act or interest withholding tax is payable. In relation to Securities held by other persons, the Australian Taxation Office has confirmed that for the purposes of Section 126, the holder of the Securities means the person in possession of the Securities. Therefore, where interests in Securities are held through the Austraclear, Euroclear or Clearstream systems, the operators of the systems are the holders of the Securities for the purposes of Section 126.

As set out in more detail under the heading "Taxation" in Condition 9.3 of the Securities, if the Issuer should at any time be compelled by law to deduct or withhold an amount in respect of any withholding taxes, the Issuer shall, if specified in the relevant Pricing Supplement and subject to certain exceptions set out in that Condition, pay such additional amounts of principal and interest as may be necessary in order to ensure that the net amounts received by the Holders of the relevant Securities after such deduction or withholding shall equal the respective amounts which would have been receivable had no such deduction or withholding been required.

The Issuer has been advised that, if the Securities qualify as 'debt instruments' for Australian tax purposes, under Australian laws as presently in effect:

- (i) assuming the requirements of Section 128F of the Australian Tax Act are satisfied with respect to the Securities of each Series, payment of interest (or amounts in the nature of interest) to a Holder who is a non-resident of Australia and who, during the taxable year, has not held any Securities in the course of carrying on trade or business through a permanent establishment within Australia will not be subject to Australian income taxes. However, the Issuer may be required by Section 126 of the Australian Tax Act to deduct or withhold income tax at the rate of 45 per cent., on interest paid or credited during a taxable year on Securities which, during that taxable year, are acquired by an Australian resident or by a non-resident that carries on business (whether within or outside Australia) at or through a permanent establishment in Australia;
- (ii) a Holder who is a non-resident of Australia and who during the taxable year has not engaged in trade or business at or through a permanent establishment within Australia will not be subject to Australian income tax on gains realised during that year on sale or redemption of Securities, provided such gains do not have an Australian source. A gain arising on the sale of a Security by a non-Australian resident holder to another non-Australian resident where that Security is sold outside Australia and all negotiations and documentation are conducted and executed outside Australia would not be regarded as having an Australian source;
- (iii) no Securities will be subject to death, estate or succession duties imposed by Australia, or by any political subdivision or authority therein having power to tax, if held at the time of death;
- (iv) no ad valorem, stamp duty, issue, registration or similar taxes are payable in Australia on the issue of any Securities or the transfer of any Securities outside Australia (except where the transfer occurs in Australia otherwise than for full value);
- (v) Section 12-140 of the Taxation Administration Act 1953 of Australia (“TAA”) imposes a type of withholding tax at the rate of (currently) 46.5 per cent. on the payment of interest on Securities in registered form unless the relevant Holder has quoted a tax file number (“TFN”), in certain circumstances an Australian Business Number (“ABN”) or proof of some other exception (as appropriate). Assuming that the requirements of Section 128F of the Australian Tax Act are satisfied with respect to Securities in registered form, these rules should not apply to payments to a Holder who is not a resident of Australia for tax purposes and not holding such Securities in the course of carrying on business at or through a permanent establishment in Australia. Withholdings may be made from payments to holders of Securities in registered form who are residents of Australia or non-residents who carry on business at or through a permanent establishment in Australia but who do not quote a TFN, ABN or an appropriate exemption. For the avoidance of doubt, these provisions will not apply to Securities in bearer form;
- (vi) Section 12-190 of the TAA imposes another type of withholding obligation such that if the Issuer makes payment to a Holder for a supply the Holder has made to the Issuer in the course of furtherance of an enterprise carried on in Australia by the Holder, the Issuer must withhold amounts from that payment at the prescribed rate (currently 46.5 per cent.) unless the Holder has quoted its ABN or another exception applies. There is some uncertainty as to the precise operation of these rules. However, these rules will not apply where a TFN, ABN or proof that a relevant exemption is applicable has been provided in accordance with sub-paragraph (v) above, or a deduction is made by the Issuer for a failure to provide such information. On the basis that all Holders will fall within Section 12-140 (discussed above), the withholding requirements in Section 12-190 of the TAA should have no residual operation;

- (vii) there are certain provisions in the Income Tax Assessment Act 1997 of Australia which define what constitutes equity in a company and what constitutes debt. The Securities are expected to qualify as a 'debt interest' of the Issuer (subject to what is said below in relation to Subordinated Perpetual MTNs) and therefore the conventional analysis as to whether the Securities are exempt from Australian interest withholding tax set out above applies;
- (viii) for Holders that are resident in the United States or the United Kingdom, the double tax conventions with Australia contain provisions which prevent interest withholding tax applying to interest derived by:
 - A. certain government bodies, authorities and agencies; and
 - B. certain financial institutions.These provisions have not been considered in detail because it is envisaged that, if they are treated as debt instruments, the issue of the Securities will satisfy the exemption from interest withholding tax in Section 128F;
- (ix) there are certain provisions in the Income Tax Assessment Act 1997 of Australia which deal with the taxation consequences of foreign exchange transactions. These new rules are very complicated and, generally speaking, will require Australian taxpayers, or non-residents that hold assets or incur liabilities in the course of carrying on business in Australia, to perform complex calculations to determine the foreign exchange gains and losses that they are taxed upon in respect of assets and liabilities in non-Australian currency. The object of the rules is to bring the gains and losses to account when realised regardless of whether there is an actual conversion of foreign currency amounts into Australian dollars. There are several exclusions from the rules. In particular, authorised deposit taking institutions ('ADIs') under the Banking Act 1959 of Australia and non-ADI financial institutions are excluded from the foreign exchange gains and losses rules. The Issuer is an ADI for the purposes of the rules. Accordingly, for so long as the Issuer has that status the foreign exchange gains or losses rules will not apply to it. However, the rules may apply to any holders of the Securities that are not ADIs or non-ADI financial institutions and which are Australian residents or non-residents that hold those Securities in the course of carrying on business in Australia. Any holders that may be affected by the rules should consult their professional advisers for advice as to how to account for any foreign exchange gains or losses arising from the holding of the Securities; and
- (x) neither the issue of the Securities nor the payment of principal and interest by the Issuer will give rise to a liability for goods and services tax in Australia.

Interest payable when Subordinated Perpetual MTNs are treated as Equity for tax purposes

As at the date of this Information Memorandum, it is uncertain whether Subordinated Perpetual MTNs will qualify as 'debt instruments' or 'equity instruments' for Australian tax purposes. The 2001 Explanatory Memorandum introducing Division 974 of the Income Tax Assessment Act 1997 to classify interests as "Debt" or "Equity" for tax purposes suggests that subordinated perpetual MTNs will commonly be a debt interest (but that the outcome depends in each case on the rate of interest paid on the relevant notes and its relationship to the benchmark interest rate at the relevant time).

However views emerged from the Australian Taxation Office suggesting that many forms of subordinated perpetual MTNs could well be equity particularly where they contain solvency clauses, subordination clauses and provisions for deferral of interest (where profitability does not

justify an interest payment). These questions turn on the extent to which such provisions can be said to undermine an "*effectively non contingent obligation*".

The former government issued a Press Release in 2003 saying it would move to clarify the position of "*certain Upper Tier 2*" instruments as debt. This regulation has not emerged and it is unclear whether it will simply be a grandfathering regulation or whether it will apply to new (as well as old) instruments.

A further Press Release in October 2005 promises regulations to resolve the "*insolvency clause*" issue on a more general basis for a wider category of instruments (including presumably new instruments). This is to operate prospectively.

Neither set of regulations has yet been finalised. It appears that the regulations, if made, once in force will ensure that Subordinated Perpetual MTNs will be a debt interest (assuming, in each case, that the rate of interest specified in the Pricing Supplement in relation to the relevant Subordinated Perpetual MTNs is sufficient). If that is so, the above discussion of debt interest is applicable.

However, the following discussion is provided to outline the position if the Subordinated Perpetual MTNs are classified as an "equity interest" by Division 974 of the Income Tax Assessment Act 1997.

Interest may be paid by the Issuer on Subordinated Perpetual MTNs as a 'franked distribution' if:

- (a) the Subordinated Perpetual MTNs qualify as 'equity' for Australian tax purposes; and
- (b) the Commissioner of Taxation has not made a determination to the effect that it is not a franked distribution.

If interest is paid by the Issuer as a 'franked distribution', the Issuer must specify that the payment is a 'franked distribution'. A notional 'franking credit' will be attached to that distribution in accordance with relevant Pricing Supplement. That franking credit will be the amount so stated by the Issuer when making the distribution. It is broadly intended to be an amount representative of the Australian income tax paid by the Issuer on profits from which the relevant payment is made.

To the extent interest is paid on Subordinated Perpetual MTNs as a franked distribution and the Holder in receipt of that interest is either a resident of Australia, or a non-resident who is an individual or corporation and whose receipt of the interest is attributable to a business carried on by the investor through a permanent establishment in Australia, that Holder will generally be:

- (a) subject to income tax on the amount of interest received and on the franking credit stated to be attached to the distribution; and
- (b) entitled to a tax offset equal to an amount up to the amount of the franking credit.

A Holder of a Subordinated Perpetual MTN who is an Australian resident may be entitled to a refund if the amount of the franking credit exceeds tax otherwise payable by that Holder and (especially if that Holder is a company) to include the franking credit in its own franking account, provided in each case that:

- (i) there is no arrangement which would cause certain anti-avoidance rules to apply; and
- (ii) the relevant Holder has satisfied the minimum holding period (which can range from 45 days to 90, depending on the circumstances).

If, and to the extent interest is paid on Subordinated Perpetual MTNs as a franked distribution and a Holder is not a resident of Australia and the receipt by it of such interest is not attributable to a business carried on through a permanent establishment in Australia, that Holder will generally not be subject to income tax in Australia. Unless there are arrangements which cause certain anti-avoidance rules apply, such interest payments will not be subject to dividend withholding tax. If dividend withholding tax is payable, the Issuer will not be obliged to pay any Additional Amount (as defined in Condition 9.3) in respect of such withholding tax.

8. Pro-Forma Pricing Supplement

SUNCORP-METWAY LIMITED ABN 066 010 831 722

Issue of [Issue Amount of Tranche] [Type of Securities] under the Programme for the subscription for and issuance of Medium Term Notes, and/or making and acceptance of Transferable Deposits and other debt instruments

[Date]

This document constitutes the Pricing Supplement relating to the issue of Securities described herein. Terms used in the Conditions set forth in the Information Memorandum dated 29 April 2008 bear the same meaning where used in this Pricing Supplement. This Pricing Supplement is supplemental to and must be read in conjunction with such Information Memorandum.

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

1. Issuer: Suncorp-Metway Limited ABN 66 010 831 722
2. (i) Series Number: []
(ii) Tranche Number: []
(If fungible with an existing Series, details of that Series, including the date on which the Securities become fungible)
3. Specified Currency or Currencies: []
4. Issue Amount: []
5. Issue Price: [] per cent. of the Issue Amount
6. Specified Denomination: []
(This means the minimum integral amount in which transfers can be made)
7. (i) Issue Date [and Interest Commencement Date]: []
(ii) Interest Commencement Date (if different from the Issue Date):*
8. Maturity Date[†]: [Fixed rate – specify date]
[Floating rate – Interest Payment Date falling in or nearest to [specify month]]
9. Interest Basis: [[] per cent. Fixed Rate]
[[specify reference rate] +/- [] per cent. Floating Rate]
[Zero Coupon]
[Index-Linked Interest]
[Dual Currency Interest]
[specify other]
(further particulars specified below)

* An Interest Commencement Date will not be relevant for certain Securities such as Zero Coupon Securities.

[†] Not applicable if the Security is a Subordinated Perpetual MTN.

- | | | |
|-----|---|--|
| 10. | Redemption/Payment Basis: | [Redemption at par]
[Index-Linked Redemption]
[Dual Currency Redemption]
[Partly Paid]
[Instalment]
[specify other] |
| 11. | Change of Interest Basis or Redemption/Payment Basis: | <i>[Specify details of any provision for change of Securities into another interest basis or redemption/payment basis]</i> |
| 12. | Put/Call Options: | [Investor Put]
[Issuer Call]
[(further particulars specified below)] |
| 13. | Status of the Securities where MTNs: | [Senior/Subordinated/Subordinated Perpetual] |
| 14. | Listing: | [specify/ none] |
| 15. | Method of distribution: | [Syndicated/Non-Syndicated] |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- | | | |
|-----|--|--|
| 16. | Fixed Rate Security Provisions: | [Applicable/Not Applicable]
<i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i> |
| | (i) Rate(s) of Interest: | [] per cent. per annum [payable annually/semi-annually/quarterly] in arrear] |
| | (ii) Interest Payment Date(s): | [] in each year up to and including the Maturity Date] / [] in each year upto and including the date on which the Securities described herein are redeemed by the Issuer in accordance with the Conditions set out in the Information Memorandum. [‡] / [specify other] |
| | (iii) Fixed Coupon Amount(s): | [] per [] in Nominal Amount |
| | (iv) Broken Amount(s): | <i>[Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount]</i> |
| | (v) Business Day Convention: | [] |
| | (vi) Day Count Fraction: | [30/360 or Actual/Actual (ICMA) or specify other] |
| | (vii) Interest Determination Date(s): | [] in each year / Not Applicable] |
| | | <i>[Note Interest Determination Dates will only be relevant where Day Count Fraction is Actual/Actual (ICMA).]</i> |
| | (viii) Other terms relating to the method of calculating interest for Fixed Rate Securities: | [None/Give details] |
| 17. | Floating Rate Security Provisions | [Applicable/Not Applicable]
<i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i> |
| | (i) Specified Period(s)/ Interest Payment Dates: | [Specify either a period or periods or a specific date or dates] |
| | (ii) Business Day Convention: | [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day |

[‡] Only insert if the relevant Security is a Subordinated Perpetual MTN.

8. Pro-forma Pricing Supplement

- | | | |
|-----|---|---|
| | <ul style="list-style-type: none"> (iii) Additional Business Centre(s): (iv) Manner in which the Rate(s) of Interest to be determined: (v) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s): (vi) Screen Rate Determination: <ul style="list-style-type: none"> - Reference Rate: - Interest Determination Date(s): - Relevant Screen Page: (vii) Margin(s): (viii) Minimum Rate of Interest: (ix) Maximum Rate of Interest: (x) Day Count Fraction: (xi) Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Securities, if different from those set out in the Conditions: | <p>Convention/[specify other]
[]</p> <p>[Screen Rate Determination/specify other]</p> <p>[]</p> <p>[]</p> <p>[]</p> <p>[+/-] [] per cent. per annum</p> <p>[] per cent. per annum</p> <p>[] per cent. per annum</p> <p>[Actual/365Actual/365 (Fixed) Other/Specify]</p> <p>[]</p> |
| 18. | <p>Zero Coupon Security Provisions:</p> <ul style="list-style-type: none"> (i) Any other formula/basis of determining amount payable: (ii) Accrual Yield: (iii) Reference Price: (iv) Day Count Fraction in relation to Early Redemption Amounts and late payment: | <p>[Applicable/Not Applicable]
<i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i></p> <p>[] per cent. per annum</p> <p>[]</p> <p>[Consider applicable day count fraction if not U.S. dollar denominated]</p> <p>[]</p> |
| 19. | <p>Index-Linked Interest Security Provisions:</p> <ul style="list-style-type: none"> (i) Index Formula: (ii) Calculation Agent responsible for calculating the principal and/or interest due: (iii) Provisions for determining interest where calculation by reference to Index and/or Formula is impossible or impracticable: (iv) Specified Interest Period(s)/Specified Interest Payment Dates: | <p>[Applicable/Not Applicable]
<i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i></p> <p>[give or annex details]</p> <p>[]</p> <p>[]</p> <p>[]</p> <p>[]</p> |

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- (v) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/*Specify Other*]
- (vi) Additional Business Centre(s): []
- (vii) Minimum Rate of Interest: [] per cent. per annum
- (viii) Maximum Rate of Interest: [] per cent per annum
- (ix) Day Count Fraction: [] per cent. per annum
20. Dual Currency Security Provisions: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Rate of Exchange/method of calculating Rate of Exchange: [give details]
- (ii) Calculation Agent, if any, responsible for calculating the principal and/or interest payable: []
- (iii) Provisions applicable where calculation by reference to rate of exchange impossible or impracticable: []
- (iv) Person at whose option Specified Currency(ies) is/are payable: []
21. Right of Issuer to defer interest [Applicable/Not Applicable][§]

PROVISIONS RELATING TO REDEMPTION

22. Issuer Call: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amounts of each Security and method, if any, of calculation of such amount(s): []
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: []
- (b) Maximum Redemption Amount: []
- (iv) Notice period (if other than as set out in the Conditions): []
23. Investor Put: [Applicable/Not Applicable]**
(If not applicable, delete the remaining subparagraphs of this paragraph)

[§] Always insert "Applicable" if the relevant MTN is a Subordinated Perpetual MTN. For all other Securities, always insert "Not Applicable".

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- | | | |
|-----|---|---|
| | (i) Optional Redemption Date(s): | [] |
| | (ii) Optional Redemption Amount of each Security and method, if any, of calculation of such amount(s): | [] |
| | (iii) Notice period (if other than as set out in the Conditions): | [] |
| 24. | Final Redemption Amount of each Security: | [Nominal Amount/specify other/see Appendix] |
| 25. | Early Redemption Amount of each Security payable on redemption for taxation or regulatory reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions): | [] |

GENERAL PROVISIONS APPLICABLE TO THE SECURITIES

- | | | |
|-----|---|--|
| | (i) Form of Securities: | Registered |
| | (ii) Type of Securities: | [Describe] |
| 27. | Additional Financial Centre(s) or other special provisions relating to Payment Dates: | [Not Applicable/give details]
<i>[Note that this paragraph relates to the place of payment and not Interest Payment Dates to which paragraphs 17(iii) and 19(iv) relate.]</i> |
| 28. | (i) Public Offer Test compliant: | [Yes/No/Not Applicable] |
| | (ii) Condition 9.3 (Taxation): | [Applicable/Not Applicable] |
| 29. | Details relating to Partly Paid Securities: amounts of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Securities and interest due on late payment: | [Not Applicable/give details] |
| 30. | Details relating to Instalment Securities: | |
| | (i) Instalment Amount(s): | [Not applicable/give details] |
| | (ii) Instalment Date(s): | [Not applicable/give details] |
| 31. | Other terms or special conditions: | [Not applicable/give details] |

** Always insert "Not Applicable" if the relevant MTN is a Subordinated Perpetual MTN.

DISTRIBUTION

32. If syndicated, names of Lead Managers and Dealers: [Not applicable/*give names*]
33. If non-syndicated, name of relevant Dealer: [Not applicable/*give names*]
34. Additional selling restrictions: [Not applicable/*give details*]

OPERATIONAL INFORMATION

35. Common Code: []
36. ISIN: []
37. Any clearing system(s) other than Austraclear and the relevant identification number(s): [Not applicable/*give names and number(s)*]

[LISTING]

[This Pricing Supplement comprises the details required to list the Securities described herein pursuant to the listing of the Programme as from [*insert date of listing of the Securities*].]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in the Pricing Supplement.

Signed on behalf of the Issuer:

By:

Duly authorised

By:

Duly authorised

9. Directory

Issuer

Suncorp-Metway Limited ABN 66 010 831 722
Level 17, Suncorp Metway Centre
36 Wickham Terrace
BRISBANE QLD 4000
Attention: Company Secretary
Fax: 617 3836 1190

Arranger

Citigroup Global Markets Australia Pty Limited ABN 64 003 114 832
Level 23
2 Park Street
SYDNEY NSW 2000
Attention: Head of Debt Capital Markets
Fax: 612 8225 5407

Initial Dealers

Citigroup Global Markets Australia Pty Limited ABN 64 003 114 832
Level 23
2 Park Street
SYDNEY NSW 2000
Attention: Head of Debt Capital Markets
Fax: 612 8225 5407

Deutsche Bank AG, Sydney Branch ABN 13 064 165 162
Deutsche Bank Place, Level 16
Cnr Hunter and Phillips Streets
SYDNEY NSW 2000
Attention: Director, Debt Capital Markets
Fax: 612 8258 2220

Macquarie Bank Limited ABN 46 008 583 542
Level 1
No.1 Martin Place
SYDNEY NSW 2000
Attention: Head of Debt Finance
Fax: 612 8232 8344

Suncorp-Metway Limited ABN 66 010 831 722
Level 17, Suncorp Metway Centre
36 Wickham Terrace
BRISBANE QLD 4000
Attention: Company Secretary
Fax: 617 3836 1190
UBS AG, Australia Branch ABN 47 088 129 613
Level 16
Chifley Tower
2 Chifley Square
SYDNEY NSW 2000

Attention: Head of Debt Capital Markets
Fax: 612 9324 2920

Registrar (for Austraclear Securities)

Austraclear Services Limited
30 Grosvenor Street
SYDNEY NSW 2000
Australia

Lawyers to the Issuer

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