MyState Limited

ASX release

30 August 2022

CLEANSING NOTICE

30 August 2022

Market Announcements Office
ASX Limited
20 Bridge Street
Sydney NSW 2000

By e-lodgement

ASX Code: MYS

Dear Sir / Madam

MyState Limited ("MyState") – issue of A$65,000,000 Capital Notes ("Capital Notes")

Notice under section 708A(12H)(e) of the Corporations Act 2001 (Cth) ("Act") as inserted by *ASIC Corporations (Regulatory Capital Securities) Instrument 2016/71* ("Instrument")

1. MyState will issue the Capital Notes on 30 August 2022. Offers of the Capital Notes do not require disclosure to investors under Part 6D.2 of the Act.

2. The terms and conditions of the Capital Notes attached to this notice as Annexure A ("**Conditions**") are set out on pages 31 to 79 of the Information Memorandum relating to MyState's Capital Notes Issuance Programme dated 23 August 2022 ("**Information Memorandum**"), as supplemented by the Pricing Supplement dated 25 August 2022, the form of which is attached to this notice as Annexure B ("**Pricing Supplement**").

3. The Capital Notes are expected to be treated as Additional Tier 1 regulatory capital under the capital adequacy framework as implemented in Australia by the Australian Prudential Regulation Authority ("**APRA**").

4. If MyState or APRA determine at any time that the ratio of MyState's Common Equity Tier 1 Capital to risk weighted assets is equal to or less than 5.125%, calculated on the basis of either or both of the MyState Level 1 Group and the MyState Level 2 Group, MyState must immediately convert into Ordinary Shares or write off:

   (a) all Relevant Tier 1 Capital Instruments, including Capital Notes; or

   (b) a proportion of Relevant Tier 1 Capital Instruments with the result that the Common Equity Tier 1 Ratio in respect of each of the MyState Level 1 Group and the MyState Level 2 Group is at a percentage above 5.125% (as determined by MyState).

5. If APRA determines that MyState is or would become non-viable, MyState must immediately convert into Ordinary Shares or write off:

   (a) all Relevant Tier 1 Capital Instruments; or

   (b) if a Non-Viability Trigger Event occurs which does not involve a determination by APRA that a public sector injection of capital would be required and APRA is satisfied that

conversion or write off of a proportion of Relevant Tier 1 Capital Instruments will be sufficient to ensure that the Issuer will not become non-viable, that proportion of Relevant Tier 1 Capital Instruments.

6. In order to enable ordinary shares in the capital of MyState to be issued on Conversion without disclosure under Chapter 6D of the Act, MyState has elected to give this notice under section 708A(12H)(e) of the Act as inserted by the Instrument. The Conditions and the information in the attached Schedule are included in, and form part of, this notice.

7. MyState confirms that:

   (a) the information in this notice remains current as at today's date;

   (b) this notice complies with section 708A of the Act, as notionally modified by the Instrument; and

   (c) this notice complies with the content requirements of section 708A(12I) of the Act as inserted by the Instrument.

8. Unless otherwise defined, capitalised expressions used in this notice have the meanings given to them in the Conditions or Pricing Supplement.

Yours sincerely,



Scott Lukianenko
Company Secretary
MyState Limited

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This market announcement does not constitute an offer to sell or the solicitation of an offer to buy any securities in the United States or any other jurisdiction. The securities offered have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons absent registration or an applicable exemption from registration.

Authorised
MyState Limited Board

About MyState Limited
Registered Office: 137 Harrington Street, Hobart 7000
MyState Limited is the ASX-listed (MYS) non-operating holding company of the diversified financial services Group consisting of MyState Bank and TPT Wealth, a trustee and wealth management company. MyState Bank is regulated by the Australian Prudential Regulatory Authority. MyState Bank and TPT Wealth hold Australian Financial Services Licences issued by the Australian Securities and Investments Commission.

Investor Enquiries
Gary Dickson, Chief Financial Officer, 0417 378 847 or gary.dickson@mystatelimited.com.au

SCHEDULE

A. Effect on MyState of the offer of the Capital Notes

The issuance of the Capital Notes is expected to raise Additional Tier 1 regulatory capital to satisfy MyState's regulatory requirements and maintain the diversity of MyState's sources and types of capital funding.

Some or all of the proceeds of an issuance of Capital Notes may be used to fund Additional Tier 1 Capital of MyState Bank Limited (ABN 89 067 729 195), a subsidiary of the Issuer which is an Authorised Deposit-taking Institution. Those proceeds, less the costs of the issue, will be classified as Deposits and Other Borrowings in the financial statements of MyState and will be eligible Additional Tier 1 regulatory capital. The issue of the Capital Notes will not have a material impact on MyState's financial position.

The proceeds of the issue, less the costs of the issue, are expected to increase MyState's total capital ratio on a Level 2 basis by less than 2.30%.

B. Rights and liabilities attaching to the Capital Notes

The rights and liabilities attaching to the Capital Notes are set out in the Conditions as supplemented by the Pricing Supplement.

C. Effect on MyState of the issue of the ordinary shares if the Capital Notes are required to be Converted

A key feature of APRA's requirements for Additional Tier 1 regulatory capital instruments is that they absorb losses at the point of non-viability of the issuer or on the occurrence of a Common Equity Trigger Event. The Conditions include provisions that require the Capital Notes to be Converted into ordinary shares in the capital of MyState or Written-off on the occurrence of a Non-Viability Trigger Event or a Common Equity Trigger Event. A Non-Viability Trigger Event will occur when APRA notifies MyState in writing that it believes that relevant non-viability circumstances (as described in the definition of "Non-Viability Trigger Event" in the Conditions) subsist, which could occur at any time. Further, a Common Equity Trigger Event will occur when the ratio of MyState's Common Equity Tier 1 Capital to risk weighted assets as determined by MyState or APRA at any time is equal to or less than 5.125%, calculated on the basis of either or both of the MyState Level 1 Group and the MyState Level 2 Group.

If a Non-Viability Trigger Event or a Common Equity Trigger Event occurs and MyState Converts the Capital Notes and issues ordinary shares to Holders (as required under the Conditions), the effect of Conversion on MyState would be to reduce Deposits and Other Borrowings by the principal amount, less any unamortised costs of the issue, of the Capital Notes being Converted and increase MyState's shareholders' equity (ordinary share capital) by a corresponding amount. APRA has not provided extensive guidance as to how it would determine non−viability. Non-viability could be expected to include serious impairment of MyState's financial position, concerns about its capital, funding or liquidity levels and/or insolvency. We note that APRA has recently indicated that it may regard non-viability as occurring before an authorised deposit-taking institution (ADI) is at risk of becoming insolvent.[1]

The number of ordinary shares issued on Conversion is variable, but is limited to the Maximum Conversion Number. Limiting the number of ordinary shares which may be issued to the Maximum Conversion Number means that it is likely that Holders will receive a number of ordinary shares that have a market value that is significantly less than the Outstanding Capital Notes.

The Maximum Conversion Number is calculated based on a VWAP set to reflect 50% of the Issue Date VWAP, if Conversion is occurring on a Mandatory Conversion Date, and 20% of the Issue Date VWAP, if Conversion is occurring for any other reason. The Maximum Conversion Number may be adjusted to reflect a consolidation, division or reclassification or pro rata bonus issue, of ordinary

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1 APRA, "Response to Submissions – Loss-Absorbing Capacity" (9 July 2019).

shares. However, no adjustment will be made to it on account of other transactions which may affect the price of ordinary shares, including for example, rights issues, returns of capital, buy-backs or special dividends.

Based on the Issue Date VWAP of AUD $4.53, the Maximum Conversion Number for Conversion occurring on a Mandatory Conversion Date is 441.5011 MyState ordinary shares per Capital Note (with a nominal value of A$1,000) and the Maximum Conversion Number for Conversion occurring for any other reason is 1,103.7528 MyState ordinary shares per Capital Note (with a nominal value of A$1,000). If Conversion of any Capital Notes does not occur for any reason, the Capital Notes will be Written-off, and all corresponding rights and claims of Holders under the Conditions (including with respect to payments of interest, the repayment of the Outstanding Capital Notes and upon Conversion, the receipt of ordinary shares) will be immediately and irrevocably written-off and terminated, with effect on and from the Non-Viability Trigger Event Date or the Common Equity Trigger Event, as applicable, in accordance with the Conditions, and investors will lose all or some of their investment and will not receive any compensation.

D. Rights and liabilities attaching to the ordinary shares in the capital of MyState

MyState is a publicly listed company formed in September 2009 following the merger of MyState and Tasmanian Perpetual Trustees Limited. MyState's constitution was most recently amended at the general meeting held on 16 October 2014 ("**Constitution**", as amended from time to time). The ordinary shares in the capital of MyState are admitted to trading on ASX. The rights attaching to the ordinary shares in the capital of MyState are set out in the Act and the Constitution.

In addition, the rights and liabilities attaching to the ordinary shares in the capital of MyState are described on page 96 of the 2021 MyState Annual Report. The Annual Report was released to ASX on 17 September 2021 and may be viewed at www.asx.com.au, and is also available on the MyState website at https://www.mystatelimited.com.au/home/?page=reports.

E. Additional information

Information about the Capital Notes is contained in the Conditions and the Pricing Supplement.

MyState is a disclosing entity for the purposes of the Act and, as a result, is subject to regular reporting and disclosure obligations under the Act and the ASX Listing Rules. In addition, MyState must notify ASX immediately (subject to certain exceptions) if it becomes aware of information about MyState that a reasonable person would expect to have a material effect on the price or value of its listed securities, including ordinary shares in the capital of MyState.

Copies of documents lodged with the Australian Securities and Investments Commission ("**ASIC**") can be obtained from, or inspected at, an ASIC office and MyState's ASX announcements may be viewed on www.asx.com.au.

Any person has the right to obtain copies of:

- MyState's annual financial reports; and
- any continuous disclosure notices given by MyState after the lodgement of the 2021 MyState Annual Report, but before the date of this notice,

from https://www.mystatelimited.com.au/home/?page=asx-announcements, or by request made in writing to MyState at:

MyState Limited
Level 2
137 Harrington Street
Hobart TAS 7000
Australia

ANNEXURE A

Terms and Conditions of the Capital Notes

Capital Note Conditions

The following are the terms and conditions which, as supplemented, amended and/or replaced by the relevant Pricing Supplement, will apply to each Capital Note issued under the Capital Notes Programme of MyState Limited. Definitions and interpretation provisions are set out in Condition 26 ("Interpretation and definitions").

1 Introduction

1.1 Programme

Capital Notes ("**Capital Notes**") may be issued under a Capital Notes Programme established on or about 23 August 2022 by the Issuer (the "**Programme**").

1.2 Pricing Supplement

Capital Notes issued under the Programme are issued in Series.

Each Series may comprise one or more Tranches, provided that the requirements of APRA for Capital Notes to be eligible for inclusion as Additional Tier 1 Capital are met in respect of each Tranche.

Each Tranche is the subject of a Pricing Supplement which supplements, amends or replaces these Conditions. In the event of any inconsistency between these Conditions and the relevant Pricing Supplement, the relevant Pricing Supplement prevails.

Copies of the relevant Pricing Supplement are available for inspection or upon request by Holders or prospective Holders during normal business hours at the Specified Office of the Issuer or the Registrar.

1.3 Types of Notes

A Capital Note may be:

(a) a Fixed Rate Capital Note;

(b) a Floating Rate Capital Note; or

(c) a Fixed-to-Floating Rate Capital Note,

in each case, as specified in the relevant Pricing Supplement.

1.4 Austraclear System

Capital Notes may be held in the Austraclear System.

If Capital Notes are held in the Austraclear System, the rights of each Holder and any other person holding an interest in those Capital Notes are subject to the rules and regulations of the Austraclear System, provided that such rules and regulations do not affect any provisions in these Conditions which affect the eligibility of the Capital Notes as Additional Tier 1 Capital.

The Issuer is not responsible for anything the Austraclear System does or omits to do.

2 Form and Issue Price

2.1 Form

Capital Notes are mandatorily convertible subordinated perpetual debt securities. Capital Notes may be Redeemed, Converted or Resold by the Issuer in accordance with these Conditions and the relevant Pricing Supplement.

2.2 Issue Price

Capital Notes are issued for the Issue Price specified in the relevant Pricing Supplement.

2.3 Constitution and independent obligations

(a) Capital Notes are constituted by and owing under the Capital Notes Deed Poll.

(b) Capital Notes take the form of entries in, and are issued by entry in, the Register.

(c) Each entry in the Register constitutes a separate and individual acknowledgement to the relevant Holder of the obligations of the Issuer to the relevant Holder under these Conditions. Without prejudice to any provision requiring an Extraordinary Resolution or an Ordinary Resolution, the Holder to whom those obligations are owed is entitled to enforce them without having to join any other Holder or any predecessor in title of a Holder.

(d) No certificates will be issued to Holders unless the Issuer determines that certificates should be available or if certificates are required by any applicable law or directive.

2.4 Nature of obligations

Capital Notes do not constitute deposit liabilities or protected accounts for the purposes of the Banking Act or the Financial Claims Scheme established under the Banking Act. In addition, Capital Notes are not guaranteed or insured by any government, Government Agency or compensation scheme of the Commonwealth of Australia or any other jurisdiction, by any member of the Group or by any other person.

3 Denomination and currency

3.1 Denomination and Principal Amount

The "**Denomination**" and "**Principal Amount**" of each Capital Note is A$1,000.

3.2 Currency

Capital Notes are denominated in Australian Dollars.

4 General Provisions applicable to Distributions

4.1 Entitlement to Distributions

Subject to Condition 4.9, the Issuer shall pay a Distribution in respect of a Capital Note in arrears on each Distribution Payment Date. The Distribution Payment Dates for a Capital Note shall be:

(a) each date so specified in, or determined in accordance with, the relevant Pricing Supplement; and

(b) each date on which a Conversion, Redemption or Resale of the Capital Note occurs in accordance with the Conditions,

in each case, as adjusted in accordance with the relevant Business Day Convention.

4.2 Record Dates

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

4.3 Calculation of Distribution on Capital Notes

The Distribution payable in respect of a Capital Note on a Distribution Payment Date is determined in accordance with the following formula:

$$Distribution = Distribution\ Rate \times Principal\ Amount \times Day\ Count\ Fraction$$

4.4 Calculation of Distribution Rate on Fixed Rate Capital Notes

The Distribution Rate in respect of a Distribution on a Fixed Rate Capital Note is the rate (expressed as a percentage per annum) determined in accordance with by the following formula:

$$Distribution\ Rate = (Fixed\ Rate + Margin) \times (1 - Tax\ Rate)$$

Where **Fixed Rate** means the rate specified in, or determined in accordance with, the relevant Pricing Supplement.

4.5 Calculation of Distribution Rate on Floating Rate Capital Notes

The Distribution Rate in respect of a Distribution on a Floating Rate Capital Note is the rate (expressed as a percentage per annum) determined in accordance with the following formula:

$$Distribution\ Rate = (Base\ Rate + Margin) \times (1 - Tax\ Rate)$$

where:

Base Rate means, where the relevant Pricing Supplement specifies as the basis for determining the Base Rate:

(i) "ISDA Determination", the ISDA Rate;

(ii) "Screen Rate Determination", the Screen Rate; and

(iii) "Bank Bill Rate Determination", the Bank Bill Rate,

or such other rate as is specified in the relevant Pricing Supplement.

4.6 Calculation of Distribution Rate on Fixed-to-Floating Rate Capital Notes

The Distribution Rate in respect of a Distribution on a Fixed-to-Floating Rate Capital Note is the rate (expressed as a percentage per annum) determined as:

(a) for the Fixed Rate Period, in accordance with Condition 4.4 as if the Capital Note were a Fixed Rate Capital Note; and

(b) for the Floating Rate Period, in accordance with Condition 4.5 as if the Capital Note were a Floating Rate Capital Note.

4.7 Base Rate Disruption Event

In respect of a Floating Rate Capital Note or a Fixed-to-Floating Rate Capital Note in the Floating Rate Period for which the Pricing Supplement specifies "Screen Rate Determination" or "Bank Bill Rate Determination" as the method for determining the Base Rate, if the Calculation Agent determines that a Base Rate Disruption Event has occurred, then, subject to APRA's prior written approval, the Calculation Agent:

(a) shall use as the Base Rate such Alternative Base Rate as it may determine in accordance with these Conditions;

(b) shall make such adjustments to these Conditions as it determines are reasonably necessary to calculate Distributions in accordance with such Alternative Base Rate; and

(c) in making the determinations under paragraphs (a) and (b) above:

(i) shall act in good faith and in a commercially reasonable manner;

(ii) may consult with such sources of market practice as it considers appropriate; and

(iii) may otherwise make such determination in its discretion.

Holders should note that APRA's approval may not be given for any Alternative Base Rate it considers to have the effect of increasing the rate of Distributions contrary to applicable prudential standards.

4.8 Franking adjustments

If a Distribution is not franked to 100% under Part 3-6 of the Tax Act (and any provisions that revise or replace that Part), the Distribution payable under Condition 4.3 will be calculated according to the following formula:

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

where:

D means the Distribution calculated under Condition 4.3; and

F means the applicable Franking Rate.

4.9 Conditions to payment of Distributions

A Distribution will be paid only if:

(a) the Directors in their sole discretion resolve to pay the relevant Distribution on the relevant Distribution Payment Date; and

(b) a Payment Condition does not exist on the relevant Distribution Payment Date.

4.10 Distributions are non-cumulative

Distributions are non-cumulative. If all or any part of a Distribution is not paid in full because of the restrictions in Condition 4.9 or for any other reason:

(a) the Issuer has no liability to pay the unpaid amount of the Distribution;

(b) Holders have no claim or entitlement in respect of such non-payment; and

(c) such non-payment does not constitute an event of default.

No interest accrues on any unpaid Distributions and the Holder has no claim or entitlement in respect of interest on any unpaid Distributions.

4.11 Restrictions in the case of non-payment

Subject to Condition 4.12, if a Distribution on a Capital Note has not been paid in full (**Relevant Distribution**) on a Distribution Payment Date (**Relevant Distribution Payment Date**) for any reason (including because of the restrictions in Condition 4.9), the Issuer must not, unless approved by an Ordinary Resolution, until and including the Distribution Payment Date following the Relevant Distribution Payment Date:

(a) declare, determine to pay or pay any Ordinary Share Dividend; or

(b) undertake any Buy-Back or Capital Reduction,

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

4.12 Exceptions to restrictions

The restrictions in Condition 4.11 do not apply:

(a) in connection with any employment contract, benefit 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 member of the Group;

(b) in connection with the Issuer or any of its Controlled Entities purchasing shares in the Issuer:

(i) in connection with transactions for the account of customers of the Issuer or customers of any of its Controlled Entities; or

(ii) subject to APRA's prior written approval, in connection with the distribution or trading of shares in the Issuer in the ordinary course of business; or

(c) to the extent that at the time a Distribution has not been paid on the Relevant Distribution Payment Date, the Issuer is legally obliged to pay on or after that date an Ordinary Share Dividend or is legally obliged to complete on or after that date a Buy-Back or Capital Reduction.

4.13 Notification of Distribution, Distribution Rate and other items

(a) In respect of each Distribution Period, the Issuer shall (or where the Calculation Agent is not the Issuer, shall procure the Calculation Agent to):

(i) determine the Distribution Rate and the Distribution for that Distribution Period in respect of any Capital Note; and

(ii) notify the Registrar as soon as practicable after its determination but, in any event, no later than the fourth Business Day of the Distribution Period.

(b) the Issuer must notify the Registrar at least 5 Business Days before the relevant Record Date (or, if later, as soon as it decides not to pay a Distribution or as soon as a Payment Condition exists) if payment of the Distribution will not be made because of Condition 4.9.

(c) the Issuer (or, where the Calculation Agent is not the Issuer, the Calculation Agent) may amend its calculation or determination of any date, rate or amount (or make appropriate alternative arrangements by way of adjustment) including as a result of the extension or reduction of the Distribution Period or calculation period or a change to the Tax Rate without prior notice but must notify the Registrar promptly after doing so.

5 Mandatory Conversion on Mandatory Conversion Date

5.1 Mandatory Conversion

Subject to Conditions 6 and 7, on the Mandatory Conversion Date for a Series the Issuer must Convert all (but not some) Capital Notes of that Series into Ordinary Shares in accordance with Condition 9 and this Condition 5.

5.2 Mandatory Conversion Date

The **Mandatory Conversion Date** will be the first to occur of the following dates (each a **Relevant Mandatory Conversion Date**) on which the Mandatory Conversion Conditions are satisfied:

(a) the Scheduled Mandatory Conversion Date; or

(b) the first Distribution Payment Date after the Scheduled Mandatory Conversion Date (a **Subsequent Mandatory Conversion Date**).

5.3 Mandatory Conversion Conditions

The **Mandatory Conversion Conditions** for each Relevant Mandatory Conversion Date are:

(a) the VWAP on the 25th Business Day immediately preceding (but not including) the Relevant Mandatory Conversion Date (the **First Test Date**, provided that if no trading in Ordinary Shares took place on that date, the First Test Date is the first Business Day before the 25th Business Day immediately preceding (but not including) the Relevant Mandatory Conversion Date on which trading in Ordinary Shares took place) is greater than 56% of the Issue Date VWAP (the **First Mandatory Conversion Condition**);

(b) the VWAP during the period of 20 Business Days on which trading in Ordinary Shares took place immediately preceding (but not including) the Relevant Mandatory Conversion Date is greater than 50.51% of the Issue Date VWAP (the **Second Mandatory Conversion Condition**); and

(c) no Delisting Event applies in respect of the Relevant Mandatory Conversion Date (the **Third Mandatory Conversion Condition** and together with the First Mandatory Conversion Condition and the Second Mandatory Conversion Condition, the **Mandatory Conversion Conditions**).

5.4 Non-Conversion Notices

If:

(a) the First Mandatory Conversion Condition is not satisfied in relation to a Relevant Mandatory Conversion Date for a Series of Capital Notes, the Issuer will give notice to Holders between the 25th and the 21st Business Day before the Relevant Mandatory Conversion Date; or

(b) the Second Mandatory Conversion Condition or the Third Mandatory Conversion Condition is not satisfied in relation to a Relevant Mandatory Conversion Date for a Series of Capital Notes, the Issuer will give notice to Holders on or as soon as practicable after the Relevant Mandatory Conversion Date,

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

6 Mandatory Conversion on Loss Absorption Event

6.1 Loss Absorption Event

A **Loss Absorption Event** is each of:

(a) a Common Equity Trigger Event; and

(b) a Non-Viability Trigger Event.

6.2 Common Equity Trigger Event

(a) A **Common Equity Trigger Event** occurs when either or both of the Common Equity Tier 1 Ratio in respect of the MyState Level 1 Group and the MyState Level 2 Group as determined by the Issuer or APRA at any time is equal to or less than 5.125%.

(b) The Issuer must immediately notify APRA in writing if it makes a determination under Condition 6.2(a).

(c) If a Common Equity Trigger Event occurs, the Issuer must immediately convert into Ordinary Shares or write off:

(i) all Relevant Tier 1 Capital Instruments; or

(ii) a proportion of the Relevant Tier 1 Capital Instruments sufficient to return each of the Common Equity Tier 1 Ratio in respect of the MyState Level 1 Group

and the Common Equity Tier 1 Ratio in respect of the MyState Level 2 Group to a percentage above 5.125% determined by the Issuer for that ratio.

6.3 Non-Viability Trigger Event

(a) A **Non-Viability Trigger Event** means APRA has provided a written determination to the Issuer that:

(i) the conversion into Ordinary Shares or write off of Relevant Tier 1 Capital Instruments in accordance with their terms or by operation of law is necessary because without the conversion or write off, APRA considers that the Issuer would become non-viable; or

(ii) without a public sector injection of capital into, or equivalent support with respect to, the Issuer, APRA considers that the Issuer would become non-viable.

(b) If a Non-Viability Trigger Event occurs under Condition 6.3(a)(i), the Issuer must immediately convert into Ordinary Shares or write off:

(i) all Relevant Tier 1 Capital Instruments; or

(ii) where APRA is satisfied that conversion or write off of a proportion of Relevant Tier 1 Capital Instruments will be sufficient to ensure that the Issuer will not become non-viable, that proportion of Relevant Tier 1 Capital Instruments.

(c) Where a Non-Viability Trigger Event occurs under Condition 6.3(a)(ii), the Issuer must immediately convert or write off all Relevant Tier 1 Capital Instruments then outstanding (including Capital Notes).

APRA has stated that it will not approve partial conversion or partial write off in those exceptional circumstances where a public sector injection of funds is deemed necessary.

6.4 Loss Absorption Event Conversion

(a) On the date on which a Loss Absorption Event occurs (the **Loss Absorption Event Conversion Date**) the Issuer must immediately determine:

(i) the aggregate Principal Amount of Capital Notes that will Convert and the aggregate principal amount of other Relevant Tier 1 Capital Instruments that will convert into Ordinary Shares or be written off (in accordance with Condition 6.2 or Condition 6.3, as applicable); and

(ii) the identity of Holders whose Capital Notes will Convert on the Loss Absorption Event Conversion Date and in making that determination may make any decisions with respect to the identity of the Holders at that time as may be necessary or desirable to ensure Conversion occurs in an orderly manner, including disregarding any transfers of Capital Notes that have not been settled or registered at that time.

(b) Where the Issuer is required to Convert some but not all Capital Notes on account of a Loss Absorption Event, subject to paragraph (c):

(i) the Issuer must endeavour to select the Capital Notes of Holders to be Converted on an approximately proportionate basis among all Holders, but may make adjustments among Holders to take account of the effect on marketable parcels and other logistical considerations; and

(ii) where the Specified Currency of Relevant Tier 1 Capital Instruments is not the same for all Relevant Tier 1 Capital Instruments, the Issuer may treat them as if converted into a single currency of the Issuer's choice at such rate of

exchange as the Issuer considers reasonable but may make adjustments among Holders and holders of other Relevant Tier 1 Capital Instruments having regard to the need to effect conversion immediately.

(c) Despite any other provision in these Conditions, on a Loss Absorption Event Conversion Date the aggregate Principal Amount (as determined under this Condition 6.4) of Capital Notes will Convert immediately and irrevocably.

(d) A Loss Absorption Event occurs immediately on the day when the Issuer determines or is notified by APRA of the event whether or not the day is a Business Day and the Issuer must perform the obligations in respect of it on that day accordingly.

(e) None of the following shall prevent, impede or delay the Conversion of Capital Notes as required by this Condition 6.4:

(i) any failure to convert into Ordinary Shares or write off, or delay in the conversion into Ordinary Shares or write off of, other Relevant Tier 1 Capital Instruments;

(ii) any failure or delay in giving a Loss Absorption Event Notice;

(iii) any failure or delay in quotation of the Ordinary Shares to be issued on Conversion;

(iv) any obligation to treat Holders proportionately or to make the determinations or adjustments in accordance with Condition 6.4(b); or

(v) any decision as to the identity of Holders whose Capital Notes are to be Converted or Written Off.

(f) From a Loss Absorption Event Conversion Date the Issuer shall treat the Holder in respect of its Capital Notes as the holder of the Conversion Number of Ordinary Shares and will take all such steps, including updating any register, required to record the Conversion.

6.5 Write Off following failure to Convert

If Conversion required in respect of a Capital Note on account of a Loss Absorption Event has not been effected within 5 days after a Loss Absorption Event Conversion Date for any reason (including an Inability Event), then the Conversion will not occur and the Capital Notes which, but for this Condition 6.5, would be required to be Converted, will be Written Off with effect on and from the Loss Absorption Event Conversion Date.

Written Off means that, in respect of a Capital Note and a Loss Absorption Event Conversion Date:

(a) the Capital Note will not be Converted in respect of the Loss Absorption Event Conversion Date and will not be Converted, Redeemed or Resold under these Conditions on any subsequent date; and

(b) the relevant Holders' rights (including to payments of Distributions and Principal Amount) in relation to such Capital Note are immediately and irrevocably terminated and written off with effect on and from the Loss Absorption Event Conversion Date.

6.6 Loss Absorption Event Notice

As soon as practicable following the occurrence of a Loss Absorption Event, the Issuer must give notice of the Loss Absorption Event (a **Loss Absorption Event Notice**) to the Registrar, and the Holders which states the Loss Absorption Event Conversion Date, the aggregate Principal Amount of Capital Notes Converted or Written Off and the aggregate principal amount of Relevant Tier 1 Capital Instruments converted into Ordinary Shares or written off.

6.7 Priority of Conversion obligations

(a) Conversion on account of the occurrence of a Loss Absorption Event is not subject to the matters described in Condition 5.3 as Mandatory Conversion Conditions.

(b) Conversion required on account of a Loss Absorption Event takes place on the date, and in the manner, required by Condition 6.4, notwithstanding any other provision for Conversion, Redemption or Resale in these Conditions.

(c) In the event of any conflict between the requirements of Conditions 6.3 and 6.2, Condition 6.3 prevails.

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7 Mandatory Conversion on Acquisition Event

7.1 Conversion on occurrence of Acquisition Event

If an Acquisition Event occurs, the Issuer must Convert all (but not some only) Capital Notes on the Acquisition Conversion Date by notice (an **Acquisition Conversion Notice**) to the Registrar and the Holders in accordance with this Condition 7 and Condition 9.

7.2 Acquisition Conversion Notice

Subject to Condition 7.3, the Issuer must give an Acquisition Conversion Notice to the Registrar and the Holders as soon as practicable and in any event within 10 Business Days after becoming aware of an Acquisition Event.

An Acquisition Conversion Notice must specify:

(a) the details of the Acquisition Event to which the Acquisition Conversion Notice relates;

(b) the date on which Conversion is to occur (the **Acquisition Conversion Date**), which must be:

(i) the Business Day prior to the date reasonably determined by the Issuer to be the last date on which holders of Ordinary Shares are likely to be able to participate in the bid or scheme concerned or such other earlier date as the Issuer may reasonably determine having regard to the timing for implementation of the bid or scheme concerned; or

(ii) such later date as APRA may require; and

(c) whether any Distribution will be paid in respect of the Capital Notes on the Acquisition Conversion Date.

7.3 Where Acquisition Conversion Notice not required

Notwithstanding any provision of Condition 7.1 or Condition 7.2, the Issuer is not required to give an Acquisition Conversion Notice if either or both of the Optional Conversion Restrictions would apply (reading those restrictions as if a reference to an Optional Conversion Notice were a reference to an Acquisition Conversion Notice). In those circumstances, Condition 7.4 will apply.

7.4 Deferred Conversion on Acquisition Event

If Condition 7.3 applies or the Issuer has given an Acquisition Conversion Notice but, if the Acquisition Conversion Date were a Relevant Mandatory Conversion Date for the purposes of Condition 5.2, either the Second Mandatory Conversion Condition (applied as if it referred to 20.20% of the Issue Date VWAP) or the Third Mandatory Conversion Condition would not be satisfied in respect of that date, then notwithstanding any other provision of these Conditions (but without limitation to the operation of Condition 6.7):

(a) the Acquisition Conversion Notice, if given, is taken to be revoked and Conversion will not occur on the Acquisition Conversion Date specified in the Acquisition Conversion Notice;

(b) the Issuer will notify the Holders as soon as practicable that Conversion will not (or, as the case may be, did not) occur (a **Deferred Acquisition Conversion Notice**); and

(c) the Issuer must, unless Condition 7.3 then applies, give an Acquisition Conversion Notice (or, as the case may be, a new Acquisition Conversion Notice) on or before the 25th Business Day prior to the immediately succeeding Distribution Payment Date which is at least 25 Business Days after the date on which the Deferred Acquisition Conversion Notice was given.

The Acquisition Conversion Notice given in accordance with paragraph (c) above must comply with the requirements in Condition 7.2.

If this Condition 7.4 applies but:

(i) Condition 7.3 applies in respect of the Distribution Payment Date referred to in paragraph (c) such that no Acquisition Conversion Notice (or, as the case may be, no new Acquisition Conversion Notice) is given under this Condition 7.4; or

(ii) an Acquisition Conversion Notice (or, as the case may be, a new Acquisition Conversion Notice) is given under this Condition 7.4 but, if the Acquisition Conversion Date specified in the Acquisition Conversion Notice were a Relevant Mandatory Conversion Date for the purpose of Condition 5.2, either the Second Mandatory Conversion Condition (applied as if it referred to 20.20% of the Issue Date VWAP) or the Third Mandatory Conversion Condition would not be satisfied in respect of that date,

then this Condition 7.4 will be reapplied in respect of each subsequent scheduled Distribution Payment Date until a Conversion occurs.

8 Optional Conversion

8.1 Optional Conversion by the Issuer

The Issuer may, with APRA's prior written approval, by notice to the Registrar and the Holders (an **Optional Conversion Notice**) elect to Convert:

(a) all or some Capital Notes of a Series on an Optional Conversion Date following the occurrence of a Tax Event or a Regulatory Event;

(b) all or some Capital Notes of a Series on an Optional Conversion Date following the occurrence of a Potential Acquisition Event; or

(c) all or some Capital Notes of a Series on a Scheduled Optional Conversion Date.

Holders should not expect that APRA's approval will be given for a Conversion of Capital Notes under these Conditions.

8.2 When an Optional Conversion Notice may be given

An Optional Conversion Notice under this Condition 8 may be given:

(a) in the case of Condition 8.1(a), on any day following the occurrence of the Tax Event or Regulatory Event (as applicable) provided that an Optional Conversion Notice cannot be given in the period of 20 Business Days preceding (and not including) a Relevant Mandatory Conversion Date where the First Mandatory Conversion Condition has been met in respect of that Relevant Mandatory Conversion Date;

(b) in the case of Condition 8.1(b), on any day following the occurrence of the Potential Acquisition Event; or

(c) in the case of Condition 8.1(c), no earlier than 50 Business Days and no later than 25 Business Days before the Scheduled Optional Conversion Date, or such other period as is specified in the relevant Pricing Supplement.

Subject to Condition 6.7, an Optional Conversion Notice once given is irrevocable.

8.3 Contents of Optional Conversion Notice

An Optional Conversion Notice must specify:

(a) in the case of Condition 8.1(a) or Condition 8.1(b), the details of the Tax Event, Regulatory Event or Potential Acquisition Event to which the Optional Conversion Notice relates;

(b) the date on which Conversion is to occur (the **Optional Conversion Date**) which:

(i) in the case of a Tax Event or a Regulatory Event, is the Next Distribution Payment Date, unless the Issuer determines an earlier date having regard to the best interests of Holders as a whole and the relevant event; or

(ii) in the case of a Potential Acquisition Event, is:

(A) the Business Day prior to the date reasonably determined by the Issuer to be the last date on which holders of Ordinary Shares can participate in the bid or scheme concerned; or

(B) such other earlier date as the Issuer may reasonably determine having regard to the timing for implementation of the bid or scheme concerned; or

(C) such later date as APRA may require; or

(iii) in the case of Condition 8.1(c), is the Scheduled Optional Conversion Date;

(c) if less than all Capital Notes of a Series are subject to Conversion, the proportion of the Capital Notes of that Series that are to be Converted; and

(d) whether any Distribution will be paid in respect of the Capital Notes to be Converted on the Optional Conversion Date.

8.4 Restrictions on election of Conversion

The Issuer may not elect to Convert Capital Notes under this Condition 8 if:

(a) on the second Business Day before the date on which an Optional Conversion Notice is to be sent by the Issuer (or, if trading in Ordinary Shares did not occur on that date, the last Business Day prior to that date on which trading in Ordinary Shares occurred) (the **Non-Conversion Test Date**) the VWAP on that date is less than or equal to 22.50% of the Issue Date VWAP (the **First Optional Conversion Restriction**); or

(b) a Delisting Event applies in respect of the Non-Conversion Test Date (the **Second Optional Conversion Restriction** and together with the First Optional Conversion Restriction, the **Optional Conversion Restrictions**).

8.5 Deferred Conversion on Optional Conversion Date

If the Issuer has given an Optional Conversion Notice but, if the Conversion Date were a Relevant Mandatory Conversion Date for the purposes of Condition 5.2, either the Second

Mandatory Conversion Condition (applied as if it referred to 20.20% of the Issue Date VWAP) or the Third Mandatory Conversion Condition would not be satisfied in respect of that date, then, notwithstanding any other provision of these Conditions:

(a) the Optional Conversion Date will be deferred until the first Distribution Payment Date on which the Mandatory Conversion Conditions (applied as if the percentage of the Issue Date VWAP were 22.50% for the First Mandatory Conversion Condition and 20.20% for the Second Mandatory Conversion Condition) would be satisfied if that Distribution Payment Date were a Relevant Mandatory Conversion Date for the purposes of Condition 5.2 (the **Deferred Conversion Date**);

(b) the Issuer must Convert the Capital Notes on the Deferred Conversion Date (unless the Capital Notes are Converted, Written Off, Redeemed or Resold earlier in accordance with these Conditions); and

(c) until the Deferred Conversion Date, all rights attaching to the Capital Notes will continue as if the Optional Conversion Notice had not been given.

The Issuer will notify the Holders on or as soon as practicable after an Optional Conversion Date in respect of which this Condition 8.5 applies that Conversion did not occur on that Conversion Date.

9 Conversion mechanics

9.1 Conversion

If the Issuer elects to Convert Capital Notes (with APRA's prior written approval) or must Convert Capital Notes in accordance with these Conditions, then, subject to this Condition 9, the following provisions shall apply:

(a) each Holder will be issued a number of Ordinary Shares for each Capital Note held by the Holder that is being Converted on the Conversion Date equal to the Conversion Number, where the **Conversion Number** is the lesser of the number calculated according to the following formula and the Maximum Conversion Number:

$$\frac{\textbf{Principal Amount}}{\textbf{99\%} \times \textbf{VWAP}}$$

where:

VWAP (expressed in dollars and cents) means the VWAP during the VWAP Period; and

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

$$\text{Maximum Conversion Number} = \frac{\textbf{Principal Amount}}{(\textbf{Issue Date VWAP} \times \textbf{Relevant Fraction})}$$

where:

Relevant Fraction means:

(A) if Conversion is occurring on a Mandatory Conversion Date, 0.5; and

(B) if Conversion is occurring for any other reason, 0.2.

(b) each Holder's rights (including to payment of Distributions, other than the Distribution if any, payable on a Conversion Date that is not a Loss Absorption Event Conversion Date) in relation to each Capital Note that is being Converted will be immediately and irrevocably terminated for an amount equal to the Principal Amount of that Capital Note and the Issuer will apply the Principal Amount by way of payment for subscription for the Conversion Number of Ordinary Shares to be issued under Condition 9.1(a). Each Holder is taken to have irrevocably directed that any amount payable under this Condition 9.1(b) is to be applied as provided for in this Condition 9.1(b) and no Holder has any right to payment in any other way;

(c) if the total number of Ordinary Shares to be issued to a Holder in respect of their aggregate holding of Capital Notes that is being Converted upon Conversion includes a fraction of an Ordinary Share, that fraction of an Ordinary Share will be disregarded; and

(d) the rights attaching to the Ordinary Shares issued upon Conversion do not take effect until 5.00pm Sydney time on the Mandatory Conversion Date, Acquisition Conversion Date or the Optional Conversion Date (as the case may be) or, in the case of a Conversion on the Loss Absorption Event Conversion Date, the time at which such Conversion occurs on that date. At that time:

(i) all other rights conferred or restrictions imposed on that Capital Note under these Conditions will no longer have effect (except for rights relating to a Distribution which has been determined to be payable on a Conversion Date (that is not a Loss Absorption Event Conversion Date), which rights will continue); and

(ii) the Ordinary Shares issued upon the Conversion will rank equally with all other Ordinary Shares.

9.2 Adjustments to VWAP

For the purposes of calculating the VWAP in these Conditions:

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

(i) (in case of a dividend or other distribution), the amount of that dividend or other distribution including, if the dividend or other distribution is franked, the amount that would be included in the assessable income of a recipient of the dividend or other distribution who is both a resident of Australia and a natural person under the Tax Act;

(ii) (in the case of any other entitlement that is not a dividend or other distribution under Condition 9.2(a)(i) which is traded on ASX on any of those Business Days), the volume weighted average sale price of all such entitlements sold on ASX during the VWAP Period on the Business Days on which those entitlements were traded; or

(iii) (in the case of any other entitlement which is not traded on ASX during the VWAP Period), the value of the entitlement as reasonably determined by the Directors; and

(b) where, on some or all of the Business Days in the VWAP Period, Ordinary Shares have been quoted on ASX as ex dividend or ex any other distribution or entitlement, and

Capital Notes will Convert into Ordinary Shares in respect of which the relevant dividend or other distribution or entitlement would be payable, the VWAP on the Business Days on which those Ordinary Shares have been quoted ex dividend or ex any other distribution or entitlement shall be increased by the Cum Value.

9.3 Adjustments to VWAP for divisions and similar transactions

(a) Where during the relevant VWAP Period there is a change in the number of Ordinary Shares on issue as a result of a Reorganisation, in calculating the VWAP for that VWAP Period the VWAP on each Business Day in the relevant VWAP Period which falls before the date on which trading in Ordinary Shares is conducted on a post Reorganisation basis shall be adjusted by multiplying it by the following formula:

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

where:

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

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

(b) Any adjustment made by the Issuer in accordance with Condition 9.3(a) will be effective and binding on Holders under these Conditions and these Conditions will be construed accordingly. Any such adjustment must be promptly notified to the Holders.

9.4 Adjustments to Issue Date VWAP

For the purposes of determining the Issue Date VWAP, adjustments to the VWAP will be made in accordance with Conditions 9.2 and 9.3 during the VWAP Period for the Issue Date VWAP. On and from the Issue Date, adjustments to the Issue Date VWAP:

(a) may be made in accordance with Conditions 9.5 to 9.7 (inclusive); and

(b) if so made, will correspondingly:

(i) affect the application of the Mandatory Conversion Conditions and the Optional Conversion Restrictions; and

(ii) cause an adjustment to the Maximum Conversion Number.

Any adjustment made by the Issuer in accordance with Condition 9.5(a) or 9.6(a) will be effective and binding on Holders under these Conditions and these Conditions will be construed accordingly.

9.5 Adjustments to Issue Date VWAP for bonus issues

(a) Subject to Condition 9.5(b), if the Issuer makes a pro rata bonus issue of Ordinary Shares to holders of Ordinary Shares generally, the Issue Date VWAP will be adjusted in accordance with the following formula:

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

where:

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

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

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

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

(b) Condition 9.5(a) does not apply to Ordinary Shares issued as part of a bonus share plan, employee or executive share plan, executive option plan, share top up plan, share purchase plan or a dividend reinvestment plan.

(c) For the purpose of Condition 9.5(a), an issue will be regarded as a pro rata issue notwithstanding that the Issuer does not make offers to some or all holders of Ordinary Shares with registered addresses outside Australia, provided that in so doing the Issuer is not in contravention of the ASX Listing Rules.

(d) No adjustments to the Issue Date VWAP will be made under this Condition 9.5 for any offer of Ordinary Shares not covered by Condition 9.5(a), including a rights issue or other essentially pro rata issue.

(e) The fact that no adjustment is made for an issue of Ordinary Shares except as covered by Condition 9.5(a) shall not in any way restrict the Issuer from issuing Ordinary Shares at any time on such terms as it sees fit nor be taken to constitute a modification or variation of rights or privileges of Holders or otherwise requiring any consent or concurrence.

9.6 Adjustment to Issue Date VWAP for divisions and similar transactions

(a) If at any time after the Issue Date there is a change in the number of Ordinary Shares on issue as a result of a Reorganisation, the Issuer shall adjust the Issue Date VWAP by multiplying the Issue Date VWAP applicable on the Business Day immediately before the date of any such Reorganisation by the following formula:

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

where:

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

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

(b) Each Holder acknowledges that the Issuer may consolidate, divide or reclassify securities so that there is a lesser or greater number of Ordinary Shares at any time in its absolute discretion without any such action constituting a modification or variation of rights or privileges of Holders or otherwise requiring any consent or concurrence.

9.7 No adjustment to Issue Date VWAP in certain circumstances

Despite the provisions of Conditions 9.5 and 9.6, no adjustment shall be made to the Issue Date VWAP where such adjustment (rounded if applicable) would be less than one per cent of the Issue Date VWAP then in effect.

9.8 Announcement of adjustments

The Issuer will notify the Registrar and the Holders (an **Adjustment Notice**) of any adjustment to the Issue Date VWAP under this Condition 9 within 10 Business Days of the Issuer determining the adjustment.

9.9 Ordinary Shares

Each Ordinary Share issued or arising upon Conversion ranks equally with all other fully paid Ordinary Shares.

9.10 Listing Ordinary Shares issued on Conversion

The Issuer shall use all reasonable endeavours to list the Ordinary Shares issued upon Conversion of Capital Notes on ASX. Holders agree not to trade Ordinary Shares issued on Conversion (except as permitted by the Corporations Act, other applicable laws and the ASX Listing Rules) until the Issuer has taken such steps as are required by the Corporations Act, other applicable laws and the ASX Listing Rules for the shares to be freely tradeable without such further disclosure or other action and agrees to allow the Issuer to impose a holding lock or refuse to register a transfer in respect of Ordinary Shares until such time.

9.11 Failure to Convert (other than on account of a Loss Absorption Event)

If on a Conversion Date (other than a Loss Absorption Event Conversion Date), an Ordinary Share is not issued or delivered in respect of a Capital Note, that Capital Note remains on issue (and will continue to entitle the Holder to Distributions in accordance with Condition 4) until the Ordinary Share is issued to the Holder (which date shall be the Conversion Date in respect of that Capital Note) or the Capital Note is Redeemed (which date shall be the Redemption Date in respect of that Capital Note) or Resold (which date shall be the Resale Date in respect of that Capital Note), and a Holder shall have no claim in respect of that failure other than for specific performance of the obligation to issue or deliver the Ordinary Shares. This Condition 9.11 does not affect the obligation of the Issuer to issue or deliver the Ordinary Shares when required in accordance with the Conditions.

9.12 Issue to an Eligible Nominee

(a) Where a Capital Note is required to be Converted and:

(i) the Capital Note is held by a Foreign Holder, unless the Issuer is satisfied that the laws of the Foreign Holder's country of residence permit the issue of Ordinary Shares to the Foreign Holder, either unconditionally or after compliance with conditions which the Issuer in its absolute discretion regards as acceptable and not unduly onerous; or

(ii) the Holder has notified the Issuer that it does not wish to receive Ordinary Shares as a result of Conversion, which notice may be given by the Holder at any time on or after the Issue Date and no less than 15 Business Days prior to the Conversion Date,

the Ordinary Shares which the Holder is obliged to accept will be issued to a nominee (which must not be the Issuer or any Related Entity of the Issuer) (**Eligible Nominee**) but otherwise in accordance with Condition 9.1 and on terms that, at the first reasonable opportunity to sell the Ordinary Shares, the Eligible Nominee will arrange for their sale and pay to the relevant Holder on a date determined by the Eligible Nominee a cash amount equal to the Attributable Proceeds of the relevant Holder.

(b) Where a Capital Note is required to be Converted and a FATCA Withholding is required to be made in respect of Ordinary Shares issued on Conversion of such Capital Note, the Ordinary Shares which the Holder is obliged to accept will be issued to the Holder only to the extent (if at all) that the issue is net of FATCA Withholding and the Issuer will issue the balance of the Ordinary Shares (if any) to an Eligible Nominee who will

sell those Ordinary Shares and deal with any proceeds of their disposal in accordance with FATCA.

(c) The issue of Ordinary Shares in accordance with Condition 9.12(a) or Condition 9.12(b) above (as applicable) will satisfy all obligations of the Issuer in connection with the Conversion, the Capital Note will be deemed Converted and will be dealt with in accordance with Condition 9.1 and, on and from the issue of Ordinary Shares, the rights of a Holder the subject of Condition 9.12(a) or Condition 9.12(b) above in respect of the Capital Note are limited to its rights in respect of the Ordinary Shares or the Attributable Proceeds as provided in those Conditions.

(d) Without prejudice to the express obligations of the Issuer and the Eligible Nominee under this Condition 9.12:

(i) the Issuer has no duty to enquire into the law of a Foreign Holder's country of residence; and

(ii) neither the Issuer nor any Eligible Nominee owes any obligations or duties to Holders in relation to the price at which Ordinary Shares are sold or has any liability for any loss suffered by a Holder as a result of the sale of Ordinary Shares where required by this Condition 9.12.

(e) If Conversion is occurring because of the occurrence of a Loss Absorption Event and has not been effected within 5 days after the Conversion Date for any reason (including an Inability Event), then Condition 6.5 will apply.

10 Optional Redemption

10.1 Optional Redemption by the Issuer

The Issuer may, with APRA's prior written approval, by notice to the Registrar and the Holders (an **Optional Redemption Notice**), elect to Redeem:

(a) all or some Capital Notes of a Series on a Redemption Date following the occurrence of a Tax Event or a Regulatory Event; or

(b) all or some Capital Notes of a Series on a Scheduled Optional Redemption Date.

Holders should not expect that APRA's approval will be given for any Redemption of Capital Notes under these Conditions.

10.2 When Optional Redemption Notice may be given

An Optional Redemption Notice under this Condition 10 may be given:

(a) in the case of Condition 10.1(a), on any day following the occurrence of the Tax Event or Regulatory Event (as applicable) provided that an Optional Redemption Notice cannot be given in the period of 20 Business Days preceding (and not including) a Relevant Mandatory Conversion Date where the First Mandatory Conversion Condition has been met in respect of that Relevant Mandatory Conversion Date; and

(b) in the case of Condition 10.1(b), no earlier than 60 Business Days and no later than 5 Business Days before a Scheduled Optional Redemption Date, or such other period as is specified in the relevant Pricing Supplement.

Subject to Condition 6.7, an Optional Redemption Notice once given is irrevocable.

10.3 Contents of Optional Redemption Notice

An Optional Redemption Notice must specify:

(a) in the case of Condition 10.1(a), the details of the Tax Event or Regulatory Event to which the Optional Redemption Notice relates;

(b) the date on which Redemption is to occur (the **Redemption Date**), which:

(i) in the case of a Tax Event or a Regulatory Event, is the Next Distribution Payment Date, unless the Issuer determines an earlier Redemption Date having regard to the best interests of Holders as a whole and the relevant event; or

(ii) in the case of Condition 10.1(b), is a Scheduled Optional Redemption Date;

(c) if less than all Capital Notes are subject to Redemption, the proportion of the Capital Notes that are to be Redeemed; and

(d) whether any Distribution will be paid in respect of the Capital Notes to be Redeemed on the Redemption Date.

10.4 Restrictions on election by the Issuer of Redemption

The Issuer may only elect to Redeem Capital Notes of a Series if APRA is satisfied that either:

(a) the Capital Notes the subject of the Redemption are replaced concurrently or beforehand with a capital instrument of the same or better quality and the replacement of the instrument is done under conditions that are sustainable for the Issuer's income capacity; or

(b) the capital position of the MyState Level 1 Group and the MyState Level 2 Group will remain adequate after the Issuer elects to Redeem the Capital Notes.

11 Redemption mechanics

11.1 Redemption mechanics to apply to Redemption

If, subject to APRA's prior written approval and compliance with the conditions in Condition 10.4, the Issuer elects to Redeem a Capital Note in accordance with these Conditions, the provisions of this Condition 11 apply to that Redemption.

11.2 Redemption

Capital Notes will be redeemed by payment on the Redemption Date of an amount equal to the Principal Amount to the Holder.

11.3 Effect of Redemption on Holders

On the Redemption Date the only right Holders will have in respect of Capital Notes will be to obtain the Principal Amount payable in accordance with these Conditions and any Distribution the Issuer has determined is payable on that date. Upon the Principal Amount being paid (or taken to be paid in accordance with Condition 16), all other rights conferred, or restrictions imposed, by Capital Notes will no longer have effect.

12 Optional Resale

12.1 Optional Resale by the Issuer

The Issuer may, with APRA's prior written approval, by notice to the Registrar and the Holders (an **Optional Resale Notice**), elect to Resell:

(a) all or some Capital Notes of a Series on a Resale Date following the occurrence of a Tax Event or a Regulatory Event; or

(b) all or some Capital Notes of a Series on a Scheduled Optional Resale Date.

Holders should not expect that APRA's approval will be given for any Resale of Capital Notes under these Conditions.

12.2 When Optional Resale Notice may be given

An Optional Resale Notice under this Condition 12 may be given:

(a) in the case of Condition 12.1(a), on any day following the occurrence of the Tax Event or Regulatory Event (as applicable) provided that an Optional Resale Notice cannot be given in the period of 20 Business Days preceding (and not including) a Relevant Mandatory Conversion Date where the First Mandatory Conversion Condition has been met in respect of that Relevant Mandatory Conversion Date; or

(b) in the case of Condition 12.1(b), no earlier than 60 Business Days and no later than 5 Business Days before a Scheduled Optional Resale Date, or such other period as is specified in the relevant Pricing Supplement.

Subject to Conditions 6.7, 13.2 and 13.6, an Optional Resale Notice once given is irrevocable.

12.3 Contents of Optional Resale Notice

An Optional Resale Notice must specify:

(a) in the case of Condition 12.1(a), the details of the Tax Event or Regulatory Event to which the Optional Resale Notice relates;

(b) the date on which Resale is to occur (the **Resale Date**), which:

(i) in the case of a Tax Event or a Regulatory Event, is the Next Distribution Payment Date, unless the Issuer determines an earlier Resale Date having regard to the best interests of Holders as a whole and the relevant event; or

(ii) in the case of Condition 12.1(b), a Scheduled Optional Resale Date;

(c) if less than all Capital Notes are subject to Resale, the proportion of the Capital Notes that are to be Resold;

(d) the identity of the Nominated Purchasers for that Resale and the Resale Price; and

(e) whether any Distribution will be paid in respect of the Capital Notes to be Resold on the Resale Date.

13 Resale mechanics

13.1 Resale mechanics

If the Issuer elects to Resell Capital Notes in accordance with these Conditions, the provisions of this Condition 13 apply to that Resale.

13.2 Appointment of Nominated Purchaser

(a) The Issuer must appoint one or more Nominated Purchasers for the Resale on such terms as may be agreed between the Issuer and the Nominated Purchasers (and, to the extent any such conditions may cause the Capital Notes to cease to be Additional Tier 1 Capital, with the prior written approval of APRA) including:

(i) as to the conditions of any Resale, the procedures for settlement of such Resale and the circumstances in which the Optional Resale Notice may be amended, modified, added to or restated;

(i) as to the substitution of another entity (not being the Issuer or a Related Entity of the Issuer) as Nominated Purchaser if, for any reason, the Issuer is not satisfied that the Nominated Purchaser will perform its obligations under this Condition 13; and

(ii) as to the terms (if any) on which any Capital Notes acquired by a Nominated Purchaser may be Redeemed, Converted or otherwise dealt with.

(b) If the Issuer appoints more than one Nominated Purchaser in respect of a Resale, all or any of the Capital Notes held by a Holder which are being Resold may be purchased by any one or any combination of the Nominated Purchasers, as determined by the Issuer for the Resale Price.

13.3 Identity of Nominated Purchasers

The Issuer may not appoint itself or any Related Entity of the Issuer as a Nominated Purchaser.

13.4 Irrevocable offer to sell Capital Notes

Each Holder on the Resale Date is taken irrevocably to offer to sell Capital Notes the subject of an Optional Resale Notice to the Nominated Purchaser or Nominated Purchasers on the Resale Date for the Resale Price.

13.5 Effect of Resale

On the Resale Date subject to payment by the Nominated Purchaser of the Resale Price to the Holders, all right, title and interest in such Capital Notes (excluding the right to any Distribution payable on that date) will be transferred to the Nominated Purchaser free from Encumbrances.

13.6 Effect of failure by Nominated Purchaser or Nominated Purchasers to pay

If a Nominated Purchaser does not pay the Resale Price to the Holders on the Resale Date (a **Defaulting Nominated Purchaser**):

(a) the Optional Resale Notice as it relates to the Defaulting Nominated Purchaser will be void;

(b) Capital Notes will not be transferred to the Defaulting Nominated Purchaser on the Resale Date; and

(c) Holders will continue to hold the Capital Notes referable to the Defaulting Nominated Purchaser until they are otherwise Redeemed, Converted or Resold in accordance with these Conditions.

14 General provisions relating to Conversion, Redemption and Resale

14.1 Holder acknowledgements relating to Conversion

Each Holder irrevocably:

(a) upon Conversion of Capital Notes in accordance with these Conditions, consents to becoming a member of the Issuer and agrees to be bound by the Constitution, in each case in respect of the Ordinary Shares issued on Conversion;

(b) acknowledges and agrees that it is obliged to accept Ordinary Shares upon a Conversion notwithstanding anything that might otherwise affect a Conversion of Capital Notes including:

(i) any change in the financial position of the Issuer since the Issue Date;

(ii) any disruption to the market or potential market for the Ordinary Shares or to capital markets generally; or

(iii) any breach by the Issuer of any obligation in connection with the Capital Notes;

(c) acknowledges and agrees that:

(i) where Condition 6.4 applies:

(A) there are no other conditions to a Loss Absorption Event occurring as and when provided in Conditions 6.2, 6.3 and 6.4;

(B) Conversion must occur immediately on the Loss Absorption Event and that may result in disruption or failures in trading or dealings in the Capital Notes;

(C) it will not have any rights to vote or right of approval in respect of any Loss Absorption Event Conversion; and

(D) the Ordinary Shares issued on Loss Absorption Event Conversion may not be quoted at the time of issue, or at all;

(ii) the only conditions to a Mandatory Conversion are the Mandatory Conversion Conditions;

(iii) the only conditions to a Conversion under Condition 7 or a Conversion under Condition 8 are the conditions expressly applicable to such Conversion as provided in Conditions 7 and 8 respectively and no other conditions or events will affect Conversion;

(iv) Condition 6.5 is a fundamental term of the Capital Notes and where this applies, no other conditions or events will affect its operation; and

(v) a Holder has no right to request a Conversion, Redemption or Resale of any Capital Note or to determine whether (or in what combination) Capital Notes are Converted, Redeemed or Resold; and

(d) agrees to provide to the Issuer any information necessary to give effect to a Conversion and, if applicable, to surrender any certificate relating to the relevant Capital Notes on the occurrence of the Conversion.

14.2 Purchases

The Issuer or any Related Entity of the Issuer may at any time purchase the Capital Notes in the open market or otherwise and at any price or consideration, subject to the prior written approval of APRA.

Holders should not expect that APRA's approval will be given for any purchase of Capital Notes under these Conditions.

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15 Title and transfer

15.1 Registered form

Each Capital Note takes the form of an entry in the Register.

15.2 Title

Title to Capital Notes passes when details of the transfer are entered in the Register. The Register will be closed for the purpose of determining entitlements to payments of Distributions and Principal Amount at 5.00pm local registry office time on the Record Date prior to any relevant payment date.

15.3 Effect of entries in Register

Each entry in the Register in respect of a Capital Note constitutes:

(a) an unconditional and irrevocable undertaking by the Issuer to the Holder to make all payments of Distributions and Principal Amount in respect of the Capital Note in accordance with these Conditions; and

(b) an entitlement to the other benefits given to the Holders under these Conditions in respect of the relevant Capital Note.

15.4 Register conclusive as to ownership

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

15.5 Non-recognition of interests

Except as required by law, the Issuer and each Agent must treat the person whose name is entered in the Register as the holder of a Capital Note as the absolute owner of that Capital Note. This Condition 15.5 applies despite any notice of ownership, trust or interest in the Capital Note.

15.6 Joint holders

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

15.7 Transfers in whole

Capital Notes may be transferred in whole but not in part.

15.8 Transfer procedures

Capital Notes entered into the Austraclear System will be transferable only in accordance with the regulations of the Austraclear System and the Registry Services Agreement.

Application for the transfer of Capital Notes not entered into the Austraclear System must be made by the lodgment of a transfer form with the Registrar at its Specified Office. Transfer forms must be in the form available from the Registrar. Each transfer form must be:

(a) duly completed;

(b) accompanied by any evidence the Registrar may require to establish that the transfer form has been duly executed; and

(c) signed by both the transferor and the transferee.

15.9 Austraclear as Holder

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

(a) the Registrar's decision to act as the Registrar of that Capital Note is not a recommendation or endorsement by the Registrar or Austraclear in relation to that Capital Note, but only indicates that the Registrar considers that the holding of the Capital Notes is compatible with the performance by it of its obligations as Registrar under the Registry Services Agreement; and

(b) the Holder does not rely on any fact, matter or circumstance contrary to Condition 15.9.

15.10 Transfers of unidentified Capital Notes

If a Holder transfers some but not all of the Capital Notes of a Series that it holds and the transfer form does not identify the specific Capital Notes transferred, the Registrar may choose which Capital Notes registered in the name of the Holder have been transferred. However:

(a) the Capital Notes registered as transferred must be of the same Series as the Capital Notes expressed to be transferred in the transfer form; and

(b) the aggregate Principal Amount of the Capital Notes registered as transferred must equal the aggregate Principal Amount of the Capital Notes expressed to be transferred in the transfer form.

15.11 Limit on transfer

(a) Capital Notes may only be transferred pursuant to offers received in Australia if:

(i) the aggregate consideration payable at the time of transfer is at least A$500,000 (disregarding moneys lent by the transferor or its associates) or the Capital Notes are otherwise transferred in a manner which does not require disclosure in accordance with Part 6D.2 or Part 7 of the Corporations Act; and

(ii) the transfer does not constitute an offer to a "retail client" as defined for the purposes of section 761G of the Corporations Act.

(b) Capital Notes may only be transferred between persons in a jurisdiction or jurisdictions other than Australia if the transfer is in compliance with the laws of the jurisdiction in which the transfer takes place and the transfer of the Capital Notes otherwise does not require disclosure to investors in accordance with the laws of the jurisdiction in which the transfer takes place.

16 Payments

16.1 Payments to Holders

Each payment in respect of a Capital Note will be (including any Distribution, the Principal Amount or any Resale Price) made to the person that is recorded in the Register as the Holder of that Capital Note as at the Relevant Time on the Record Date for that payment.

16.2 Payments to accounts

Except as otherwise provided in the relevant Pricing Supplement, the Issuer agrees to make payments in respect of a Capital Note:

(a) if the Capital Note is held in the Austraclear System, by crediting on the relevant payment date, the amount due to the account previously notified by the Austraclear System to the Issuer and the Registrar in accordance with the Austraclear System's rules and regulations in Australian Dollars; and

(b) if the Capital Note is not held in the Austraclear System (subject to Condition 16.3), by crediting on the relevant payment date, the amount due to an account previously notified by the Holder to the Issuer and the Registrar in Australian Dollars.

16.3 Payments by cheque

If a Holder has not notified the Registrar of an account to which payments to it must be made by close of business in the place where the Register is maintained on the Record Date, the Issuer may make payments in respect of the Capital Notes held by Holder by cheque.

If the Issuer makes a payment in respect of a Capital Note by cheque, the Issuer agrees to send the cheque by prepaid ordinary post on the Business Day immediately before the due date, to the Holder (or if two or more persons are entered in the Register as joint Holders of the Capital Note, to the first named joint Holder) at its address appearing in the Register at close of business in the place where the Register is maintained on the Record Date.

Cheques sent to a Holder are sent at the Holder's risk and are taken to be received by the Holder on the due date for payment. If the Issuer makes a payment in respect of a Capital Note by cheque, the Issuer is not required to pay any additional amount as a result of the Holder not receiving payment on the due date in immediately available funds.

16.4 Uncompleted payments

If:

(a) a Holder has not notified the Registrar by close of business on the Record Date of a bank account denominated in Australian Dollars with a financial institution to which payments in respect of the Capital Note may be credited and the Issuer has not made payment by cheque in accordance with Condition 16.3;

(b) the transfer of any amount for payment to the credit of the nominated account does not complete for any reason; or

(c) a cheque issued by the Issuer in accordance with Condition 16.3 has not been presented within six months of its date,

the Issuer will send a notice to the address most recently notified by the Holder advising of the uncompleted payment and the amount of the uncompleted payment will be held as a deposit in a non-interest bearing, special purpose account maintained by the Issuer or the Registrar until the first to occur of the following:

(i) the Holder nominates a bank account denominated in Australian Dollars with a financial institution to which the payment may be credited;

(ii) claims may no longer be made in respect of that amount, in which case the monies shall be paid to and be the property of the Issuer; or

(iii) the Issuer becomes entitled or obliged to deal with the amount in accordance with the law relating to unclaimed monies.

The Issuer may cancel any cheque to which Condition 16.4(c) applies.

When this Condition 16.4 applies the amount payable in respect of the Capital Notes shall be treated as having been paid on the date scheduled for payment and no interest is payable in respect of any delay in payment.

16.5 Time limit on claims

A claim against the Issuer for a payment under a Capital Note is void unless made within 5 years from the date on which payment first became due.

16.6 Determination and calculation final

Except where there is fraud or a manifest error, any determination or calculation which is made by or on behalf of the Issuer in accordance with the Conditions is final and binds the Issuer, the Agents and each Holder.

16.7 Rounding

For the purposes of any calculations required under the Conditions:

(a) all percentages resulting from the calculations must be rounded, if necessary, to the nearest one hundred thousandth of a percentage point (with 0.000005 % being rounded up to 0.00001 %);

(b) all figures must be rounded to four decimal places (with halves being rounded up); and

(c) all amounts that are due and payable in respect of a Holder's aggregate holding of Capital Notes of a Series must be rounded to the nearest cent (with halves being rounded up).

16.8 Joint Holders

A payment to any one joint Holder of a Capital Note will discharge the Issuer's liability in respect of the payment.

16.9 No set-off

A Holder does not have any right to set-off any amounts owing to it by the Issuer in connection with the Capital Notes against any amount owing by it to the Issuer in connection with the Capital Notes or otherwise.

The Issuer does not have any right to set-off any amounts owing to it by a Holder against any amount owing by it to the Holder in connection with the Capital Notes.

16.10 Payments subject to law

All payments are subject to applicable law, but without prejudice to the provisions of Condition 17.

16.11 Payments on Business Days

If a payment:

(a) is due on a Capital Note on a day which is not a Business Day then the due date for payment will be adjusted by the applicable Business Day Convention specified in the Pricing Supplement; or

(b) is to be made to an account on a Business Day on which banks are not open for general banking business in the place in which the account is located, then the due date for payment will be the next day on which banks are open for general banking business in that place,

provided that, in either case, the Holder is not entitled to any additional payment in respect of that delay. Nothing in this Condition 16.11 applies to any payment referred to in Condition 9.1(b) on a Loss Absorption Event Conversion Date.

17 Taxation

17.1 Withholdings and deductions

The Issuer must make all payments in respect of Capital Notes without set-off or counterclaim and without any withholding or deduction in respect of Taxes, unless the withholding or deduction is required by law or permitted by this Condition 17.

17.2 FATCA

The Issuer, in its absolute discretion, may withhold or deduct from payments or from the issue of Ordinary Shares to a Holder where such withholding or deduction is made under or in connection with, or in order to ensure compliance with FATCA, or where it has reasonable grounds to suspect that the Holder or a beneficial owner of Capital Notes may be subject to FATCA, and may deal with such payment, the issue of Ordinary Shares and the Holder's Capital Notes in accordance with FATCA.

The Issuer, in its absolute discretion, may require information from the Holder to be provided to the IRS or any other relevant authority, to determine the applicability of any withholding under or in connection with FATCA.

17.3 No gross up

If any withholding or deduction arises under or in connection with, or in order to ensure compliance with FATCA or any applicable law, the Issuer will not be required to pay any further amounts or issue any further Ordinary Shares on account of such withholding or deduction or otherwise reimburse or compensate, or make any payment to, a Holder or a beneficial owner of Capital Notes for or in respect of any such withholding or deduction and it will be taken to have made the payment or issue of Ordinary Shares to the Holder in full by accounting for the withholding or deduction to the relevant revenue authority and paying the balance to the Holder.

18 Ranking and subordination

18.1 Ranking of Distributions

Capital Notes of each Series rank in respect of payment of Distributions:

(a) in priority to Ordinary Shares;

(b) equally and without any preference amongst themselves, Capital Notes of each other Series and all Equal Ranking Instruments; and

(c) junior to the claims of all Senior Creditors.

18.2 Ranking in a winding up

(a) If an order is made by a court of competent jurisdiction in Australia (other than an order successfully appealed or permanently stayed within 60 days), or an effective resolution passed, for the winding up of the Issuer in Australia, the Capital Notes are redeemable for their Principal Amount in accordance with this Condition 18.2.

(b) In a winding up of the Issuer in Australia, a Capital Note confers upon the Holder, subject to Conditions 6.4 and 6.5, the right to payment in cash of the Principal Amount on a subordinated basis in accordance with Condition 18.2(c), but no further or other claim on the Issuer in the winding up of the Issuer in Australia.

(c) Holders will rank for payment of the Principal Amount in a winding up of the Issuer in Australia:

(i) in priority to Ordinary Shares;

(ii) equally among themselves and with the claims of all Equal Ranking Instruments; and

(iii) junior to the claims of all Senior Creditors with respect to priority of payment in a winding up in that:

(A) all claims of Senior Creditors must be paid in full (including in respect of any entitlement to interest under section 563B of the Corporations Act) before the claims of Holders are paid; and

(B) until the Senior Creditors have been paid in full, the Holders must not claim in the winding up of the Issuer in competition with the Senior Creditors so as to diminish any distribution, dividend or payment which, but for that claim, the Senior Creditors would have been entitled to receive,

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

(d) Nothing in this Condition 18.2:

(i) creates a charge or security interest on or over any right of the Holder; or

(ii) requires the consent of any Senior Creditor to any amendment of these Conditions made in accordance with Condition 21.

18.3 Agreements of Holders as to subordination

Each Holder irrevocably agrees:

(a) that Condition 18.2 is a debt subordination for the purposes of section 563C of the Corporations Act;

(b) that it does not have, and waives to the maximum extent permitted by law, any entitlement to interest under section 563B of the Corporations Act to the extent that a holder of a Preference Share would not be entitled to such interest;

(c) not to exercise any voting or other rights as a creditor in the winding up of the Issuer in any jurisdictions:

(i) until after all Senior Creditors have been paid in full; or

(ii) otherwise in a manner inconsistent with the subordination contemplated by Condition 18.2;

(d) that it must pay or deliver to the liquidator any amount or asset received on account of its claim in the winding up of the Issuer in respect of a Capital Note in excess of its entitlement under Condition 18.2; and

(e) that the debt subordination effected by Condition 18.2 is not affected by any act or omission of the Issuer or a Senior Creditor which might otherwise affect it at law or in equity.

18.4 Further agreements of Holders

Each Holder irrevocably acknowledges and agrees that:

(a) a Holder has no right to apply for the Issuer to be wound up, or placed in administration, or to cause a receiver, or a receiver and manager, to be appointed in respect of the Issuer merely on the grounds that the Issuer does not or is or may become unable to pay a Distribution when scheduled in respect of Capital Notes; and

(b) these Conditions contain no events of default. Accordingly (but without limitation) failure to pay in full, for any reason, a Distribution on a scheduled Distribution Payment Date will not constitute an event of default.

18.5 Unsecured

Capital Notes are unsecured.

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19 Agents

19.1 Role of Agents

In acting under the relevant Agency Agreement and in connection with the Capital Notes, the Agents act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Holders.

19.2 Appointment and replacement of Agents

Subject to Conditions 19.3 and 19.4, the Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint a successor.

19.3 Required Agents

The Issuer must:

(a) at all times maintain a Registrar; and

(b) if a person other than the Issuer is specified as the Calculation Agent in the relevant Pricing Supplement, at all times ensure a person is appointed to act as a Calculation Agent.

19.4 Change of Agent

Notice of any change of a relevant Agent or its Specified Offices must promptly be given to the relevant Holders by the Issuer or the Agent on its behalf.

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20 Meetings of Holders and voting rights

20.1 Meetings of Holders

The Meetings Provisions contain provisions (which have effect as if incorporated in these Conditions) for convening meetings of the Holders of Capital Notes of any Series to consider any matter affecting their interests, including, subject to Conditions 20.3 and 21.2, the variation of these Conditions or the relevant Pricing Supplement.

Any such variation may be made if sanctioned by an Extraordinary Resolution and agreed by the Issuer. Such a meeting may be convened by the Issuer and must be convened by the Issuer upon the request in writing of Holders holding not less than 10% of the aggregate Principal Amount of the Outstanding Capital Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be persons holding or representing more than 50% of the aggregate Principal Amount of the Outstanding Capital Notes or 25% at an adjourned meeting. However, certain fundamental matters affecting the rights of Holders may only be sanctioned by an Extraordinary Resolution passed at a meeting of Holders at which persons holding or representing not less than 75% or, at any adjourned meeting, 35% of the aggregate Principal Amount of the Outstanding Capital Notes form a quorum.

In addition, a resolution in writing signed by or on behalf of Holders representing at least 75% of the aggregate Outstanding Capital Notes who for the time being are entitled to receive notice

of a meeting of Holders will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Holders.

20.2 Resolutions binding

Any resolution passed at any meeting of the Holders of Capital Notes of any Series is binding on all Holders of Capital Notes of such Series, whether or not they are present at the meeting.

20.3 Requirement for APRA approval

Any resolution which may affect the eligibility of the Capital Notes as Additional Tier 1 Capital cannot be approved by Holders without the prior written approval of APRA.

20.4 Voting rights

A Capital Note does not entitle its Holder to attend or vote at a general meeting of the Issuer.

21 Amendment of these Conditions

21.1 Amendments without consent

(a) Subject to complying with all applicable laws, to Condition 21.1(b) and to obtaining APRA's prior written approval where required in accordance with Condition 21.4, the Issuer may without the authority, assent or approval of the Holders, amend these Conditions, any Pricing Supplement and the Capital Notes Deed Poll if the Issuer is of the opinion that the amendment:

(i) is of a formal, minor or technical nature;

(ii) is made to cure any ambiguity or correct any manifest error;

(iii) is necessary or expedient for the purpose of enabling the Capital Notes to be listed or to remain listed on a stock exchange or lodged in a clearing system or to remain lodged in a clearing system or to be offered for sale or for subscription under the laws for the time being in force in any place;

(iv) is necessary or expedient for the purpose of complying with the provisions of any statute, the requirements of any statutory authority, the ASX Listing Rules or the listing or quotation requirements of any securities exchange on which the Issuer may propose to seek a listing or quotation of the Capital Notes;

(v) is made to amend any date or time period stated, required or permitted in connection with any Conversion, Redemption or Resale (including, without limitation, when the proceeds of Redemption are to be reinvested in a new security to be issued by the Issuer or a member of the Group);

(vi) is made to:

(A) amend the terms of the Capital Notes to align them with any Relevant Tier 1 Capital Instruments issued after the Issue Date; or

(B) amend the definition of Relevant Tier 1 Capital Instruments on account of the issue after the Issue Date of capital instruments of any member of the Group; or

(vii) is not materially prejudicial to the interests of Holders as a whole.

For the purposes of determining whether the amendment is not materially prejudicial to the interests of Holders as a whole, the taxation and regulatory capital consequences to Holders (or any class of Holders) and other special consequences which are personal to a Holder (or any class of Holders) do not need to be taken into account.

(b) If the Issuer considers that the amendment will be materially prejudicial to the interests of Holders as a whole, the amendment may only be made if it has been approved by an Extraordinary Resolution of Holders. In considering the rights of Holders as a whole the Issuer need not take into account the taxation and regulatory capital consequences to Holders (or any class of Holders) or other special consequences which are personal to a Holder (or any class of Holders).

21.2 Amendment with consent

Without limiting Condition 21.1, the Issuer may amend or add to these Conditions or any relevant Pricing Supplement if the amendment or addition has been approved by an Extraordinary Resolution of Holders of Capital Notes of the relevant Series. An amendment or addition to these Conditions or any relevant Pricing Supplement which may affect the eligibility of the Capital Notes as Additional Tier 1 Capital cannot be approved by Holders under this Condition 21 without the prior written approval of APRA.

21.3 Notification of amendment to APRA

The Issuer will promptly notify APRA of any amendments made in accordance with this Condition 21.

21.4 Requirement for APRA approval

A requirement in this Condition 21 for an amendment to be made with APRA's prior written approval applies only where the amendment may affect the eligibility of Capital Notes as Additional Tier 1 Capital.

21.5 Meaning of amend and amendment

In this Condition 21, **amend** includes modify, cancel, alter or add to and **amendment** has a corresponding meaning.

22 Further issues and no other rights

22.1 Further issues permitted

Each of the following is expressly permitted and authorised by these Conditions:

(a) the allotment or issue of notes, preference shares or other securities, or the conversion of existing securities into preference shares or other securities, ranking equally with, in priority to or junior to, or having different rights from, the Capital Notes then on issue;

(b) a redemption, conversion, buy-back or return or distribution of capital in respect of any share capital (except as provided by Condition 4.11) or any other securities issued by the Issuer, whether ranking behind, equally with, or in priority to, the Capital Notes;

(c) the incurring or guaranteeing by the Issuer of any indebtedness upon such terms as the Issuer thinks fit in its sole discretion; and

(d) issuing further Capital Notes having the same Conditions as the Capital Notes of any Series in all respects (or in all respects except for the first Distribution Payment Date) so as to form a single Series with the Capital Notes of that Series, provided that the requirements of APRA that the Capital Notes be eligible to be treated as Additional Tier 1 Capital are met. References in these Conditions to the Capital Notes include (unless the context requires otherwise) any other Capital Notes issued pursuant to this Condition 22.1(d) and forming a single Series with the Capital Notes.

22.2 No other rights

A Holder of the Capital Notes has no right to participate in the issue of any other securities of the Issuer and has no claim on the Issuer other than as expressly set out in these Conditions or on any other member of the Group.

23 Notices

23.1 Notices to Holders

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

(a) given by an advertisement published in the Australian Financial Review or The Australian, or any other newspaper nationally circulated within Australia or specified in the Pricing Supplement;

(b) sent by prepaid post (airmail if appropriate) or left at the address of the relevant Holder (as shown in the Register at the close of business on the day which is 3 Business Days before the date of the relevant notice or communication); or

(c) where Capital Notes are lodged in the Austraclear System, by delivery to the Austraclear System for communication by the Austraclear System to the persons shown in its records as having interests therein.

23.2 Notices to the Issuer and the Registrar

All notices, and other communications to the Issuer and the Registrar must be in writing and may be sent by prepaid post or left at the address of the registered office of the Issuer or the Registrar or such other address as is notified to Holders from time to time.

23.3 When effective

Communications take effect from the time they are received or taken to be received (whichever happens first) unless a later time is specified in them.

23.4 Receipt – publication in newspaper

If published in a newspaper, communications are taken to be received on the first date that publication has been made in all the required newspapers.

23.5 Receipt – postal

Unless a later time is specified in it, a notice, if sent by post, it is taken to be received on the sixth succeeding Business Day in the place of the addressee.

23.6 Receipt – Austraclear System

If published via the Austraclear System, where Capital Notes are lodged in the Austraclear System, communications are taken to be received on the fourth Business Day after delivery to the Austraclear System.

23.7 Non-receipt of notice

If there are two or more Holders, the non-receipt of any notice by, or the accidental omission to give any notice to, a Holder does not invalidate the giving of that notice.

24 Governing law and jurisdiction

24.1 Governing law

The Capital Notes are governed by the laws in force in New South Wales, Australia.

24.2 Jurisdiction

The Issuer submits to the non-exclusive jurisdiction of the courts of New South Wales and courts of appeal from them. The Issuer waives any right it has to object to an action being brought in those courts including by claiming that the action has been brought in an inconvenient forum or that those courts do not have jurisdiction.

24.3 Serving documents

Without preventing any other method of service, any document in any action in connection with the Capital Notes may be served on the Issuer by being delivered or left at the Issuer's address as set out below:

Attention: Ryan Sharp, Treasurer

Address: Level 2, 137 Harrington Street, Hobart TAS 7000

or such other address as the Issuer notifies to ASX as its address (as the case may be) for notices or other communications in respect of the Capital Notes from time to time.

25 Power of attorney

(a) Each Holder appoints each of the Issuer, its Authorised Officers and any External Administrator of the Issuer (each an **Attorney**) severally to be the attorney and agent of the Holder with power in the name and on behalf of the Holder to sign all documents and transfers and do any other thing as may in the Attorney's opinion be necessary or desirable to be done in order for the Holder to observe or perform the Holder's obligations under these Conditions including, but not limited to, effecting any transfers of Capital Notes, making any entry in the Register or the register of any Ordinary Shares or exercising any voting power in relation to any consent or approval required for Conversion, Redemption or Resale.

(b) The power of attorney given in this Condition 25 is given for valuable consideration and to secure the performance by the Holder of the Holder's obligations under these Conditions and is irrevocable.

26 Interpretation and definitions

26.1 Definitions

Acquisition Conversion Date has the meaning given in Condition 7.2.

Acquisition Conversion Notice has the meaning given in Condition 7.1.

Acquisition Event means any one of the following events:

(a) a takeover bid is made to acquire all or some of the Ordinary Shares and such offer is, or becomes, unconditional, all regulatory approvals necessary for the acquisition to occur have been obtained and either:

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

(ii) the directors of the Issuer, acting as a board, issue a statement that at least a majority of its directors who are eligible to do so have recommended acceptance of such offer (in the absence of a higher offer); or

(b) a court orders the holding of meeting(s) to approve a scheme of arrangement under Part 5.1 of the Corporations Act, which scheme would result in a person having a relevant interest in more than 50% of the Ordinary Shares that will be on issue after the scheme is implemented and:

(i) all classes of members of the Issuer pass all resolutions required to approve the scheme by the majorities required under the Corporations Act to approve the scheme; and

(ii) all conditions to the implementation of the scheme, including any necessary regulatory approval (but not including approval of the scheme by the court) have been satisfied or waived.

Additional Tier 1 Capital means additional tier 1 capital of the MyState Level 1 Group or the MyState Level 2 Group as defined by APRA from time to time.

Adjustment Notice has the meaning given in Condition 9.8.

Agency Agreement means:

(a) the Registry Services Agreement; and

(b) any other agency agreement entered into by the Issuer in relation to an issue of Capital Notes under the Programme.

Agent means the Registrar and each Calculation Agent and includes any successor, substitute or additional agent appointed under an Agency Agreement from time to time.

Alternative Base Rate means a rate other than the Base Rate that is generally accepted in the market for floating rate securities denominated in Australian Dollars of a tenor and interest period comparable to that of the relevant Capital Note, or if the Calculation Agent is not able, after making reasonable efforts, to ascertain such rate, or there is no such rate:

(a) a reference rate that is, in the Calculation Agent's opinion, appropriate to floating rate debt securities denominated in Australian Dollars of a tenor and interest period most comparable to that of the relevant Capital Note; or

(b) such other reference rate as the Calculation Agent considers appropriate having regard to available comparable indices.

amend for the purposes of Condition 21, has the meaning given in Condition 21.5.

APRA means the Australian Prudential Regulation Authority or any authority succeeding to its powers and responsibilities.

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

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

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

Attorney has the meaning given in Condition 25(a).

Attributable Proceeds means, in respect of a Holder to whom Condition 9.12 applies, an amount equal to the Net Proceeds per Ordinary Share multiplied by the number of Ordinary Shares issued and sold in accordance with Condition 9.12 in respect of that Holder.

Austraclear means Austraclear Limited (ABN 94 002 060 773).

Austraclear Regulations means the regulations known as "Austraclear System Regulations" established by Austraclear to govern the use of the Austraclear System.

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

Australian Dollar means the lawful currency of the Commonwealth of Australia.

Authorised Officers means each director and secretary of the Issuer and any person delegated on the authority of the board of directors of the Issuer to exercise the power of attorney conferred by Condition 25.

Bank Bill Rate means for a Distribution Period:

(a) the rate (expressed as a percentage per annum) designated "BBSW" in respect of prime bank eligible securities having a tenor closest to the Distribution Period which rate ASX (or its successor as administrator of that rate) publishes through information vendors at approximately 10:30am (Sydney time) (or such other time at which such rate is accustomed to be so published) on the first day of the Distribution Period; or

(b) if the Calculation Agent determines that such rate as is described in paragraph (a) above:

(i) is not published by the Cut-Off Time (other than on account of a Base Rate Disruption Event); or

(ii) is published, but is affected by an obvious error,

such other rate that the Calculation Agent determines having regard to comparable indices then available.

Banking Act means the Banking Act 1959 (Cth).

Base Rate has the meaning given in Condition 4.5.

Base Rate Disruption Event means that, in respect of a Floating Rate Capital Note or a Fixed-to-Floating Rate Capital Note in the Floating Rate Period for which the Pricing Supplement specifies "Screen Rate Determination" or "Bank Bill Rate Determination" as the method for determining the Base Rate, in the Calculation Agent's opinion, the Base Rate:

(a) has been discontinued or otherwise ceased to be calculated or administered; or

(b) is no longer generally accepted as a reference rate appropriate to floating rate debt securities denominated in Australian Dollars of a tenor and interest period comparable to that of Floating Rate Capital Note.

Business Day means a day on which commercial banks and foreign exchange markets are open to settle payments and for general business in Sydney and Melbourne.

Business Day Convention means a convention for adjusting any date if it would otherwise fall on a day that is not a Business Day and the following Business Day Conventions, where specified in the relevant Pricing Supplement, in relation to any date applicable to any Capital Note, have the following meanings:

(a) **Following Business Day Convention** means that the date is postponed to the first following day that is a Business Day;

(b) **Modified Following Business Day Convention or Modified Business Day Convention** means that the date is postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date is brought forward to the first preceding day that is a Business Day;

(c) **Preceding Business Day Convention** means that the date is brought forward to the first preceding day that is a Business Day; and

(d) **No Adjustment** means that the relevant date must not be adjusted in accordance with any Business Day Convention.

Buy-Back means a transaction involving the acquisition by the Issuer of its Ordinary Shares pursuant to an offer made at the Issuer's discretion in accordance with the provisions of Part 2J of the Corporations Act.

Calculation Agent means the Issuer or any other person specified as such in the relevant Pricing Supplement.

Capital Notes has the meaning given in Condition 1.1.

Capital Notes Deed Poll means the deed poll relating to the Capital Notes made by the Issuer on or about 23 August 2022.

Capital Reduction means a reduction in capital initiated by the Issuer in its discretion in respect of its Ordinary Shares in any way permitted by the provisions of Part 2J of the Corporations Act.

CHESS means the Clearing House Electronic Subregister System operated by ASX or its affiliates or any system that replaces it relevant to the Capital Notes (including in respect of the transfer or Conversion of the Capital Notes).

Common Equity Tier 1 Capital means the common equity tier 1 capital of the MyState Level 1 Group or the MyState Level 2 Group as defined by APRA from time to time.

Common Equity Tier 1 Ratio means:

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

(b) in respect of the MyState Level 2 Group, the ratio of Common Equity Tier 1 Capital in respect of the MyState Level 2 Group to risk weighted assets of the MyState Level 2 Group,

in each case as calculated by the methodology prescribed by APRA from time to time.

Common Equity Trigger Event has the meaning given in Condition 6.2.

Conditions means these terms and conditions as supplemented and amended for any particular Capital Notes by the terms of the relevant Pricing Supplement and a numbered **Condition** means the correspondingly numbered condition in these terms and conditions.

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

Control has the meaning given in the Corporations Act.

Controlled Entity means, in respect of the Issuer, an entity that the Issuer Controls.

Conversion means, in relation to a Capital Note, to convert the Principal Amount of that Capital Note into a number of Ordinary Shares in accordance with Condition 9, and **Convert**, **Converted** and **Converting** have corresponding meanings.

Conversion Date means a Mandatory Conversion Date, a Loss Absorption Event Conversion Date, Acquisition Conversion Date or an Optional Conversion Date in respect of a Conversion.

Conversion Number has the meaning given in Condition 9.1.

Corporations Act means the Corporations Act 2001 (Cth).

Cum Value has the meaning given in Condition 9.2.

Cut-Off Time means:

(a) if "Screen Rate Determination" is specified in the Pricing Supplement as the manner in which the Distribution Rate is to be determined, the time that is 15 minutes after the Specified Time, or such other time as is specified in the Pricing Supplement; or

(b) if "Bank Bill Rate Determination" is specified in the Pricing Supplement as the manner in which the Distribution Rate is to be determined, midday or such other time as is specified in the Pricing Supplement.

Day Count Fraction means, in respect of the calculation of the amount of a Distribution on any Capital Note for a Distribution Period or any other period of time ("**Calculation Period**"), the day count fraction specified in these Conditions or the relevant Pricing Supplement and:

(a) if "**Actual/Actual (ICMA)**" is so specified, means:

(i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year; and

(ii) where the Calculation Period is longer than one Regular Period, the sum of:

(A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year;

(b) if "**Actual/365**" **or** "**Actual/Actual (ISDA)**" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of:

(i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366; and

(ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(c) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365;

(d) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;

(e) if "**30/360**" is so specified, means the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months unless:

(i) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day is not considered to be shortened to a 30-day month; or

(ii) the last day of the Calculation Period is the last day of the month of February, in which case the month of February is not considered to be lengthened to a 30-day month);

(f) if "**30E/360**" **or** "**Eurobond Basis**" is so specified means, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months, without regard to the date of the first day or last day of the Calculation Period;

(g) if "**RBA Bond Basis**" or "**Australian Bond Basis**" is so specified, means:

(i) for amounts paid and/or calculated in respect of Distribution Payment Dates, one divided by the number of Distribution Payment Dates in a year; and

(ii) for amounts paid and/or calculated in respect of dates other than Distribution Payment Dates, Actual/Actual (ICMA); and

(h) any other Day Count Fraction specified in the relevant Pricing Supplement.

Defaulting Nominated Purchaser has the meaning given in Condition 13.6.

Deferred Acquisition Conversion Notice has the meaning given in Condition 7.4.

Deferred Conversion Date has the meaning given in Condition 8.5.

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

(a) the Issuer has ceased to be listed or Ordinary Shares have ceased to be quoted on ASX on or before that date (and where the cessation occurred before that date, the Issuer or the Ordinary Shares continue not to be listed or quoted (as applicable) on that date);

(b) trading of Ordinary Shares on ASX is suspended for a period of consecutive days which includes:

(i) at least 5 consecutive Business Days prior to that date; and

(ii) that date; or

(c) an Inability Event subsists preventing the Issuer from Converting Capital Notes of Holders generally.

Denomination has the meaning given in clause 3.1.

Determination Date has the meaning given in the relevant Pricing Supplement.

Directors mean the directors of the Issuer acting as a board or an authorised committee of the board.

Distribution means a cash distribution calculated in accordance with Condition 4.

Distribution Commencement Date means, for a Capital Note, the Issue Date of the Capital Note or any other date so specified in the relevant Pricing Supplement.

Distribution Payment Date means:

(a) each date so specified in, or determined in accordance with, the relevant Pricing Supplement; and

(b) each date on which a Conversion, Redemption or Resale of a Capital Note occurs in accordance with these Conditions,

in each case, as adjusted in accordance with the relevant Business Day Convention.

Distribution Period means in respect of:

(a) the first Distribution Period, the period from (and including) the Distribution Commencement Date until (but not including) the first Distribution Payment Date after the Distribution Commencement Date; and

(b) each subsequent Distribution Period, the period from (and including) the preceding Distribution Payment Date until (but not including) the next Distribution Payment Date.

Distribution Rate means:

(a) in the case of a Fixed Rate Capital Note, the rate determined under Condition 4.4;

(b) in the case of a Floating Rate Capital Note, the rate determined under Condition 4.5; and

(c) in the case of a Fixed-to-Floating Rate Capital Note, the rate determined under Condition 4.6.

Eligible Nominee has the meaning given in Condition 9.12.

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

Equal Ranking Instruments means instruments, present and future, which satisfy one of the following paragraphs (a) or (b):

(a) instruments which by their terms are, or are expressed to be, subordinated in a winding up to the claims of Senior Creditors, qualify as Additional Tier 1 Capital of the Issuer and which, in a winding up rank, or are expressed to rank, prior to, and senior in right of payment to, instruments which constitute Common Equity Tier 1 Capital of the Issuer; and

(b) instruments issued by the Issuer where the right to repayment ranks, or is expressed to rank, in a winding up equally with the claims of Holders (irrespective of whether or not such instrument qualifies as Additional Tier 1 Capital of the Issuer).

External Administrator means, in respect of a person:

(a) a liquidator, a provisional liquidator, an administrator or a statutory manager of that person; or

(b) a receiver, or a receiver and manager, in respect of all or substantially all of the assets and undertakings of that person,

or in either case any similar official.

Extraordinary Resolution has the meaning given in the Meetings Provisions.

FATCA means:

(a) sections 1471 to 1474 of the U.S. Internal Revenue Code or any associated regulations;

(b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the U.S. and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or

(c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (a) or (b) above with the U.S. Internal Revenue Service, the U.S. government or any governmental or taxation authority in any other jurisdiction.

FATCA Withholding means any withholding or deduction made under or in connection with, or in order to ensure compliance with FATCA.

Financial Claims Scheme means the "Financial claims scheme for account-holders with insolvent ADIs" established under Part II, Division 2AA of the Banking Act.

First Mandatory Conversion Condition has the meaning given in Condition 5.3.

First Optional Conversion Restriction has the meaning given in Condition 8.4.

First Test Date has the meaning given in Condition 5.3(a).

Fixed Rate has the meaning given in Condition 4.4.

Fixed Rate Capital Note means a Capital Note on which distributions are calculated at a fixed rate and scheduled to be paid in arrears on a fixed date or fixed dates in each year or in respect of any other period or on any date specified in the relevant Pricing Supplement.

Fixed Rate Period means the period commencing on the Issue Date and concluding on the date immediately prior to the Floating Rate Commencement Date.

Fixed-to-Floating Rate Capital Note means a Capital Note on which distributions are calculated in accordance with Condition 4.4 for the Fixed Rate Period and in accordance with Condition 4.5 for the Floating Rate Period.

Floating Rate Capital Note means a Capital Note on which distributions are calculated at a floating rate payable 1, 2, 3, 6, or 12 monthly or in respect of any other period or on any date specified in the relevant Pricing Supplement.

Floating Rate Commencement Date has the meaning given in the relevant Pricing Supplement.

Floating Rate Period means the period commencing on the Floating Rate Commencement Date and concluding on the date on which no Capital Notes of a Series remain Outstanding.

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

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

Government Agency means any governmental, semi-governmental, administrative, fiscal, judicial or quasi-judicial body, department, commission, authority, tribunal, agency or entity.

Group means the Issuer and the Controlled Entities of the Issuer.

Holder means:

(a) for the purposes of determining the person entitled to be issued Ordinary Shares (or, where Condition 9.12 applies, the net proceeds of sale of such Ordinary Shares) and the amount of their entitlements, for so long as such Capital Notes are held in the Austraclear System, a person who is a Participant (as defined in the Austraclear Regulations); and

(b) for all other purposes, a person whose name is entered in the Register as the holder of that Capital Note. If a Capital Note is held in the Austraclear System, references to the Holder of that Capital Note include the operator of the Austraclear System or a nominee for that operator (acting in accordance with the rules and regulations of the Austraclear System).

Inability Event means the Issuer is prevented by applicable law or order of any court or action of any government authority (including regarding the insolvency, winding up or other external administration of the Issuer) or any other reason from Converting the Capital Notes.

Information Memorandum means at any time any current information memorandum (and any supplement to it) prepared on behalf of, and approved by, the Issuer in connection with the issue of Capital Notes and includes:

(a) all documents incorporated by reference in it; and

(b) any other information (including a Pricing Supplement) approved by the Issuer from time to time.

IRS means the United States Internal Revenue Service or any authority succeeding to its powers and responsibilities.

ISDA Definitions means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. (as supplemented, amended and updated as at the Issue Date of the first Tranche of the Capital Notes of the relevant Series).

ISDA Rate means for a Floating Rate Capital Note and a Distribution Period, the rate the Calculation Agent determines would be the "Floating Rate" under a Swap Transaction if the Calculation Agent were acting as Calculation Agent for that Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(a) the Floating Rate Option, the Designated Maturity and the Reset Date are as specified in the Pricing Supplement; and

(b) the Period End Dates are each Distribution Payment Date, and the Floating Rate Day Count Fraction is the Day Count Fraction.

For the purposes of this definition, "Swap Transaction", "Floating Rate", "Floating Rate Option", "Designated Maturity", "Reset Date", "Period End Date", and "Floating Rate Day Count Fraction" have the meanings given to those terms in the ISDA Definitions.

Issue Date means the date on which a Capital Note is, or is to be, issued, as specified in, or determined in accordance with, the relevant Pricing Supplement.

Issue Date VWAP means, for a Series of Capital Notes, the VWAP during the period of 20 Business Days on which trading in Ordinary Shares took place immediately preceding (but not including) the first date on which Capital Notes of that Series were issued, as adjusted in accordance with Conditions 9.4 to 9.7 (inclusive).

Issue Price of a Capital Note means the price at which that Capital Note is issued as specified in, calculated in or determined in accordance with the relevant Pricing Supplement.

Issuer means MyState Limited (ABN 26 133 623 962).

Level 1 and **Level 2** mean those terms as defined by APRA from time to time.

Loss Absorption Event has the meaning given in Condition 6.1.

Loss Absorption Event Conversion means the Conversion of Capital Notes to Ordinary Shares on the Loss Absorption Event Conversion Date in accordance with Condition 6.4.

Loss Absorption Event Conversion Date has the meaning given in Condition 6.4.

Loss Absorption Event Notice has the meaning given in Condition 6.6.

Mandatory Conversion means the mandatory conversion of Capital Notes to Ordinary Shares on the Mandatory Conversion Date in accordance with Condition 5.

Mandatory Conversion Conditions has the meaning given in Condition 5.3.

Mandatory Conversion Date has the meaning given in Condition 5.2.

Margin means the margin specified in, or determined in accordance with, the relevant Pricing Supplement.

Maximum Conversion Number has the meaning given in Condition 9.1.

Meetings Provisions means the provisions for the convening of meetings and passing of resolutions by Holders set out in Schedule 2 of the Capital Notes Deed Poll.

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

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

N means the number of days in the Distribution Period.

Net Proceeds per Ordinary Share means, in respect of Ordinary Shares issued and sold in accordance with Condition 9.12, an amount equal to the proceeds of sale of such Ordinary Shares actually received by the Eligible Nominee after deduction of any applicable brokerage, stamp duty and other taxes, charges and expenses (including the Eligible Nominee's reasonable out of pocket costs, expenses and charges properly incurred by it or on its behalf in connection with such sale from the sale price of the Ordinary Shares), divided by the number of such Ordinary Shares issued and sold.

Next Distribution Payment Date means the scheduled Distribution Payment Date immediately following the date on which the Optional Conversion Notice, Optional Redemption Notice or Optional Resale Notice (as applicable) was given by the Issuer provided that if such Distribution Payment Date is less than 20 Business Days following the date on which such notice was given then it shall be the immediately following Distribution Payment Date.

Nominated Purchaser means, subject to Condition 13.3, one or more third parties selected by the Issuer in its absolute discretion, provided that such party cannot be the Issuer or any Related Entity of the Issuer.

Non-Conversion Notice has the meaning given in Condition 5.4.

Non-Conversion Test Date has the meaning given in Condition 8.4.

Non-Viability Trigger Event has the meaning given in Condition 6.3.

Optional Conversion Date has the meaning given in Condition 8.3.

Optional Conversion Notice has the meaning given in Condition 8.1.

Optional Conversion Restrictions has the meaning given in Condition 8.4.

Optional Redemption Notice has the meaning given in Condition 10.1.

Optional Resale Notice has the meaning given in Condition 12.1.

Ordinary Resolution has the meaning given the Meetings Provisions.

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

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

Outstanding means in relation to the Capital Notes of any Series, all of the Capital Notes of such Series other than:

(a) Capital Notes which have been redeemed, repaid, resold or satisfied in full by the Issuer;

(b) Capital Notes for which funds equal to their aggregate Principal Amount are on deposit with the Registrar on terms which prohibit the redemption of those Capital Notes or in respect of which the Registrar holds an irrevocable direction to apply funds in repayment of Capital Notes to be redeemed on that day;

(c) Capital Notes in respect of which a Holder is unable to make a claim as a result of the operation of Condition 16.5; or

(d) a Capital Note which has been Converted or Written Off in full.

Payment Condition means in respect of Distributions scheduled to be paid on a Distribution Payment Date:

(a) the payment of Distributions will result in the Issuer or the Group not complying with APRA's then current Prudential Capital Requirements;

(b) unless APRA otherwise approves in writing, making the Distribution payment would result in the Issuer or the Group exceeding any limit on distributions of earnings applicable under (and calculated in accordance with) APRA's then current capital conservation requirements as they are applied to the Issuer or the Group (as the case may be) at the time;

(c) APRA otherwise objects to the payment of Distributions;

(d) making the Distribution payment would result in the Issuer becoming, or being likely to become, insolvent for the purposes of the Corporations Act; or

(e) the Issuer is not permitted to pay the Distribution under the Corporations Act.

Potential Acquisition Event means any one of the following events:

(a) an event within paragraph (a) of the definition of Acquisition Event occurs (without the need that all regulatory approvals necessary for the acquisition to occur have been obtained); or

(b) a court orders the holding of meetings to approve a scheme of arrangement under Part 5.1 of the Corporations Act and the scheme would result in a person having a relevant interest in more than 50% of the Ordinary Shares that will be on issue after the scheme is implemented.

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

Pricing Supplement means, in respect of a Tranche, a pricing supplement specifying the relevant issue details in relation to it.

Principal Amount has the meaning given in clause 3.1.

Programme has the meaning given in Condition 1.1.

Prudential Capital Requirements means at any time the requirements of APRA with respect to the ratio of Common Equity Tier 1 Capital, Tier 1 Capital or Total Capital to total risk weighted assets as applicable to the Issuer or the Group at that time.

Record Date means, for a payment in respect of a Capital Note, the eighth calendar day before the relevant payment date, any other date specified in, or determined in accordance with, the Pricing Supplement, or any other date prescribed by the rules of the Austraclear System and notified in writing to Holders.

Redemption means, in relation to a Capital Note, redemption in accordance with Condition 11.2 and **Redeem**, **Redeemable** and **Redeemed** have corresponding meanings.

Redemption Date means the date on which Capital Notes are to be redeemed or, if Capital Notes are not redeemed on that day, the date on which the Capital Notes are Redeemed.

Reference Banks means, for a Floating Rate Capital Note in respect of which "Screen Rate" applies, the financial institutions specified in the Pricing Supplement or, if none are specified, four leading banks selected by the Calculation Agent in the Relevant Financial Centre.

Reference Rate has the meaning given in the relevant Pricing Supplement.

Register means a register, including any branch register, of holders of each Series of Capital Notes established and maintained by or on behalf of the Issuer under the Registry Services Agreement.

Registered means recorded in the Register.

Registrar means:

(a) Perpetual Corporate Trust Limited (ABN 99 000 341 533); and/or

(b) any other person appointed by the Issuer under an Agency Agreement to establish and maintain the Register in respect of a Tranche of Notes on the Issuer's behalf from time to time.

Registry Services Agreement means the agreement entitled "Agency and Registry Services Agreement" dated 23 August 2022 between the Issuer and Perpetual Corporate Trust Limited (ABN 99 000 341 533).

Regular Period means:

(a) in the case of Capital Notes where Distributions are scheduled to be paid only by means of regular payments, each Distribution Period;

(b) in the case of Capital Notes where, apart from the first Distribution Period, Distributions are scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Distribution Payment Date falls; and

(c) in the case of Capital Notes where, apart from one Distribution Period other than the first Distribution Period (the "**Irregular Distribution Period**"), Distributions are scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Distribution Payment Date falls other than the Distribution Payment Date falling at the end of the Irregular Distribution Period.

Regulatory Change means any amendment to, clarification of or change (including any announcement of any change that will be introduced) in any law or regulation or any official administrative pronouncement or action or judicial decision interpreting or applying such laws or regulations or any direction, order, standard, requirement, guideline or statement of APRA (whether or not having the force of law) in each case which event is announced on or after the Issue Date and which the Issuer did not expect as at the Issue Date.

Regulatory Event means:

(a) the receipt by the Directors of an opinion from a reputable legal counsel that, as a result of a Regulatory Change, more than de minimis additional requirements would be imposed on the Issuer in relation to or in connection with Capital Notes of a Series (which were not expected by the Issuer at the Issue Date) which the Directors determine, in their absolute discretion, to be unacceptable; or

(b) the determination by the Directors that, as a result of a Regulatory Change, the Issuer is not or will not be entitled to treat some or all Capital Notes of a Series as Additional Tier 1 Capital except where the reason the Issuer is not or will not be entitled to treat some or all Capital Notes of a Series as Additional Tier 1 Capital is because of a limit or other restriction on the recognition of Additional Tier 1 Capital which is in effect on the Issue Date or which on the Issue Date is expected by the Issuer may come into effect.

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

Relevant Distribution has the meaning given in Condition 4.11.

Relevant Distribution Payment Date has the meaning given in Condition 4.11.

Relevant Financial Centre means, for a Capital Note in respect of which "Screen Rate" applies, the place specified in the Pricing Supplement.

Relevant Fraction has the meaning given in Condition 9.1.

Relevant Mandatory Conversion Date has the meaning given in Condition 5.2.

Relevant Tier 1 Capital Instruments means Tier 1 Capital instruments of the Issuer (on a Level 1 or Level 2 basis) (including Capital Notes) that, in accordance with their terms or by operation of law, are capable of being converted into Ordinary Shares or written off on a Loss Absorption Event Conversion Date.

Relevant Screen Page means, for a Capital Note in respect of which "Screen Rate" applies:

(a) the page, section or other part of a particular information service which displays the applicable Reference Rate, as specified in the Pricing Supplement; or

(b) any other page, section or other part as may replace it on that information service or another information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate.

Relevant Time has the meaning given in the relevant Pricing Supplement.

Reorganisation means, in relation to the Issuer, a division, consolidation or reclassification of the Issuer's share capital not involving any cash payment or other distribution (or compensation) to or by the holders of Ordinary Shares.

Resale means, in relation to a Capital Note, the taking effect of the rights specified in Condition 12 in relation to that Capital Note, and **Resold** and **Resell** have corresponding meanings.

Resale Date has the meaning given in Condition 12.3.

Resale Price means, for a Capital Note, a cash amount equal to its Principal Amount.

Scheduled Mandatory Conversion Date means, for a Series of Capital Notes, the date so specified in the relevant Pricing Supplement.

Scheduled Optional Conversion Date means, for a Series of Capital Notes, each date so specified in the relevant Pricing Supplement.

Scheduled Optional Redemption Date means, for a Series of Capital Notes, each date so specified in the relevant Pricing Supplement.

Scheduled Optional Resale Date means, for a Series of Capital Notes, each date so specified in the relevant Pricing Supplement.

Screen Rate means, for a Floating Rate Capital Note and a Distribution Period:

(a) the quotation offered for the Reference Rate as displayed on the Relevant Screen Page at the Specified Time on the Determination Date for the Distribution Period; or

(b) if the Calculation Agent determines that such rate as is described in paragraph (a) above:

(i) is not published by the Cut-Off Time (other than on account of a Base Rate Disruption Event); or

(ii) is published, but is affected by an obvious error,

such other rate that the Calculation Agent determines having regard to comparable indices then available.

Second Mandatory Conversion Condition has the meaning given in Condition 5.3 (but in Conditions 7.4 and 8.5, as adjusted in those Conditions).

Second Optional Conversion Restriction has the meaning given in Condition 8.4.

Senior Creditors means all present and future creditors of the Issuer, including holders of Tier 2 Capital Instruments, whose claims are:

(a) entitled to be admitted in the winding up of the Issuer; and

(b) not in respect of Equal Ranking Instruments.

Series means an issue of Capital Notes made up of one or more Tranches all of which form a single Series and are issued on the same terms except that the Issue Date, Issue Price, and Distribution Commencement Date may be different in respect of a different Tranche of a Series.

Specified Currency:

(a) in the case of any references to Capital Notes, Australian Dollars; and

(b) in the case of any Relevant Tier 1 Capital Instruments other than Capital Notes, means the currency in which such instruments are denominated.

Specified Office means the office specified in the most recent Information Memorandum or any other address notified to Holders from time to time.

Specified Time has the meaning given in the relevant Pricing Supplement.

Subsequent Mandatory Conversion Date has the meaning given in Condition 5.2.

Taxes means taxes, levies, imposts, deductions or charges and duties (including stamp and transaction duties) imposed by any Government Agency together with any related interest, penalties and expenses in connection with them.

Tax Act means:

(a) the Income Tax Assessment Act 1936 (Cth) or the Income Tax Assessment Act 1997 (Cth) as the case may be and a reference to any section of the Income Tax Assessment Act 1936 (Cth) includes a reference to that section as rewritten in the Income Tax Assessment Act 1997 (Cth);

(b) any other law setting the rate of income tax payable; and

(c) any regulation made under any of those laws.

Tax Event means on or after the Issue Date, the Issuer receives an opinion from a reputable legal counsel or other tax adviser in Australia experienced in such matters that there is more than an insubstantial risk that, as a result of a Tax Law Change:

(a) the Issuer or another member of the Group would be exposed to more than a de minimis increase in its costs (including without limitation through the imposition of any amount of other Taxes, duties, assessments or other governmental charges) in connection with Capital Notes of a Series; or

(b) the Issuer or the tax consolidated group of which it is a member would not be entitled to treat any Distribution as a frankable distribution within the meaning of Division 202 of the Tax Act (or may do so only subject to requirements which the Directors determine, in their absolute discretion, to be unacceptable).

Tax Law Change means:

(a) an amendment to or change (including any announcement of any change that will be introduced) in any laws or regulations under those laws affecting taxation in Australia;

(b) a judicial decision interpreting, applying or clarifying laws or regulations affecting taxation in Australia;

(c) an administrative pronouncement, ruling, confirmation, advice or action (including a failure or refusal to provide a ruling) affecting taxation in Australia that represents an official position, including a clarification of an official position of the governmental authority or regulatory body in Australia making the administrative pronouncement or taking any action; or

(d) a challenge asserted or threatened in connection with Capital Notes of a Series in writing from the Australian Taxation Office,

which amendment or change is announced or which action or clarification or challenge occurs on or after the Issue Date and which the Issuer did not expect as at the Issue Date.

Tax Rate means the Australian corporate tax rate applicable to the franking account of the Issuer on the relevant Distribution Payment Date (expressed as a decimal).

Third Mandatory Conversion Condition has the meaning given in Condition 5.3.

Tier 1 Capital means tier 1 capital as defined by APRA from time to time.

Tier 2 Capital means tier 2 capital as defined by APRA from time to time.

Tier 2 Capital Instruments means securities issued by the Issuer or a member of the MyState Level 2 Group which qualify as Tier 2 Capital.

Total Capital means total capital as defined by APRA from time to time.

Tranche means an issue of Capital Notes specified as such in the relevant Pricing Supplement which are issued on the same terms except that the Issue Date, Issue Price and Distribution Commencement Date may be different.

VWAP means, subject to any adjustments under Condition 9, the average of the daily volume weighted average sale prices (such average being rounded to the nearest full cent) of Ordinary Shares sold on ASX during the relevant period or on the relevant days but does not include any "Crossing" transacted outside the "Open Session State" or any "Special Crossing" transacted at any time, each as defined in the ASX Operating Rules, or any overseas trades or trades pursuant to the exercise of options over Ordinary Shares.

VWAP Period means:

(a) in the case of a Conversion resulting from a Potential Acquisition Event or an Acquisition Event, the lesser of:

(i) 20 Business Days on which trading in Ordinary Shares takes place; and

(ii) the number of Business Days on which trading in Ordinary Shares takes place that the Ordinary Shares are quoted for trading on ASX after the occurrence of the Potential Acquisition Event or Acquisition Event (as the case may be);

in each case immediately preceding (but not including) the Business Day before the Optional Conversion Date or Acquisition Conversion Date in respect of that event (as the case may be);

(b) in the case of a Conversion resulting from a Loss Absorption Event, the period of 5 Business Days on which trading in Ordinary Shares took place immediately preceding (but not including) the Loss Absorption Event Conversion Date;

(c) in the case of any other Conversion, the period of 20 Business Days on which trading in Ordinary Shares took place immediately preceding (but not including) the date on which Conversion is to occur in accordance with these Conditions; or

(d) otherwise, the period for which VWAP is to be calculated in accordance with these Conditions.

Written Off has the meaning given in Condition 6.5 and **Write Off** has a corresponding meaning.

26.2 Interpretation

(a) Unless the context otherwise requires, a reference to "Conditions" is a reference to these Conditions as supplemented, modified or altered by the relevant Pricing Supplement.

(b) Unless the context otherwise requires, if there is any inconsistency between the provisions of these Conditions and the Constitution then, to the maximum extent permitted by law, the provisions of these Conditions will prevail.

(c) Unless otherwise specified, a reference to a paragraph is a reference to a paragraph of these Conditions.

(d) Headings and boldings are for convenience only and do not affect the interpretation of these Conditions.

(e) The singular includes the plural and vice versa.

(f) A reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them.

(g) A reference to dollars, AUD, A$, $ or cents is a reference to the lawful currency of Australia.

(h) Calculations, elections and determinations made by or on behalf of the Issuer under these Conditions are binding on Holders in the absence of manifest error.

(i) Any provisions of these Conditions which refer to the requirements of APRA or any other prudential regulatory requirements will apply only if the Issuer is an entity, or the holding company of an entity, or is a direct or indirect subsidiary of an entity, subject to regulation and supervision by APRA at the relevant time.

(j) Any provisions which require APRA's consent or approval will apply only if APRA requires that such consent or approval be given at the relevant time.

(k) Any provisions in these Conditions requiring the prior approval of APRA for a particular course of action to be taken do not imply that APRA has given its consent or approval to the particular action as of the Issue Date. Where under these Conditions, APRA approval is required, for any act to be done or not done, that term does not imply that APRA approval has been given as at the Issue Date.

(l) The terms "holding company", "wholly-owned subsidiary" and "subsidiary", when used in these Conditions have the meaning given in the Corporations Act.

(m) A reference to a party to an agreement or deed includes a reference to a replacement or substitute of the party according to that agreement or deed.

(n) A reference to an agreement or deed includes a reference to that agreement or deed as amended, added to or restated from time to time.

(o) The words "includes" or "including", "for example" or "such as" do not exclude a reference to other items, whether of the same class or genus or not.

(p) Words importing any gender include all other genders.

(q) The terms takeover bid, relevant interest, scheme of arrangement, buy-back, related body corporate and on-market buy-back when used in these Conditions have the meaning given in the Corporations Act.

(r) A reference to any term defined by APRA (including, without limitation, "Additional Tier 1 Capital", "Common Equity Tier 1 Capital", "Level 1", "Level 2", "Prudential Capital Requirements", "Tier 1 Capital" and "Total Capital") shall, if that term is replaced or superseded in any of APRA's applicable prudential regulatory requirements or standards, be taken to be a reference to the replacement or equivalent term.

(s) A reference to a term defined by the ASX Listing Rules or the ASX Operating Rules shall, if that term is replaced in those rules, be taken to be a reference to the replacement term.

(t) If the principal securities exchange on which Ordinary Shares are listed becomes other than ASX, unless the context otherwise requires a reference to ASX shall be read as a reference to that principal securities exchange and a reference to the ASX Listing Rules, ASX Operating Rules or any term defined in any such rules, shall be read as a reference to the corresponding rules of that exchange or corresponding defined terms in such rules (as the case may be).

(u) Where the Issuer is required to give or serve a notice by a certain date under these Conditions, the Issuer is required to despatch the notice by that date (including at the Issuer's discretion, by posting or lodging notices with a mail house) and delivery or receipt (or deemed delivery) is permitted to occur after that date.

(v) Where a Holder is required to give or deliver a notice to the Issuer by a certain date under these Conditions, the notice must be received by the Issuer by that date.

(w) A reference to time is to Sydney time unless otherwise specified.

26.3 Terms defined in Pricing Supplement

If these Conditions state that a definition has the meaning given in the relevant Pricing Supplement, but the relevant Pricing Supplement gives no meaning or specifies that the definition is "Not Applicable", then that definition is not applicable to the Capital Notes.

26.4 No adjustment to Loss Absorption Event Conversion Date

The operation of Condition 6 (Mandatory Conversion on a Loss Absorption Event) and Condition 9 (Conversion mechanics) is not affected by any other provision of the Conditions, including the Business Day Convention.

ANNEXURE B

Form of Pricing Supplement for A$65,000,000 Capital Notes dated 25 August 2022

Pricing Supplement

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Capital Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129. Consequently no key information document required by Regulation (EU) No. 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Capital Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Capital Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Capital Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the Financial Services and Markets Act 2000 (UK) ("**FSMA**") to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Capital Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Capital Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

NOTIFICATION UNDER SECTION 309(1)(C) OF THE SECURITIES AND FUTURES ACT, CHAPTER 289 OF SINGAPORE (THE SFA) – the Issuer has determined and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA) that the Capital Notes are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in Monetary Authority of Singapore ("**MAS**") Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Series No.: 1

Tranche No.: 1

MyState Limited
(ABN 26 133 623 962)

Capital Notes Programme

Issue of
A$65,000,000 Floating Rate Capital Notes (the "Capital Notes")

This Pricing Supplement (as referred to in the Information Memorandum in relation to the above Programme) relates to the Tranche of Capital Notes (the "**Capital Notes**") referred to above. The date of this Pricing Supplement is 25 August 2022. It is supplementary to, and should be read in conjunction with the Capital Notes Deed Poll dated 23 August 2022 made by MyState Limited (ABN 26 133 623 962) (the "**Issuer**").

This Pricing Supplement does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the Capital Notes or the distribution of this Pricing Supplement in any jurisdiction where such action is required.

The particulars to be specified in relation to the Tranche of Capital Notes referred to above are as follows:

1	**Issuer:**	MyState Limited
2	**Type of Issue:**	Syndicated Issue
3	**Relevant Dealers:**	Ord Minnett Limited (ABN 86 002 733 048) Westpac Banking Corporation (ABN 33 007 457 141)
4	**Lead Managers:**	Ord Minnett Limited (ABN 86 002 733 048) Westpac Banking Corporation (ABN 33 007 457 141)
5	**Registrar:**	Perpetual Corporate Trust Limited (ABN 99 000 341 533)
6	**Calculation Agent:**	Perpetual Corporate Trust Limited (ABN 99 000 341 533)
7	**If to form a single Series with an existing Series, specify date on which all Capital Notes of the Series become fungible, if not the Issue Date:**	Not applicable
8	**Aggregate Principal Amount of Tranche:**	A$65,000,000
9	**Aggregate Principal Amount of Series (including the Tranche):**	A$65,000,000
10	**If interchangeable with existing Series:**	Applicable: No
11	**Issue Date:**	30 August 2022
12	**Issue Price:**	A$65,000,000
13	**Denomination:**	A$1,000
14	**Type of Capital Notes:**	Floating Rate Capital Note
15	**If the Capital Notes are Fixed Rate Capital Notes, specify:**	Applicable: No

16	**If the Capital Notes are Floating Rate, specify:**	Applicable: Yes
	(a) Basis for determining Base Rate:	Bank Bill Rate Determination
	(b) Margin:	5.5 per cent per annum
	(c) Distribution Commencement Date:	Issue Date
	(d) Distribution Payment Dates:	Quarterly on each 28 February, 30 May, 30 August and 30 November. The first Distribution Payment Date will be 30 November 2022.
	(e) Business Day Convention:	Modified Following Business Day Convention
	(f) Day Count Fraction:	Actual/365 (Fixed)
17	**Scheduled Mandatory Conversion Date:**	28 February 2030
18	**Scheduled Optional Conversion Dates:**	30 August 2027, 30 November 2027 and 28 February 2028
19	**Scheduled Optional Redemption Dates:**	30 August 2027, 30 November 2027 and 28 February 2028
20	**Scheduled Optional Resale Dates:**	30 August 2027, 30 November 2027 and 28 February 2028
21	**Modification to notice periods :**	Not applicable
22	**Modifications to payment provisions:**	Not applicable
23	**ISIN:**	AU3FN0070900
24	**Common Code:**	252371516
25	**U.S. selling restrictions:**	Regulation S Compliance Category 2
26	**Other selling restrictions:**	Not applicable
27	**Listing:**	Not applicable
28	**Additional or alternate newspapers:**	Not applicable
29	**Relevant Time:**	10 am
30	**Use of proceeds:**	The Issuer intends for the Capital Notes to qualify as Additional Tier 1 Capital of the Issuer. Some or all of the proceeds of an issuance of Capital Notes may be used to fund Additional Tier 1 Capital of MyState Bank Limited (ABN 89 067 729 195), a subsidiary of the Issuer which is an Authorised Deposit-taking Institution

31	**Other amendments:**	Not applicable
32	**Credit Ratings:**	The Issuer has currently been assigned the following long-term issuer credit rating: BBB+ (Stable) Fitch Ratings Baa3 (Stable) Moody's Investment Ratings A credit rating is not a recommendation to buy, sell or hold the Capital Notes and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency. Credit ratings are for distribution only to a person (a) who is not a "retail client" within the meaning of section 761G of the Corporations Act and is also a person in respect of whom disclosure is not required under Parts 6D.2 or 7.9 of the Corporations Act, and (b) who is otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person may be located. Anyone who is not such a person is not entitled to receive this Pricing Supplement and anyone who receives this Pricing Supplement must not distribute it to any person who is not entitled to receive it.

EXECUTED by **MYSTATE LIMITED** in accordance with section 127(1) of the Corporations Act 2001 (Cth) by authority of its directors:	)	
.....	)	.....
Signature of director	)	Signature of director/company secretary
.....	)	
Name of director (block letters)	)	.....
	)	Name of director/company secretary
	)	(block letters)