BASE PROSPECTUS FOR THE ISSUE OF WARRANTS

MACQUARIE BANK LIMITED

(ABN 46 008 583 542)
(Incorporated with limited liability in the Commonwealth of Australia)

MACQUARIE

Warrant Programme

ISSUER
Macquarie Bank Limited

PRINCIPAL WARRANT AGENT
Deutsche Bank AG, London Branch

LUXEMBOURG WARRANT AGENT
Deutsche Bank Luxembourg S.A.

LUXEMBOURG LISTING AGENT
Deutsche Bank Luxembourg S.A.

REGISTRAR
Deutsche Bank Luxembourg S.A.

This document constitutes a prospectus for the purpose of Part IV of the Luxembourg law on prospectuses for securities dated 16 July 2019.

The date of this Base Prospectus is 14 November 2024.

Introduction

Any Warrants (as defined below) issued on or after the date of this Base Prospectus are issued subject to the provisions described herein. This does not affect any Warrants issued before the date of this Base Prospectus. Macquarie Bank has previously published, and may in the future publish, other prospectuses or offering documents in relation to the issue of other warrants.

Under the terms of its Warrant Programme described in this Base Prospectus ("**Programme**"), Macquarie Bank Limited (ABN 46 008 583 542) ("**Issuer**", "**Macquarie**", "**Macquarie Bank**" or "**MBL**") may from time to time issue warrants ("**Warrants**") of any kind including, but not limited to, Warrants relating to a specified index or a basket of indices ("**Index Warrants**"), a specified security or a basket of securities ("**Security Warrants**") or a specified bond or a basket of bonds ("**Bond Warrants**"). Each issue of Warrants will be issued on the terms and conditions set out in the section entitled "Terms and Conditions of the Warrants" on pages 48 to 99 inclusive of this Base Prospectus and the final terms ("**Final Terms**") for the issue of such Warrants (together, the "**Terms and Conditions**"). Each Final Terms with respect to Warrants to be listed on the Luxembourg Stock Exchange and to be admitted to trading on the professional segment of the Euro MTF Market operated by the Luxembourg Stock Exchange, will be delivered to the Luxembourg Stock Exchange on or prior to the date of listing of such Warrants. Macquarie Bank shall have complete discretion as to what type of Warrants it issues and when.

Macquarie Bank is an indirect subsidiary of Macquarie Group Limited (ABN 94 122 169 279) ("**MGL**") and in this Base Prospectus references to the "Macquarie Group" are references to MGL and its subsidiaries and references to the "Macquarie Bank Group" are references to Macquarie Bank and its subsidiaries.

This Base Prospectus is valid for a period of 12 months from the date of its approval by the Luxembourg Stock Exchange, being 14 November 2024, and expires on 14 November 2025.

This Base Prospectus is published on the Luxembourg Stock Exchange's internet site www.luxse.com and available on the internet site www.macquarie.com/au/en/investors/other-securities/macquarie-bank-limited-warrant-programme.html. The Final Terms for each issue of Warrants to be listed on the Luxembourg Stock Exchange will be published on the Luxembourg Stock Exchange's internet site www.luxse.com.

The Warrants of each issue may be sold by Macquarie Bank and/or any Manager (as defined under "General Description of the Programme" on pages 10 to 13 inclusive of this Base Prospectus) of an issue of Warrants (as applicable to such issue of Warrants) at such time and at such prices as Macquarie Bank and/or the Manager(s) may select. There is no obligation upon Macquarie Bank or any Manager to sell all of the Warrants of any issue. The Warrants of any issue may be offered or sold from time to time in one or more transactions in the over-the-counter market or otherwise at prevailing market prices or in negotiated transactions, at the discretion of Macquarie Bank.

The form of the Final Terms is set out on pages 100 to 105 inclusive of this Base Prospectus and will specify with respect to the issue of Warrants to which it relates, *inter alia,* the specific designation of the Warrants, the aggregate number and type of the Warrants, the date of issue of the Warrants, the issue price, the exercise price, the underlying asset or index to which the Warrants relate, the exercise period or date and certain other terms relating to the offering and sale of the Warrants. The Final Terms relating to an issue of Warrants will be attached to, or endorsed upon, the Global Warrant (as defined below) representing such Warrants.

Each issue of Warrants will entitle the holder thereof (on due exercise and, if applicable, subject to certification as to non-U.S. beneficial ownership) either to receive a cash amount (if any) calculated in accordance with the relevant terms or to receive physical delivery of the underlying assets against payment of a specified sum, all as set forth herein and in the applicable Final Terms.

Prospective purchasers of Warrants should ensure that they understand the nature of the relevant Warrants and the extent of their exposure to risks and that they consider the suitability of the relevant Warrants as an investment in the light of their own circumstances and financial condition. Warrants involve a high degree of risk, including the risk of expiring worthless. Potential investors should be prepared to sustain a total loss of the purchase price of their Warrants. See "Risk Factors" on pages 14 to 43 inclusive of this Base Prospectus.

This Base Prospectus may be used only for the purposes for which it has been published and does not constitute a prospectus for the purposes of Regulation (EU) 2017/1129 of the European Parliament and the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market ("**Prospectus Regulation**"). The Luxembourg financial sector supervisory authority, the *Commission de Surveillance du Secteur Financier* ("**CSSF**"), has neither approved nor reviewed information contained in this Base Prospectus.

This Base Prospectus falls within the scope of Part IV (*Admissions of securities to trading on a Luxembourg market not set out in the list of regulated markets published by ESMA*) of the Luxembourg law of 16 July 2019 on prospectuses for securities.

Investors should make their own assessment as to the suitability of investing in the Warrants.

Application has been made for Warrants issued under the Programme during the twelve-month period from the date of this Base Prospectus to be admitted to the Official List of the Luxembourg Stock Exchange and for trading on the professional segment of the Euro MTF Market operated by the Luxembourg Stock Exchange. The Euro MTF is not a regulated market for the purposes of the Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, as amended ("**MiFID II**"). Macquarie Bank may also issue unlisted Warrants.

Warrants will be issued in uncertificated registered form. Each issue of Warrants will be constituted and represented by a global warrant (each a "**Global Warrant**") executed as a deed poll in favour of the holders of those Warrants from time to time and which will be issued and deposited with a common depositary on behalf of Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") and Euroclear Bank S.A./N.V. ("**Euroclear**") on the date of issue of the relevant Warrants. Definitive Warrants will not be issued.

Amounts payable under the Warrants may be calculated by reference to one or more "benchmarks" (as specified in the applicable Final Terms) for the purposes of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the "**Benchmark Regulation**"). In this case, a statement will be included in the applicable Final Terms as to whether or not the relevant administrator of the "benchmark" is included in the register of administrators of the European Securities and Markets Authority ("**ESMA**") under Article 36 of the Benchmark Regulation. As at the date of this Base Prospectus, as far as the Issuer is aware, the administrators of EURIBOR and BBSW (each as defined below) are included in ESMA's register of administrators under Article 36 of the Benchmark Regulation whereas the administrators of LIBOR, SONIA, SOFR and BKBM (each as defined below) are not.

Important Notice

This Base Prospectus has not been, nor will be, lodged with the Australian Securities and Investments Commission ("ASIC") and is not a 'prospectus' or other 'disclosure document' for the purposes of the Corporations Act 2001 of Australia ("Corporations Act"). In addition, see the selling restrictions set out under the heading "Offering and Sale" on pages 132 to 141 inclusive of this Base Prospectus.

Base Prospectus

This Base Prospectus is provided for the purpose of giving information with regard to the Issuer and its subsidiaries, which, according to the particular nature of the Issuer and the Warrants, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer.

This Base Prospectus has been prepared on the basis that any offer of Warrants in any Member State of the EEA (each a "**Relevant EEA State**") will be made pursuant to an exemption under the Prospectus Regulation, as implemented in that Relevant EEA State, from the requirement to publish a prospectus for offers of Warrants. Accordingly any person making or intending to make an offer in that Relevant EEA State of Warrants which are the subject of an offering contemplated in this Base Prospectus as completed by Final Terms in relation to the offer of those Warrants may only do so in the circumstances in which no obligation arises for the relevant Issuer or any Manager to publish a prospectus in relation to such offer. Neither the Issuer nor any Manager have authorised, nor do they authorise, the making of any offer of Warrants in circumstances in which an obligation arises for an Issuer or any Manager to publish or supplement a prospectus for such offer. In this Base Prospectus, unless otherwise specified or the context otherwise requires, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.

Prohibition of sales to EEA retail investors

The Warrants 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 MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 of the European Parliament and of the Council of 20 January 2016 on insurance distribution ("**Insurance Distribution Directive**"), 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 the Prospectus Regulation). Consequently no key information document required by Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (the "**PRIIPs Regulation**") for offering or selling the Warrants or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Warrants 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 Warrants 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 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 Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, 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 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Warrants or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Warrants or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Responsibility

Macquarie Bank, with its registered office at Level 1, 1 Elizabeth Street, Sydney, New South Wales, 2000, Australia, accepts responsibility for the information contained in this Base Prospectus. To the best of Macquarie Bank's knowledge (after having taken reasonable care to ensure that such is the case), the information contained in this Base Prospectus is in accordance with the facts and this Base Prospectus makes no omission likely to affect its import.

Documents incorporated by reference

This Base Prospectus is to be read and construed in conjunction with all documents which are incorporated herein by reference (see "Documents Incorporated by Reference" on pages 44 to 47 inclusive of this Base Prospectus). This Base Prospectus shall, save as specified herein, be read and construed on the basis that such documents are so incorporated by reference and form part of this Base Prospectus.

Internet site addresses in this Base Prospectus are included for reference only and the contents of any such internet sites are not incorporated by reference into, and do not form part of, this Base Prospectus.

No independent verification or advice

No Manager has independently verified all of the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by any Manager as to the accuracy or completeness of any information contained in this Base Prospectus or any further information supplied in connection with the Programme.

Neither this Base Prospectus nor any information provided in connection with the Warrants is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation or a statement of opinion, or a report of either of those things, by Macquarie Bank or any Manager that any recipient of this Base Prospectus purchase any Warrants or any rights in respect of any Warrants. Each investor contemplating purchasing any Warrants or any rights in respect of any Warrants should make (and shall be deemed to have made) its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of Macquarie Bank.

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

Currency of information

Neither the delivery of this Base Prospectus nor any sale made in connection with this Base Prospectus at any time implies that the information contained herein concerning Macquarie Bank is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated. Investors should review, amongst other things, the documents deemed to be incorporated herein by reference, when deciding whether or not to purchase any Warrants.

No review of affairs of Macquarie Bank or the Group

No Manager undertakes to review the financial condition or affairs of Macquarie Bank and its controlled entities ("**Group**") during the life of the Programme or to advise any investor in the Warrants of any information coming to the attention of such Manager.

No Macquarie Bank or the Group as issuer of the underlying securities or bonds or as sponsor of the underlying indices

In respect of Index Warrants, the specified index or basket or indices to which such Index Warrants relate shall not be (a) any index composed by Macquarie Bank or the Group or any legal entity belonging to the same group as Macquarie Bank, or (b) any index provided by a legal entity or a natural person acting in association with, or on behalf of Macquarie Bank or the Group.

In respect of Security Warrants, the issuer or issuers of the specified share of shares to which such Security Warrants relate shall not be Macquarie Bank or the Group or any legal entity belonging to the same group as Macquarie Bank.

In respect of Bond Warrants, the issuer or issuers of the specified bonds to which such Bond Warrants relate shall not be Macquarie Bank or the Group or any legal entity belonging to the same group as Macquarie Bank.

Risk factors

An investment in the Warrants involves risks that include, without limitation; those described in "Risk Factors" on pages 14 to 43 inclusive of this Base Prospectus.

No authorisation

No person has been authorised to give any information or make any representations not contained in this Base Prospectus in connection with Macquarie Bank, the Group, the Programme or the issue or sale of the Warrants and, if given or made, such information or representation must not be relied upon as having been authorised by Macquarie Bank or any Manager.

Distribution

The Warrants have not been and will not be registered under the United States Securities Act of 1933, as amended ("**Securities Act**"), and trading in the Warrants has not been and will not be approved by the United States Commodity Futures Trading Commission under the United States Commodity Exchange Act of 1936. Warrants may not be offered, sold, resold, delivered or transferred within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) at any time, unless the Final Terms relating to the Warrant expressly provide otherwise in connection with an offering of the Warrant pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act. The Warrants will be exercisable by the holder only upon certification as to non-U.S. beneficial ownership unless the Final Terms relating to a Warrant expressly provides otherwise in connection with an offering of the Warrant pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act. See "Offering and Sale – United States" on pages 133 and 134 of this Base Prospectus.

The distribution of this Base Prospectus and any Final Terms and the offer or sale of Warrants may be restricted by law in certain jurisdictions. Neither Macquarie Bank nor any Manager represents that this Base Prospectus may be lawfully distributed, or that any Warrants may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, except for registration of this Base Prospectus, no action has been taken by Macquarie Bank or a Manager which would permit a public offering of any Warrants or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Warrants may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations and the Managers have represented that all offers and sales by them will be made on the same terms.

Persons into whose possession this Base Prospectus or any Warrants come must inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Warrants in Australia, the United States, the European Economic Area, the United Kingdom, Hong Kong, Singapore, Japan, Korea, India, Canada, the People's Republic of China, Malaysia, and Taiwan (see "Offering and Sale" on pages 132 to 141 inclusive of this Base Prospectus).

The Warrants create options exercisable by the relevant holder. There is no obligation upon any holder to exercise his or her Warrant nor, in the absence of such exercise, any obligation on Macquarie Bank to pay any amount or deliver any asset to any holder of a Warrant. The Warrants will be exercisable in the manner set forth herein and in the applicable Final Terms.

No offer

Neither this Base Prospectus nor any other information provided in connection with the Warrants or the Programme is intended to, nor does it, constitute an offer or invitation by or on behalf of Macquarie Bank or any other person to subscribe for, purchase or otherwise deal in any Warrants nor is it intended to be used for the purpose of or in connection with offers or invitations to subscribe for, purchase or otherwise deal in any Warrants.

Australian banking legislation

Macquarie Bank is an "authorised deposit-taking institution" ("**ADI**") as that term is defined under the Banking Act 1959 of Australia ("**Banking Act**").

The Banking Act provides that, in the event an ADI becomes unable to meet its obligations or suspends payment, the ADI's assets in Australia are to be available to meet specified liabilities of the ADI in priority to all other liabilities of the ADI (including the Warrants). These specified liabilities include certain obligations of the ADI to the Australian Prudential Regulation Authority ("**APRA**") in respect of amounts payable by APRA to holders of protected accounts and any administration costs incurred by APRA, other liabilities of the ADI in Australia in relation to protected accounts that account-holders keep with the ADI, debts to the Reserve Bank of Australia ("**RBA**") and any liabilities under an industry support contract (certified under section 11CB of the Banking Act), and then, any other liabilities, in order of their priority. A "**protected account**" is either (a) an account where the ADI is required to pay the account-holder, on demand or at an agreed time, the net credit balance of the account, or (b) another account or financial product prescribed by regulation.

Warrants issued under the Programme are not protected accounts for the purposes of the Financial Claims Scheme and are not deposit liabilities of Macquarie Bank. They are unsecured obligations of Macquarie Bank and in the event of the winding up of Macquarie Bank would rank equally with other unsecured obligations of Macquarie Bank and ahead of subordinated debt and obligations to shareholders (in their capacity as such).

Warrants are not guaranteed by the Australian Government or by any other party.

References to currencies

In this Base Prospectus, references to "**A$**" and "**Australian Dollars**" are to the lawful currency of the Commonwealth of Australia, references to "**Japanese Yen**" are to the lawful currency of Japan and references to "**€**" and "**euro**" are to the single currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended from time to time.

Supplement to the Prospectus

Macquarie Bank has undertaken, in connection with the listing of the Warrants, that if at any time while any Warrants are listed and traded there is a significant new factor, material mistake or inaccuracy relating to information contained in this Base Prospectus which is capable of affecting the assessment of any Warrants and whose inclusion in this Base Prospectus or removal is necessary for the purpose of allowing an investor to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of Macquarie Bank and the rights attaching to the Warrants, Macquarie Bank will prepare and make available a supplement to this Base Prospectus or a further prospectus for use in connection with any subsequent issue of Warrants to be listed and traded.

CONTENTS

General Description of the Programme

This overview should be read, in relation to any Warrants, in conjunction with the Final Terms and, to the extent applicable, the Terms and Conditions. This overview is qualified in its entirety by the remainder of this Base Prospectus and any decision to invest in the Warrants should be based on a consideration of this Base Prospectus as a whole, including without limitation, the "Risk Factors" on pages 14 to 43 inclusive of this Base Prospectus and the documents incorporated herein by reference into this Base Prospectus (see "Documents Incorporated by Reference" on pages 44 to 47) inclusive of this Base Prospectus). Words or expressions defined or used in the Terms and Conditions shall, unless the contrary intention appears, have the same meaning in this overview.

Issuer:	Macquarie Bank Limited (ABN 46 008 583 542), a corporation constituted with limited liability under the laws of the Commonwealth of Australia and authorised to carry on banking business in, amongst others, the Commonwealth of Australia, and the United Kingdom. Macquarie Bank Limited's legal entity identifier (LEI) is 4ZHCHI4KYZG2WVRT8631. Macquarie Bank's expertise covers asset finance, lending, banking and risk and capital solutions across debt, equity and commodities. Macquarie Bank generates income by providing a diversified range of products and services to government, institutional, corporate and retail clients. Macquarie Bank may offer Warrants acting through its head office in Sydney or its London Branch as specified in the applicable Final Terms (if any) or (in other cases) as agreed with the relevant Manager. On 8 August 1994 Macquarie Bank Limited opened a London Branch. On 21 October 1994, Macquarie Bank Limited was registered under Schedule 21A to the Companies Act 1985 as having established a branch (Registration No. BR002678) in England and Wales. Macquarie Bank Limited, London Branch is an authorised person for the purposes of section 19 of the FSMA and is authorised and regulated by the Financial Conduct Authority ("**FCA**") (Firm No. 170934). In the United Kingdom, Macquarie Bank Limited, London Branch, conducts regulated banking business. Macquarie Bank has a right of substitution as set out in Condition 13 ("Substitution of the Issuer") on page 74 of this Base Prospectus.
Description:	Warrant Programme.
Managers:	Macquarie Bank may from time to time appoint one or more Managers in respect of an issue of Warrants.

Agents:	Deutsche Bank AG, London Branch has been appointed as principal warrant agent and Deutsche Bank Luxembourg S.A. has been appointed as Luxembourg warrant agent and Luxembourg listing agent for all Warrants listed on the Luxembourg Stock Exchange. Macquarie Bank Limited has been appointed as calculation agent. No trustee or other organisation has been appointed to represent investors in Warrants issued under the Programme.
Registrar:	Deutsche Bank Luxembourg S.A.
Programme:	A programme allowing for the issuance of Warrants of any kind including, but not limited to, Warrants relating to a specified index or a basket of indices or a specified security or a basket of securities or a specified bond or a basket of bonds (subject to applicable legal and regulatory restrictions) as specified in the applicable Final Terms. As at the date of this Base Prospectus, there shall be no Warrants issued in relation to proprietary indices The applicable Final Terms will also specify whether Warrants are American-style Warrants or European-style Warrants, whether settlement shall be by way of cash payment or physical delivery, whether the Warrants are call Warrants or put Warrants, whether any coupon is payable and whether Warrants shall only be exercisable in units and whether averaging will apply.
Distribution:	Warrants may be distributed on a syndicated or non-syndicated basis.
Programme Term:	The Programme will not have a fixed maturity date.
Method of Issue:	Macquarie Bank may from time to time issue Warrants in one or more Series.
Issue Price:	Warrants may be issued at an issue price which is at par or at a discount to, or premium over, par, and on a fully or partly paid basis and will be specified in the relevant Final Terms (if any) or (in other cases) as agreed between Macquarie Bank and the relevant Manager(s).
Final Terms:	Each Final Terms will provide particular information relating to a particular issue of Warrants.

Form of Warrants:	Warrants will be issued in uncertificated registered form. Each issue of Warrants will be constituted and represented by a Global Warrant executed as a deed poll in favour of the holders of those Warrants from time to time and which will be issued and deposited with a common depositary on behalf of Clearstream, Luxembourg and Euroclear on the date of issue of the relevant Warrants. Definitive Warrants will not be issued. Each person who is for the time being shown in the records of Clearstream, Luxembourg or of Euroclear as the holder of a particular amount of Warrants (in which regard any certificate or other document issued by Clearstream, Luxembourg or Euroclear as to the amount of Warrants standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and the Warrant Agents as the holder of such amount of Warrants for all purposes.
Use of Proceeds:	Proceeds realised from the issuance of Warrants will be used by Macquarie Bank for the Group's general corporate purposes.
Settlement Currencies:	The settlement currency will be set out in the applicable Final Terms.
Status of the Warrants:	Warrants will be direct, unsecured and unsubordinated obligations of Macquarie Bank.
	Warrants will rank *pari passu* without any preference among themselves. Claims against Macquarie Bank in respect of the Warrants will rank at least equally with the claims of other unsecured and unsubordinated creditors of Macquarie Bank (except creditors mandatorily preferred by law) and ahead of subordinated debt and obligations to shareholders (in their capacity as such). Claims on Warrants will become void unless claims in respect of payments are made within a period of ten years after the date on which the relevant payment first becomes due.
Governing Law:	The Warrants will be governed by English law.
Listing and admission to trading:	Warrants issued under the Programme may be listed on the official list of Luxembourg Stock Exchange and admitted to trading on the professional segment of the Euro MTF Market operated by the Luxembourg Stock Exchange.
	Application has been made for Warrants to be issued by Macquarie Bank under the Programme during the period of twelve months from the date of this Base Prospectus for listing on the Official List of the Luxembourg Stock Exchange and for trading on the professional segment of the Euro MTF Market operated by the Luxembourg Stock Exchange. The Euro MTF

	is not a regulated market for the purposes of MiFID II, as amended. Macquarie Bank may also issue unlisted Warrants.
Selling and transfer restrictions:	The offering, sale, delivery and transfer of Warrants and the distribution of this Base Prospectus and other material in relation to any Warrants are subject to restrictions as may apply in any country in connection with the offering and sale of a particular Tranche of Warrants including, in particular, restrictions in Australia, the United States of America, the European Economic Area, the United Kingdom, Hong Kong, Singapore, Japan, Korea, India, Canada, the People's Republic of China, Malaysia and Taiwan. See "Offering and Sale" on pages 132 to 141 inclusive of this Base Prospectus. The various categories of potential investors include experienced investors, financial institutions, hedge funds, mutual funds and retirement funds. The Warrants may not be offered, sold, delivered or transferred to retail investors, that is, a retail client as defined in point (11) of Article 4(1) of MiFID II or a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

In addition, the Warrants may be subject to certain restrictions on resales and transfers set out in the section entitled "Important Notice" on pages 4 to 8 inclusive of this Base Prospectus.

Risk Factors

MBL is subject to a variety of risks that arise out of our financial services and other businesses, many of which are not within our control. MBL manages its ongoing business risks in accordance with its risk management policies and procedures. The following are the material risk factors that could affect its businesses, prospects, results of operations or financial condition. Investment considerations for the purpose of assessing the risks associated with Warrants issued under the Programme and the market for Warrants generally are also described below.

Potential investors should also read the detailed information set out elsewhere in this Base Prospectus (including any documents deemed to be incorporated by reference herein) and consult their own financial, tax and legal advisers as to the risks and investment considerations arising from an investment in the Warrants, the appropriate tools to analyse such an investment, and consider the suitability of such an investment in the context of the particular circumstances of each investor.

MBL is an ADI as that term is defined under the Banking Act. See "Australian banking legislation" on page 7 of this Base Prospectus.

Risk category 1: Risks relating to Warrants and the market generally

Worthless expiration of Warrants

The Warrants involve a high degree of risk, which may include, among others, interest rate, foreign exchange, time value and political risks. Prospective purchasers of Warrants should recognise that their Warrants, other than any Warrants having a minimum expiration value, may expire worthless. Purchasers should be prepared to sustain a total loss of the purchase price of their Warrants, to the extent of any minimum expiration value attributable to such Warrants.

The risk of the loss of some or all of the purchase price of a Warrant upon expiration means that, in order to recover and realise a return upon his or her investment, a purchaser of a Warrant must generally be correct about the direction, timing and magnitude of an anticipated change in the value of the relevant reference security (or basket of securities), index (or basket of indices) or bond (or basket of bonds). Assuming all other factors are held constant, the more a Warrant is "out-of-the-money" and the shorter its remaining term to expiration, the greater the risk that purchasers of such Warrants will lose all or part of their investment. With respect to European-style Warrants, the only means through which a holder can realise value from the Warrant prior to the Exercise Date in relation to such Warrant is to sell it at its then market price in an available secondary market. See "Possible Illiquidity of the Warrants in the Secondary Market" below.

Risks relating to the value of the relevant underlying

Fluctuations in the value of the relevant index or basket of indices will affect the value of Index Warrants. Fluctuations in the price of the relevant equity security or value of the basket of equity securities will affect the value of Security Warrants. Fluctuations in the price of the relevant bond or basket of bonds will affect the value of Bond Warrants. Assuming all other factors being equal, (i) for call Warrants linked to a security, an index or a bond, or a basket of securities, indices or bonds, when the price of the security/securities, index/indices or bond/bonds increases, the value of the Warrants increases and when the price of the security/securities, index/indices or bond/bonds decreases, the value of the Warrant decreases, and (ii) for put Warrants, when the price of the security/securities, index/indices or bond/bonds increases, the Warrant price decreases and when the price of the security/securities, index/indices or bond/bonds decreases, the value of the Warrant increases. Purchasers of Warrants risk losing their entire investment if the value of the relevant underlying basis of reference does not move in the anticipated direction.

Loss of time value

The Cash Settlement Amount (in the case of Cash Settled Warrants) or the difference in the value of the Entitlement and the Exercise Price ("**Physical Settlement Value**") (in the case of Physical Delivery Warrants) at any time prior to expiration is typically expected to be less than the trading price of such Warrants at that time. The difference between the trading price and the Cash Settlement Amount or the Physical Settlement Value, as the case may be, will reflect, among other things, the "time value" of the Warrants. The "time value" of the Warrants will depend partly upon the length of the period remaining to expiration and expectations concerning the value of the reference security (or basket of securities), index (or basket of indices) or bond (or basket of bonds). Warrants offer hedging and investment diversification opportunities but also pose some additional risks with regard to erosion in value.

Limitations on Exercise

If so indicated in the Final Terms, MBL will have the option to limit the number of Warrants exercisable on any date (other than the final exercise date) to the maximum number specified in the Final Terms and, in conjunction with such limitation, to limit the number of Warrants exercisable by any person or group of persons (whether or not acting in concert) on such date. In the event that the total number of Warrants being exercised on any date (other than the final exercise date) exceeds such maximum number and MBL elects to limit the number of Warrants exercisable on such date, a Warrantholder may not be able to exercise on such date all Warrants that such holder desires to exercise.

Minimum Exercise Amount

If so indicated in the Final Terms, a Warrantholder must tender a specified number of Warrants at any one time in order to exercise. Thus, Warrantholders with fewer than the specified minimum number of Warrants will either have to sell their Warrants or purchase additional Warrants, incurring transaction costs in each case, in order to realise their investment. Furthermore, holders of such Warrants incur the risk that there may be differences between the trading price of such Warrants and the Cash Settlement Amount (in the case of Cash Settled Warrants) or the Physical Settlement Value (in the case of Physical Delivery Warrants) of such Warrants.

Certain Considerations Regarding Hedging

Prospective purchasers intending to purchase Warrants to hedge against the market risk associated with investing in a reference security (or basket of securities), index (or basket of indices) or bond (or basket of bonds), should recognise the complexities of utilising Warrants in this manner. For example, the value of the Warrants may not exactly correlate with the value of the reference security (or basket of securities), index (or basket of indices) or bond (or basket of bonds). Due to fluctuating supply and demand for the Warrants, there is no assurance that their value will correlate with movements of the reference security (or basket of securities), index (or basket of indices) or bond (or basket of bonds). For these reasons, among others, it may not be possible to purchase or liquidate securities in a portfolio at the prices used to calculate the value of any relevant index or basket.

Effect of Credit Rating Reduction

The value of the Warrants is expected to be affected, in part, by investors' general appraisal of MBL's creditworthiness. Such perceptions may be influenced by the ratings accorded to MBL's outstanding securities by rating services such as Fitch Ratings Ltd. A reduction in the rating, if any, accorded to outstanding debt securities of MBL, by any such rating agency could result in a reduction in the trading value of the Warrants.

Time Lag after Exercise

There will be a time lag between the time a Warrantholder gives instructions to exercise and the time the applicable Cash Settlement Amount (in the case of Cash Settled Warrants) relating to such exercise is determined. Any such delay between the time of exercise and the determination of the Cash Settlement Amount will be specified in the applicable Final Terms or the applicable Terms and Conditions. However, such delay could be significantly longer, particularly in the case of a delay in exercise of Warrants arising from any daily maximum exercise limitation, the occurrence of a market disruption event (if applicable) or following the imposition of any exchange controls or other similar regulations affecting the ability to obtain or exchange any relevant currency (or basket of currencies). The applicable Cash Settlement Amount may change significantly during any such period, and such movement or movements could decrease the Cash Settlement Amount of the Warrants being exercised and may result in such Cash Settlement Amount being zero.

Possible Illiquidity of the Warrants in the Secondary Market

It is not possible to predict the price at which Warrants will trade in the secondary market or whether such market will be liquid or illiquid. MBL may, but is not obliged to, list Warrants on a stock exchange. Also, to the extent Warrants of a particular issue are exercised, the number of Warrants of such issue outstanding will decrease, resulting in a diminished liquidity for the remaining Warrants of such issue. A decrease in the liquidity of an issue of Warrants may cause, in turn, an increase in the volatility associated with the price of such issue of Warrants.

MBL may, but is not obliged to, at any time purchase Warrants at any price in the open market or by tender or private treaty. Any Warrants so purchased may be held or resold or surrendered for cancellation. MBL may, but is not obliged to, be a market-maker for an issue of Warrants. Even if MBL is a market-maker for an issue of Warrants, the secondary market for such Warrants may be limited. In addition, affiliates of MBL may purchase Warrants at the time of their initial distribution and from time to time thereafter. To the extent that an issue of Warrants becomes illiquid, an investor may have to exercise such Warrants to realise value.

Exercise Procedure and Exercise Notice

Warrantholders who wish to exercise their Warrants should ensure they follow the proper exercise procedures. If the Warrants are not properly exercised they will lapse.

Potential Adjustment Events

In relation to Security Warrants or Bond Warrants linked to one or more convertible or exchangeable bond, certain corporate events may occur which result in an adjustment to any one or more of any Relevant Asset and/or the Entitlement and/or the Exercise Price and/or the Multiplier and/or any other Terms and Conditions of the Warrants and/or the applicable Final Terms. Such corporate events include reconstructions of capital, cash returns of capital, bonus issues, rights issues and extraordinary dividends. MBL will notify the Warrantholders of any such adjustment. There is no requirement that there should be an adjustment for every corporate action. Events in respect of which no adjustment is made to the terms of the Warrants may affect the value of the Warrants and your return from the Warrants.

Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency in relation to a Security

In relation to Security Warrants or Bond Warrants linked to one or more convertible or exchangeable bond, the occurrence of a Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency (each as defined in Condition 15(B)(2)(b) of the Terms and Conditions of the Warrants) in relation to a Security may result in an adjustment to any one or more of any Relevant Asset and/or the Entitlement and/or the Exercise Price and/or the Multiplier and/or any other Terms and Conditions of the Warrants and/or the applicable Final Terms or the cancellation of the relevant Warrants. As a result, the value of your investment may be adversely affected. MBL will notify the Warrantholders of the occurrence of any such event and the action to be taken in relation to such event.

Exercise of Discretion by MBL

Warrantholders should note that some provisions of the Terms and Conditions of the Warrants confer discretion on MBL. The manner of exercise or non-exercise of these discretions could adversely affect the value of the Warrants.

Potential Conflicts of Interest

MBL and its affiliates may also engage in trading activities (including hedging activities) related to the interest underlying any Warrants and other instruments or derivative products based on or related to the interest underlying any Warrants for their proprietary accounts or for other accounts under their management. MBL and its affiliates may also issue other derivative instruments in respect of the interest underlying Warrants. MBL and its affiliates may also act as underwriter in connection with future offerings of shares or other securities related to an issue of Warrants or may act as financial adviser to certain Security Issuers or Basket Security Issuers or in a commercial banking capacity for certain Security Issuers or Basket Security Issuers. MBL will undertake the duties of calculation agent in respect of the Warrants unless another entity is specified in the applicable Final Terms. Such activities could present certain conflicts of interest, could influence the prices of such shares or other securities and could adversely affect the value of such Warrants. For the avoidance of doubt, the underlying of the Warrants shall not be any shares or bonds of MBL or its affiliates.

Exchange rate risk related to the Warrants

If you purchase Warrants by a currency other than the settlement currency, you will be subject to the exchange rate movement of such currencies and incur conversion cost (being the buy/sell spread). If the underlying asset is denominated in a currency different from the settlement currency, you will also be subject to the exchange rate movement of such currencies. Market movement of currencies may adversely impact the payout of the Warrants.

Exchange traded fund (ETF) Risk

Where an underlying is an ETF, you are exposed to the political, economic, currency and other risks related to the synthetic ETF's underlying index. If such ETF invests in derivatives, you are exposed to the credit risk of the counterparties of such derivatives. You should consider the potential contagion and concentration risk of such counterparties. If the ETF has underlying collateral, the market value of the collateral may fall substantially when the ETF seeks to realise the collateral. A higher liquidity risk is involved if an ETF involves derivatives that do not have an active market, and wider bid-offer spreads in the price of derivatives may results in losses in ETF. There may also be disparity between the performance of the ETF and the index due to, for example, failure of tracking strategy, fees and expenses. Also, where the index that the ETF tracks is subject to restricted access, the efficiency in unit creation and redemption to keep the ETF price in line with its net asset value (NAV) may be disrupted, causing the ETF to trade at a higher premium to its NAV and hence suffer loss. For any dealing of structured products with ETFs as underlying, you should have read and understood all relevant product information (including offering documents) of the ETFs before placing your order.

Risks relating to Bond Warrants

In the event of the occurrence of certain credit-related circumstances in relation to a bond, the amount paid or the value of the underlying assets received, at settlement of the Warrants (after deduction of costs, break funding charges, loss of funding, tax and duties) determined by reference to the value of the bond(s) may reduce the value of the Warrants.

Warrantholders may be exposed to fluctuations in the creditworthiness of the relevant bond issuer, or to the imposition or increase of withholding taxes or other adverse performance of the bonds. Their exposure to the bonds may be leveraged by their investment in the Warrants compared to a direct investment in such bonds.

Emerging markets risk

Where the underlying asset is listed on or otherwise related to emerging market countries, investors should note that the economies of many emerging markets are still in the early stages of modern development and subject to abrupt and unexpected change. In many cases, governments retain a high degree of direct control over the economy and may take actions that have a sudden and widespread effect.

Emerging market regions are also subject to special risks including: generally less liquid and less efficient securities markets; generally greater price volatility, exchange rate fluctuations and foreign exchange control; higher volatility of the value of debt; imposition of restrictions on the expatriation of funds or other assets; foreign exchange control; less publicly available information about issuers; uncertain and changing tax regimes; less liquidity; less well regulated markets; different accounting and disclosure standard; governmental interference; social, economic and political uncertainties and the risk of expropriation of assets.

No proprietary interest in the underlying asset

The Warrantholder will have no proprietary interest in the underlying assets and/or any instrument used for the purposes of hedging obligations under the Warrants. As a result, the Warrantholder will not have the ability to exercise any rights (including voting rights) attached to the underlying assets.

Illegality and impracticability

If the Issuer determines that the performance of its obligation under the Warrants has become or will become illegal or impracticable, it may cancel the Warrants and an investor may sustain loss as a result.

Change in Law, Hedging Disruption and Increased Cost of Hedging

If Change in Law, Hedging Disruption or Increased Cost of Hedging occurs, the Issuer may adjust the terms of the Warrants in its sole discretion or early terminate the Warrants at the fair market value less any hedging cost. In such case, you may lose a substantial part of your investment.

FX disruption

If FX Disruption (including impossibility or impracticability to convert any amount into the Settlement Currency, to transfer or repatriate any amount outside of the country in which the Hedge Positions are traded or to obtain firm quote for relevant foreign exchange rate) occurs, is continuing or exists on or prior to any date on which a payment is scheduled to be made, the Issuer may either suspend the settlement, settle in another currency or terminate the Warrants early. You may not be able to get back your investment on the scheduled date if the Issuer suspends the settlement and you may lose your entire investment if the suspension is not lifted. If the Warrants are settled in another currency or terminated early, the amount you receive can be substantially less than your initial investment.

Creditworthiness of the Issuer

The Warrantholder is reliant on the Issuer's creditworthiness and of no other person. If the Issuer becomes insolvent or defaults on its obligations under the Warrants, the Warrantholder can only claim as our unsecured creditor regardless of the performance of the underlying assets and they may not be able to recover all or even part of the amount due under the Warrants (if any). The Warrantholder has no rights under the terms of the Warrants against the Issuer.

The Warrants may be cancelled early following the exercise by the Issuer of a call option

Where the terms and conditions of the Warrants provide that the Issuer has the right to call the Warrants, following the exercise by the Issuer of such option, the Warrantholder will be unable to realise their expectations for a gain in the value of such Warrants and, if applicable, will no longer participate in the performance of the underlying asset(s) or any Coupon Amount payable under the Warrants.

The Issuer is under no obligation to consider the interests of Warrantholders when it determines whether or not to exercise its call option and you should consider the risk of reinvestment in light of other investments likely to be available at such time.

Taxes

Each Warrantholder will assume and be solely responsible for all taxes, duties and/or expenses arising in connection with any payment of a Cash Settlement Amount or other amount payable in accordance with the terms of the Warrants. In addition, the Issuer shall have the right to withhold or deduct from any amount payable to Warrantholders such amount as shall be necessary to account for any tax, duty, charge, withholding or other payment, whether realised or expected, in respect of any hedging transactions in respect of any Warrants. The Warrantholder is also required to indemnify the Issuer against any loss or cost in respect of tax paid or to be paid in accordance with the hedging transaction. The Issuer may determine the amount of any applicable capital gain tax on a first-in-first-out basis or such other basis at its discretion. If such tax is determined on a first-in-first-out basis, the tax subject to deduction, withholding and/or indemnity may be determined by reference to the overall position of the Issuer (or a counterparty of the Issuer) in the relevant asset which may include not only the Hedge Position for a particular series of Warrant but also Hedge Position for all other financial instruments issued, or transactions entered into, by the Issuer and/or its affiliates (or a counterparty of the Issuer) and proprietary position of the Issuer and/or its affiliates (or a counterparty of the Issuer). The amount of capital gain tax attributable to a particular series of Warrants would depend on the timing of the unwinding of the Hedge Positions for such Warrants relative to the timing for unwinding the Hedge Positions for other financial instruments or transactions over the same underlying assets or disposal of the proprietary positions of the Issuer (and/or its affiliates or a counterparty of the

Issuer). It is possible that the Warrantholder may suffer adverse tax consequence if the capital gain tax is determined on a first-in-first-out basis.

Foreign Account Tax Compliance Act

Under Sections 1471-1474 of the U.S. Internal Revenue Code ("FATCA", enacted in 2010 as part of the Hiring Incentives to Restore Employment Act), certain foreign financial institutions (such as MBL) will be required to provide the U.S. Internal Revenue Service with information on accounts held by U.S. persons or be subject to a 30% U.S. withholding tax on all, or a portion of, certain payments it receives. Compliance with FATCA will require substantial investment in a documentation and reporting framework. In the absence of compliance with FATCA, MBL could be exposed to a withholding tax which would reduce the cash available to be paid by MBL. In addition, under FATCA, MBL or other financial institutions through which payments on the Warrants are made or through which an investor owns its Warrants may be required to withhold amounts on the Warrants if (i) there is a "non-participating" non-U.S. financial institution in the payment chain or (ii) the Warrants are treated as "financial accounts" for purposes of FATCA and the investor does not provide certain information, which may include the name, address and taxpayer identification number with respect to direct and certain indirect U.S. investors.

While the Warrants are in global form and held within the clearing systems, in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by the clearing systems. However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer's obligations under the Warrants are discharged once it has paid the common depositary or common safekeeper for the clearing systems (as bearer or registered holder of the Warrants) and the Issuer has therefore has no responsibility for any amount thereafter transmitted through hands of the clearing systems and custodians or intermediaries.

Prospective investors should refer to the section "United States Taxation – Foreign Account Tax Compliance Act" on pages 150 to 152 of this Base Prospectus.

The regulation and reform of "benchmarks" may adversely affect the value of Warrants linked to or referencing such "benchmarks"

Interest rates and indices which are deemed to be "benchmarks" (including, amongst others, SONIA, SOFR, EURIBOR, €STR, BBSW and BKBM) are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms, such as the discontinuation of LIBOR, are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Warrants linked to or referencing such a "benchmark".

In Australia, examples of reforms that are already effective include changes to the methodology for calculation of the Australian Bank Bill Swap Rate ("**BBSW**"), and amendments to the Corporations Act made by the Treasury Laws Amendment (2017 Measures No. 5) Act 2018 (Cth) of Australia which, among other things, enable ASIC to make rules relating to the generation and administration of financial benchmarks. On 6 June 2018, ASIC designated BBSW as a "significant financial benchmark" and made the ASIC Financial Benchmark (Administration) Rules 2018 and the ASIC Financial Benchmarks (Compelled) Rules 2018. On 27 June 2019, ASIC granted ASX Benchmarks Pty Limited a licence to administer BBSW from 1 July 2019.

Further, the RBA has amended its criteria for repo eligibility to include a requirement that floating rate bonds and marketed asset-backed securities issued on or after 1 December 2022 that reference BBSW must contain at least one “robust” and “reasonable and fair” fallback rate for BBSW in the event that it permanently ceases to exist, if such securities are to be accepted by the RBA as being eligible collateral for the purposes of any repurchase agreements to be entered into with the RBA. In November 2022, the Australian Financial Markets Association published proposed drafting for the BBSW Rate fallback provisions (the "**AFMA Proposal**").

Where the original benchmark for any Warrants is the BBSW Rate, the BBSW Rate Fallback Provisions for these Warrants distinguish between temporary and permanent triggers affecting the BBSW Rate.

If a Temporary Disruption Trigger occurs in respect of the BBSW Rate, the interest rate for any day on which that Temporary Disruption Trigger is continuing will be the interest rate determined in accordance with the Temporary Disruption Fallback which provides that, in the first instance, preference will be given to the Administrator Recommended Rate (which is a rate formally recommended for use as the replacement for the BBSW Rate by the Administrator). The second preference will be given to the Supervisor Recommended Rate (which is a rate formally recommended for use as the replacement for the BBSW Rate by the Supervisor). Finally, preference will be given to the Final Fallback Rate.

In the event that a Permanent Discontinuation Trigger occurs in respect of the BBSW Rate, the rate for any Interest Determination Date which occurs on or following the applicable Permanent Fallback Effective Date will be the Fallback Rate which is determined in accordance with the Permanent Discontinuation Fallback and which may be AONIA.

Investors should be aware that whilst the BBSW Rate is based on a forward-looking basis and on observed bid and offer rates for Australian prime bank eligible securities (which rates may incorporate a premium for credit risk), AONIA is an overnight, risk free cash rate and will be applied to calculate interest by compounding observed rates in arrears and the application of a spread adjustment. There can be no assurance that AONIA as described above will produce the economic equivalent of the BBSW Rate.

In Europe, Regulation (EU) 2016/1011 (the "**EU Benchmarks Regulation**") applies, subject to certain transitional provisions, to the provision of “benchmarks”, the contribution of input data to a “benchmark” and the use of a “benchmark” within the EU. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of "benchmarks" of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

In the UK, Regulation (EU) 2016/1011 as it forms part of domestic law in the UK by virtue of the EUWA (the "**UK Benchmarks Regulation**") among other things, applies to the provision of “benchmarks” and the use of a “benchmark” within the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the United Kingdom Financial Conduct Authority ("**FCA**") or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

In New Zealand, the Financial Markets (Derivatives Margin and Benchmarking) Reform Amendment Act 2019 (the "**FMRA Act**") was enacted in August 2019. When the provisions of the FMRA Act relating to financial benchmarks come into effect, they will amend the FMC Act to establish a new licensing regime for administrators of financial benchmarks. These amendments aim to ensure that New Zealand's regulatory regime for financial benchmarks (including the New Zealand Bank Bill Reference Rate ("**BKBM**")) meets the equivalence requirements for the purposes of the EU Benchmarks Regulation.

These reforms (including the EU Benchmarks Regulation and/or the UK Benchmarks Regulation) could, as applicable, have a material impact on any Warrants linked to or referencing a "benchmark", in particular, if the methodology or other terms of the "benchmark" are changed in order to comply with the requirements imposed thereunder, as applicable. It is also not possible to predict whether such reforms will lead to any such benchmarks (including BBSW) not being supported going forward. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant "benchmark".

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of "benchmarks", could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements.

The euro risk free-rate working group for the euro area has published a set of guiding principles and high-level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing the euro interbank offered rate ("**EURIBOR**"). The guiding principles indicate, amongst other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system. On 11 May 2021, the euro risk-free rate working group published its recommendations on EURIBOR fallback trigger events and fallback rates. On 4 December 2023, the group issued its final statement, announcing completion of its mandate.

Such factors may have (without limitation) the following effects on certain benchmarks: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark and/or (iii) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Warrants linked to, referencing, or otherwise dependent (in whole or in part) upon, a "benchmark".

The terms and conditions of the Warrants provide for certain fallback arrangements in the event that a published benchmark (including any page on which such benchmark may be published (or any replacement service)) becomes unavailable, including the possibility that the interest rate could be set by reference to a successor rate or an alternative rate or the effective application of a fixed rate based on the rate which applied in the previous period when the published benchmark was available, which could have an adverse effect on the value or liquidity of, and return on, any Warrants which reference the published benchmark. Due to the uncertainty concerning the availability of a successor rate or an alternative rate, the relevant fallback provisions may not operate as intended at the relevant time. Any changes to a benchmark or changes in the manner of administration of a benchmark could result in an adjustment to the terms and conditions, early redemption, discretionary valuation by the Calculation Agent, delisting or other consequences in relation to the Warrants linked to such benchmark. No consent of the Warrantholders shall be required in connection with effecting any successor rate or alternative rate (as applicable). In addition, no consent of the Warrantholders shall be required in connection with any other related adjustments and/or amendments to the terms and conditions of the Warrants (or any other document) which are made in order to effect any successor rate or alternative rate (as applicable).

Any such consequences could have a material adverse effect on the value or liquidity of and return on any such Warrants. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant rate could affect the ability of the Issuer to meet its obligations under the Warrants or could have a material adverse effect on the value or liquidity of, and the amount payable under, such Warrants.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation, the UK Benchmarks Regulation or any of the international or national reforms and the possible application of the benchmark replacement provisions of the Warrants in making any investment decision with respect to any Warrants linked to or referencing a "benchmark".

Risk category 2: Factors that may affect the Issuer's ability to fulfil its obligations under Warrants issued under the Programme

The factors described below represent the inherent risks relating to MBL and the Macquarie Bank Group. The value of the Warrants depends upon, amongst other things, the ability of MBL to fulfil its obligations under the Warrants. The factors described below relating to MBL and the Macquarie Bank Group are not intended to be exhaustive and the Issuer makes no representation to the contrary.

Macro-economic risks

MBL's and the Macquarie Bank Group's business and results of operation have been and may, in the future, be adversely affected by financial markets, global credit and other economic and geopolitical challenges generally.

The Macquarie Bank Group's businesses operate in or depend on the operation of global markets, including through exposures in securities, loans, derivatives and other activities and it is impacted by various factors it cannot control. In particular, uncertainty and volatility in global credit markets, liquidity constraints, increased funding costs, the level and volatility of interest rates, constrained access to funding, uncertainty concerning government shutdowns and debt ceilings, fluctuations or other significant changes in both equity and capital market activity, supply chain disruptions and labour shortages have adversely affected and may continue to adversely affect transaction flow in a range of industry sectors. These factors could also adversely affect the Macquarie Bank Group's access to, and costs of funding and in turn may negatively impact its liquidity and competitive position. Recent stress in the global banking sector, including bank failures, has heightened the risk of volatility in global financial markets.

Additionally, global markets may be adversely affected by the current or anticipated impact of climate change, extreme weather events or natural disasters, the emergence or continuation of widespread health emergencies or pandemics, cyberattacks or campaigns, military conflicts, including the Russia-Ukraine conflict, the Israeli Palestinian conflict and escalating hostilities throughout the Middle East, terrorism or other geopolitical events such as rising tensions between the U.S. and China and concerns about a potential conflict involving Taiwan. The dynamic and constantly evolving sanctions environment, including the volume and nature of sanctions imposed during the Russia-Ukraine conflict, continues to drive heightened sanctions compliance risk and complexity in applying control frameworks across the market. The Russia-Ukraine conflict and the conflict in the Middle East have caused, and may continue to cause, supply shocks in energy, food and other commodities markets, disruption to global shipping lanes and supply chains, increased inflation, cybersecurity risks, increased volatility in commodity, currency and other financial markets, risk of recession in Europe and heightened geopolitical tensions. Moreover, hostile actions by the various parties in conflict, and any further measures taken by the U.S. or its allies, could continue to have negative impacts on regional and global energy, commodities and financial markets and macroeconomic conditions generally, adversely impacting the Macquarie Bank Group and its customers, clients and employees.

Actions taken by central banks, including changes to official interest rate targets, balance sheet management and government-sponsored lending facilities are beyond the Macquarie Bank Group’s control and difficult to predict. Sudden changes in monetary policy, for example in response to high inflation, could lead to financial market volatility and are likely to affect market interest rates and the value of financial instruments and other assets and liabilities, and can impact the Macquarie Bank Group’s customers.

The Macquarie Bank Group’s trading income may be adversely affected during times of subdued market conditions and client activity. Increased market volatility can lead to trading losses or cause the Macquarie Bank Group to reduce the size of its trading activities in order to limit its risk exposure. Market conditions, as well as declines in asset values, may cause the Macquarie Bank Group’s clients to transfer their assets out of the Macquarie Bank Group’s funds or other products or their brokerage accounts and result in reduced net revenues.

The Macquarie Bank Group’s returns from asset sales may also decrease if economic conditions deteriorate. In addition, if financial markets decline, revenues from the Macquarie Bank Group’s products are likely to decrease. In addition, increases in volatility increase the level of the Macquarie Bank Group’s risk weighted assets and increase the Macquarie Bank Group’s capital requirements. Increased capital requirements may require the Macquarie Bank Group to raise additional capital at a time, and on terms, which may be less favourable than the Macquarie Bank Group would otherwise achieve during stable market conditions.

Sudden declines and significant volatility in the prices of assets may substantially curtail or eliminate the trading markets for certain assets, which may make it very difficult to sell, hedge or value such assets. The inability to sell or effectively hedge assets reduces the Macquarie Bank Group's ability to limit losses in such positions and difficulty in valuing assets may negatively affect the Macquarie Bank Group's capital, liquidity or leverage ratios, increase funding costs and generally require the Macquarie Bank Group to maintain additional capital.

Concerns about, or a default by, one or more institutions or by a sovereign could lead to market-wide liquidity problems, losses or defaults by other institutions, financial instruments losing their value and liquidity, and interruptions to capital markets that may further affect the Macquarie Bank Group. Negative perceptions about the soundness of a financial institution can result in counterparties seeking to limit their exposure and depositors withdrawing their deposits, which can happen more quickly than in the past due to the rapid dissemination of negative information through social media channels and other advances in technology, further weakening the institution. Recent bank failures in the U.S. and Europe have heightened these concerns. The commercial soundness of many financial institutions may be closely interrelated as a result of credit, trading, clearing or other relationships among financial institutions. This risk is sometimes referred to as "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms, hedge funds and exchanges that the Macquarie Bank Group interacts with on a daily basis. If any of the Macquarie Bank Group's counterpart financial institutions fail, the Macquarie Bank Group's financial exposures to that institution may lose some or all of their value. Any of these events would have a serious adverse effect on the Macquarie Bank Group's liquidity, profitability and value.

MBL's and the Macquarie Bank Group's ability to operate their businesses could be impaired if their liquidity is constrained.

Liquidity is essential to MBL's and the Macquarie Bank Group's business. Financial institutions have failed in the past due to lack of liquidity. Inadequate liquidity, or even the perception that MBL's and the Macquarie Bank Group's liquidity is inadequate, would pose a serious risk to their ability to operate. MBL's and the Macquarie Bank Group's liquidity may be impacted at any given time as a result of various factors, including deposit losses, market disruptions, macroeconomic shocks, increases to liquidity and regulatory capital requirements due to legal and regulatory changes, restrictive central bank actions such as quantitative tightening that may reduce monetary supply and increase interest rates, the insolvency of a major market participant or systemically important financial institution, any idiosyncratic event impacting MBL's or the Macquarie Bank Group's reputation and/or business, any other unexpected cash outflows or higher-than-anticipated funding needs. The uncertainties surrounding these factors could undermine confidence in MBL and the Macquarie Bank Group, or the financial system as a whole.

Factors beyond MBL's and the Macquarie Bank Group's control, such as periods of market stress, a fall in investor confidence or financial market illiquidity may increase their funding costs and reduce their access to conventional funding sources. Additionally, from time to time, regulations that impose increased liquidity requirements on financial institutions may be adopted. These regulations may require MBL and the Macquarie Bank Group to hold larger amounts of highly liquid assets and/or constrain MBL's and the Macquarie Bank Group's ability to raise funding or deploy capital. Further, MBL's and the Macquarie Bank Group's ability to liquidate assets may be impaired if there is not generally a liquid market for such assets, as well as in circumstances where other market participants are seeking to sell similar otherwise generally liquid assets at the same time, as is likely to occur in a liquidity or other market crisis or in response to changes in law or regulation.

MBL and the Macquarie Bank Group may need to raise funding from alternative sources if their access to stable and lower cost sources of funding, such as customer deposits and the equity and debt capital markets, is reduced. Those alternative sources of funding could be more expensive or also limited in availability. MBL's and the Macquarie Bank Group's funding costs could also be negatively affected by actions that they may take in order to satisfy their mandated liquidity coverage and net stable funding ratios or other regulatory requirements.

If MBL and the Macquarie Bank Group fail to effectively manage their liquidity, this could constrain their ability to fund or invest in their businesses, and thereby adversely affect their business, results of operations, prospects, financial performance or financial condition.

Failure of MBL or the Macquarie Bank Group to maintain their credit ratings and those of their subsidiaries could adversely affect their cost of funds, liquidity, competitive position and access to capital markets.

The credit ratings assigned to MBL or the Macquarie Bank Group and certain of their subsidiaries by rating agencies are based on their evaluation of a number of factors, including the Macquarie Bank Group's ability to maintain a stable and diverse earnings stream, strong capital ratios, strong credit quality and risk management controls, funding stability and security, disciplined liquidity management and its key operating environments, including the availability of systemic support in Australia. In addition, a credit rating downgrade could be driven by the occurrence of one or more of the other risks identified in this section or by other events that are not related to the Macquarie Bank Group where there has been no deterioration in its business, such as changes to the ratings methodology or criteria.

If these Macquarie Bank Group entities fail to maintain their current credit ratings, this could (i) adversely affect MBL's or the Macquarie Bank Group's cost of funds, liquidity, competitive position, the willingness of counterparties to transact with the Macquarie Bank Group and its ability to access capital markets or (ii) trigger MBL's or the Macquarie Bank Group's obligations under certain bilateral provisions in some of their trading and collateralised financing contracts. Under these provisions, counterparties could be permitted to terminate contracts with the Macquarie Bank Group or require it to post collateral. Termination of MBL's or a Macquarie Bank Group entity's trading and collateralised financing contracts could cause them to sustain losses and impair their liquidity by requiring them to find other sources of financing or to make significant cash payments or securities movements.

Changes and increased volatility in currency exchange rates may adversely impact the Macquarie Bank Group's financial results and its financial and regulatory capital positions.

While the Financial Statements (as defined in the "Documents Incorporated by Reference" section) are presented in Australian Dollars, a significant portion of the Macquarie Bank Group's operating income is derived, and operating expenses are incurred, from its offshore business activities, which are conducted in a broad range of currencies. Changes in the rate at which the Australian Dollar is translated from other currencies can impact the Macquarie Bank Group's financial statements and the economics of its business.

Although the Macquarie Bank Group seeks to carefully manage its exposure to foreign currencies, in part through matching of assets and liabilities in local currencies and through the use of foreign exchange forward contracts to hedge its exposure, the Macquarie Bank Group is still exposed to exchange risk. The risk becomes more acute during periods of significant currency volatility. Insofar as the Macquarie Bank Group is unable to hedge or has not completely hedged its exposure to currencies other than the Australian Dollar, the Macquarie Bank Group's reported profit and foreign currency translation reserve would be affected.

In addition, because the Macquarie Bank Group's regulatory capital position is assessed in Australian Dollars, its capital ratios may be adversely impacted by a depreciating Australian Dollar, which increases the capital requirement for assets denominated in currencies other than Australian Dollars.

MBL's and the Macquarie Bank Group's businesses are subject to the risk of loss associated with price volatility in the equity markets and other markets in which they operate.

MBL and the Macquarie Bank Group are exposed to changes in the value of financial instruments and other financial assets that are carried at fair market value, as well as changes to the level of their advisory and other fees, due to changes in interest rates, exchange rates, equity and commodity prices and credit spreads and other market risks. These changes may result from changes in economic conditions, monetary and fiscal policies, market liquidity, availability and cost of capital, international and regional political events, acts of war or terrorism, corporate, political or other scandals that reduce investor confidence in capital markets, natural disasters or pandemics or a combination of these or other factors.

MBL and the Macquarie Bank Group trade in foreign exchange, interest rate, commodity, bullion, energy, securities and other markets and are an active price maker in the derivatives market. Certain financial instruments that MBL and/or the Macquarie Bank Group hold and contracts to which they are a party are complex and these complex structured products often do not have readily available markets to access in times of liquidity stress. Additionally, a number of the markets MBL and the Macquarie Bank Group trade in, and in particular the energy markets, have or may experience increased levels of volatility as a result of uncertainty and supply chain disruptions related to ongoing developments, such as the Russia-Ukraine conflict, the conflict in the Middle East and rising interest rates.

In addition, reductions in equity market prices or increases in interest rates may reduce the value of MBL's and the Macquarie Bank Group's clients' portfolios, which in turn may reduce the fees they earn for managing assets in certain parts of their business. Increases in interest rates or attractive prices for other investments could cause MBL's and the Macquarie Bank Group's clients to transfer their assets out of their funds or other products.

Interest rate benchmarks around the world (for example, the London Inter-Bank Offered Rate ("**LIBOR**")) have been subject to regulatory scrutiny and are subject to change. See also "Risk Factors –Factors that may affect the Issuer's ability to fulfil its obligations under the Warrants issued under the Programme – Legal and regulatory risks – The Macquarie Bank Group may not manage risks associated with the replacement of interest rate benchmarks effectively".

Interest rate risk arises from a variety of sources including mismatches between the repricing periods of assets and liabilities. As a result of these mismatches, movements in interest rates can affect earnings or the value of the Macquarie Bank Group. See also "Risk Factors – Factors that may affect the Issuer's ability to fulfil its obligations under Warrants issued under the Programme – Macro-economic Risks – Inflation has had, and could continue to have, a negative effect on MBL's or the Macquarie Bank Group's business, results of operations and financial condition".

MBL's and the Macquarie Bank Group's businesses are subject to risks including trading losses, risks associated with market volatility and the risks associated with their physical commodities activities.

MBL's and the Macquarie Bank Group's commodities business primarily involves transacting with their clients to help them manage risks associated with their commodity exposures and MBL and the Macquarie Bank Group may also enter into commodity transactions on their own behalf. These transactions often involve MBL and the Macquarie Bank Group taking on exposure to price movements in the underlying commodities. MBL and the Macquarie Bank Group employ a variety of techniques and processes to manage these risks, including hedging, but, they may not fully hedge their risk and their risk management techniques may not be as effective as they intend for a variety of reasons, including unforeseen events occurring outside their risk modelling. For example, some products may have limited market liquidity and access to derivative markets may become constrained during periods of volatile commodity market conditions, increasing the cost of hedging instruments. MBL's and the Macquarie Bank Group's counterparty risk may also be elevated at times of high volatility because their counterparties may be more likely to be under financial stress, increasing their exposure to potential losses as a result of those counterparties defaulting or failing to perform their obligations. See also "Risk Factors – Factors that may affect the Issuer's ability to fulfil its obligations under Warrants issued under the Programme – Counterparty credit risk – Failure of third parties to honour their commitments in connection with MBL's and the Macquarie Bank Group's trading, lending and other activities may adversely impact their business".

While most of MBL's and the Macquarie Bank Group's commodities markets activities involve financial exposures, from time to time they will also have physical positions, which expose them to the risks of owning and/or transporting commodities, some of which may be hazardous. Commodities involved in MBL's and the Macquarie Bank Group's intermediation activities and investments are also subject to the risk of unforeseen or catastrophic events, which are likely to be outside of their control. These risks may include accidents and failures with transportation and storage infrastructure, determinations made by exchanges, extreme weather events or other natural disasters, leaks, spills or release of hazardous substances, disruptions to global supply chains and shipping operations, changes to local legislation and regulation, government action (for example, energy price caps or emergency measures) or hostile geopolitical events (including the ongoing Russia-Ukraine conflict and conflict in the Middle East and any potential conflict as a result of rising tensions between China and Taiwan and the United States). The occurrence of any of such events may prevent MBL and the Macquarie Bank Group from performing under their agreements with clients, may impair their operations or financial results and may result in litigation, regulatory action, negative publicity or other reputational harm. Also, while MBL and the Macquarie Bank Group seek to insure against potential risks, insurance may be uneconomic to obtain, the insurance that they have may not be adequate to cover all their losses or they may not be able to obtain insurance to cover some of these risks. There may also be substantial costs in complying with extensive and evolving laws and regulations relating to MBL and the Macquarie Bank Group's commodities and risk management related activities and investments including energy and climate change laws and regulations worldwide. Increasingly complex sanctions regimes implemented by countries globally have increased risk and uncertainty in some areas of the commodities sector, by prohibiting the continuation of, or requiring significant restructuring of, large and complex transactions and potentially affecting planned exit strategies. See also "Risk Factors – Factors that may affect the Issuer's ability to fulfil its obligations under Warrants issued under the Programme – Legal and regulatory risks – The Macquarie Bank Group is subject to the risk of loss as a result of not complying with laws governing financial crime, including sanctions".

Funding constraints of investors may impact MBL's and/or the Macquarie Bank Group's income.

MBL and the Macquarie Bank Group generate a portion of their income from the sale of assets to third parties. If buyers are unable to obtain financing to purchase assets that MBL and/or the Macquarie Bank Group currently hold or purchase with the intention to sell in the future, MBL and/or the Macquarie Bank Group may be required to hold investment assets for longer than they intended or sell these assets at lower prices than they historically would have expected to achieve, which may lower their rate of return on these investments and require funding for periods longer than they have anticipated.

Inflation has had, and could continue to have, a negative effect on MBL’s or the Macquarie Bank Group’s business, results of operations and financial condition.

Inflationary pressures have affected economies, financial markets and market participants worldwide. Central bank responses to inflationary pressures have resulted in higher market interest rates and aggressive balance sheet policy, which has contributed and may continue to contribute to elevated financial and capital market volatility and significant changes to asset values. MBL and the Macquarie Bank Group expect elevated levels of inflation may result in higher labour costs and other operating costs, thus putting pressure on MBL's and the Macquarie Bank Group’s expenses. Central bank actions in response to elevated inflation may lead to slow economic growth and increase the risk of recession, which could adversely affect MBL's and the Macquarie Bank Group’s clients, businesses and results of operations.

The Macquarie Bank Group’s businesses could suffer losses due to climate change.

The Macquarie Bank Group's businesses could also suffer losses due to climate change. Climate change is systemic in nature and is a significant long-term driver of both financial and non-financial risks. Climate change related impacts include physical risks from changing climatic conditions which could result from increased frequency and/or severity of adverse weather events. Such disasters could disrupt the Macquarie Bank Group’s operations or the operations of customers or third parties on which the Macquarie Bank Group rely. Over the longer term, these events could impact the ability of the Macquarie Bank Group’s clients or customers to repay their obligations, reduce the value of collateral, negatively impact asset values and result in other effects. Additionally, climate change could result in transition risks such as changes to laws and regulations, technology development and disruptions and changes in consumer and market preferences towards low carbon goods and services. These factors could restrict the scope of the Macquarie Bank Group’s existing businesses, limit the Macquarie Bank Group’s ability to pursue certain business activities and offer certain products and services, amplify credit and market risks, negatively impact asset values, result in litigation, regulatory scrutiny and/or action, negative publicity or other reputational harm and/or otherwise adversely impact the Macquarie Bank Group, its business or its customers.

Climate risks can also arise from the inconsistencies and conflicts in the manner in which climate policy and financial regulation is implemented in the regions where the Macquarie Bank Group operates, including initiatives to apply and enforce policy and regulation with extraterritorial effect. Legislative or regulatory uncertainties and changes are also likely to result in higher regulatory, compliance, credit, reputation and other risks and costs.

The Macquarie Bank Group’s ability to meet its climate-related goals, targets and commitments , including its goal to achieve net zero emissions in its own business operations across Scope 1 and 2 by FY2025 and its goal to align its financing activity with the global goal of net zero emissions by 2050, is subject to risks and uncertainties, many of which are outside of the Macquarie Bank Group’s control, such as technology advances, public policies and challenges related to capturing, verifying, analysing and disclosing emissions and climate-related data.

Failure to effectively manage these risks could adversely affect the Macquarie Bank Group's business, prospects, reputation, financial performance or financial condition.

Legal and regulatory risks

Many of MBL's and the Macquarie Bank Group's businesses are highly regulated and they could be adversely affected by temporary and permanent changes in law, regulations and regulatory policy.

The Macquarie Bank Group operates various kinds of businesses across multiple jurisdictions or sectors which are regulated by more than one regulator. Additionally, some members of the Macquarie Group own or manage assets and businesses that are regulated. The Macquarie Bank Group's businesses include an "authorised deposit-taking institution" ("**ADI**") in Australia (regulated by APRA), a credit institution in Ireland (regulated by the Central Bank of Ireland), bank branches in the UK, the Dubai International Finance Centre and Singapore and representative offices in the United States, South Africa, Brazil and Switzerland. The regulations vary from country to country but generally are designed to protect depositors and the banking system as a whole, not holders of MBL's securities or creditors. In addition, as a diversified financial institution, many of the Macquarie Bank Group's businesses are subject to financial services regulation other than prudential banking regulation, as well as laws, regulations and oversight specific to the industries applicable to the Macquarie Bank Group's businesses and assets. Failure to comply with any laws or regulations which the Macquarie Bank Group is subject to could adversely affect its business, prospects, reputation or financial condition.

Regulatory agencies and governments frequently review and revise banking and financial services laws, security and competition laws, fiscal laws and other laws, regulations and policies, including fiscal and trade policies. Changes to laws, regulations or policies, including changes in interpretation or implementation of laws, regulations or policies, could substantially affect MBL and the Macquarie Bank Group or their businesses, the products and services MBL and the Macquarie Bank Group offer or the value of their assets, or have unintended consequences or impacts across MBL's and the Macquarie Bank Group's business. These may include imposing more stringent liquidity requirements and capital adequacy, increasing tax burdens generally or on financial institutions or transactions, limiting the types of financial services and products that can be offered and/or increasing the ability of other providers to offer competing financial services and products, as well as changes to prudential regulatory requirements. Global economic conditions and increased scrutiny of the governance, culture, remuneration and accountability in the banking sector have led to increased supervision and regulation, as well as changes in regulation in the markets in which MBL and the Macquarie Bank Group operate and may lead to further significant changes of this kind. Health, safety, environmental and social laws and regulations can also change rapidly and significantly. The occurrence of any adverse health, safety, environmental or social event, or any changes, additions to, or more rigorous enforcement of, health, safety, environmental and social standards could have a significant impact on operations and/or result in material expenditures.

In some countries in which the Macquarie Bank Group does business or may in the future do business, in particular in emerging markets, the laws and regulations are uncertain and evolving, and it may be difficult for the Macquarie Bank Group to determine the requirements of local laws in every market. The Macquarie Bank Group's inability to remain in compliance with local laws in a particular market could have a significant and negative effect not only on its businesses in that market but also on its reputation generally.

In addition, regulation is becoming increasingly extensive and complex and in many instances requires the Macquarie Bank Group to make complex judgments, which increases the risk of non-compliance. Some areas of regulatory change involve multiple jurisdictions seeking to adopt a coordinated approach or certain jurisdictions seeking to expand the territorial reach of their regulation. The nature and impact of future changes are unpredictable, beyond MBL's and the Macquarie Bank Group's control and may result in potentially conflicting requirements, resulting in additional legal and compliance expenses and changes to their business practices that adversely affect their profitability.

APRA may introduce new prudential regulations or modify existing regulations, including those that apply to MBL as an ADI. Any such event could result in changes to the organisational structure of the Macquarie Bank Group and/or the Macquarie Group and adversely affect the Macquarie Bank Group. Macquarie Bank and its subsidiaries are subject to laws that authorise regulatory bodies to block or reduce the flow of funds from those subsidiaries to Macquarie Bank. Restrictions or regulatory action of that kind could impede access to funds that Macquarie Bank needs to make payments on its obligations, including debt obligations, or dividend payments. See "Regulatory and supervision developments" on pages 109 to 124 for more information on the regulatory developments affecting MBL.

The Macquarie Bank Group is subject to the risk of loss as a result of not complying with laws governing financial crime, including sanctions.

The Macquarie Bank Group is subject in its operations worldwide to laws and regulations relating to corrupt and illegal payments, counter-terrorism financing, anti-bribery and corruption and adherence to anti-money laundering obligations, as well as laws, sanctions and economic trade restrictions relating to doing business with certain individuals, groups and countries. The geographical diversity of the Macquarie Bank Group's operations, employees, clients and customers, as well as the vendors and other third parties that it deals with, increases the risk that the Macquarie Bank Group may be found in violation of financial crime related laws. Emerging financial crime risk typologies could also limit the Macquarie Bank Group's ability to track the movement of funds thereby heightening the risk of the Macquarie Bank Group breaching financial crime related laws, sanctions or bribery and corruption laws. The Macquarie Bank Group's ability to comply with relevant laws is dependent on its detection and reporting capabilities, control processes and oversight accountability. Additionally, the current sanctions environment remains dynamic and constantly evolving. Increasingly complex sanctions and disclosure regimes, which often differ or are not aligned across countries, could adversely affect the Macquarie Bank Group's business activities and investments, as well as expose it to compliance risk and reputational harm.

A failure to comply with these requirements and expectations, even if inadvertent, or resolve any identified deficiencies could subject the Macquarie Bank Group to significant penalties, revocation, suspension, restriction or variation of conditions of operating licences, adverse reputational consequences, a breach of the Macquarie Bank Group's contractual arrangements, litigation by third parties (including potentially class actions) or limitations on the Macquarie Bank Group's ability to do business.

MBL and the Macquarie Bank Group may be adversely affected by increased governmental and regulatory scrutiny or negative publicity.

Governmental scrutiny from regulators, legislative bodies and law enforcement agencies with respect to matters relating to the financial services sector generally, and the Macquarie Bank Group's business operations, capital, liquidity, financial and non-financial risk management and other matters, has increased dramatically in recent years. The political and public sentiment regarding financial institutions has resulted in a significant amount of adverse press coverage, as well as adverse statements or charges by regulators or other government officials, and in some cases, to increased regulatory scrutiny, enforcement actions and litigation. Responding to and addressing such matters, regardless of the ultimate outcome, is time-consuming, expensive, can adversely affect investor confidence and can divert the time and effort of the Macquarie Bank Group's staff (including senior management) from their business.

Investigations, inquiries, penalties and fines sought by regulatory authorities have increased substantially over the last several years, with regulators exercising their enhanced enforcement powers in commencing enforcement actions or with advancing or supporting legislation targeted at the financial services industry. If the Macquarie Bank Group is subject to adverse regulatory findings, the financial penalties could have a material adverse effect on its results of operations. Adverse publicity, governmental scrutiny and legal and enforcement proceedings can also have a negative impact on the Macquarie Bank Group's reputation with clients and on the morale and performance of its employees.

Litigation and regulatory actions may adversely impact MBL's and the Macquarie Bank Group's results of operations.

MBL and the Macquarie Bank Group may, from time to time, be subject to material litigation and regulatory actions, for example, as a result of inappropriate documentation of contractual relationships, class actions or regulatory breaches, which, if they crystallise, may adversely impact upon their results of operations and financial condition in future periods or their reputation. MBL and the Macquarie Bank Group entities regularly obtain legal advice and make provisions, as deemed necessary. There is a risk that any losses may be larger than anticipated or provided for or that additional litigation, regulatory actions or other contingent liabilities may arise. Furthermore, even where monetary damages may be relatively small, an adverse finding in a regulatory or litigation matter could harm MBL's and the Macquarie Bank Group's reputation or brand, thereby adversely affecting their business.

The Macquarie Bank Group may not manage risks associated with the replacement of interest rate benchmarks effectively.

LIBOR and other interest rate benchmarks (collectively, the "**IBORs**") have been the subject of ongoing national and international regulatory scrutiny and reform. The LIBOR administrator ceased publication of non-USD LIBOR and one-week and two-months USD LIBOR on a permanent or representative basis on 31 December 2021, and ceased publication of all other USD LIBOR tenors on 1 July 2023. The transition away from and discontinuance of established benchmark rates and the adoption of alternative reference rates ("**ARR**") by the market may pose a number of risks for the Macquarie Bank Group, its clients, and the financial services industry more widely. These include, but are not limited to:

• Conduct risks – where, by undertaking actions to transition away from using the IBORs, the Macquarie Bank Group faces conduct risks which may lead to client complaints, regulatory sanctions or reputational impact.

• Legal and execution risks – relating to documentation changes required for new ARR products and for the transition of legacy contracts to ARRs.

• Financial risks and pricing risks –any changes in the pricing mechanisms of financial instruments linked to IBOR or ARRs which could impact the valuations of these instruments

• Operational risks – due to the potential need for the Macquarie Bank Group, its clients and the market to adapt information technology systems, operational processes and controls to accommodate one or more ARRs for a large volume of trades.

Any of these factors may have a material adverse effect on the Macquarie Bank Group’s business, results of operations, financial condition and prospects.

Counterparty credit risk

Failure of third parties to honour their commitments in connection with MBL's and the Macquarie Bank Group's trading, lending and other activities may adversely impact their business.

MBL and the Macquarie Bank Group are exposed to potential losses as a result of an individual, counterparty or issuer being unable or unwilling to honour its contractual obligations. MBL and the Macquarie Bank Group are also exposed to potential concentration risk arising from individual exposures or other concentrations including to industries or countries. MBL and the Macquarie Bank Group assume counterparty risk in connection with their lending, trading, derivatives and other businesses where they rely on the ability of third parties to satisfy their financial obligations to them in full and on a timely basis. MBL's and the Macquarie Bank Group's recovery of the value of the resulting credit exposure may be adversely affected by a number of factors, including declines in the financial condition of the counterparty, the value of collateral they hold and the market value of counterparty obligations they hold. Changes in sanctions laws may affect the credit condition of their counterparties, with those whose businesses were developed around the ability to trade in or utilise now-sanctioned commodities more likely to have been negatively affected. A period of low or negative economic growth, changes in market conditions or stressed or volatile markets and/or a rise in unemployment could also adversely impact the ability of MBL's and the Macquarie Bank Group's consumer and/or commercial borrowers or counterparties to meet their financial obligations and negatively impact MBL's and the Macquarie Bank Group's credit portfolio. Consumers have been and may continue to be negatively impacted by inflation, resulting in drawdowns of savings or increases in household debt. Higher interest rates, which have increased debt servicing costs for some businesses and households, may adversely impact credit quality, particularly in a period of low or negative economic growth. If the macroeconomic environment worsens, MBL's and the Macquarie Bank Group's credit portfolio and allowance for credit losses could be adversely impacted. Please refer to Note 33 of the Financial Statements which is incorporated by reference into this Base Prospectus for details on the concentration of credit risk by significant geographical locations and counterparty types.

MBL and the Macquarie Bank Group are also subject to the risk that their rights against third parties may not be enforceable in all circumstances. MBL's and the Macquarie Bank Group's inability to enforce their rights may result in losses.

MBL and the Macquarie Bank Group may experience impairments in their loans, investments and other assets.

MBL and its subsidiaries recorded A$49 million of credit and other impairment reversals for the financial year ended 31 March 2024, including A$34 million for net credit impairment reversals, and A$15 million for net other impairment reversals on interests in associates and joint ventures, intangible assets and other non-financial assets. Credit and other impairments may be required in future periods depending upon the credit quality of MBL's and the Macquarie Bank Group’s counterparties or if the market value of assets similar to those held were to decline. Credit and other impairment charges may also vary following a change to the inputs or forward-looking information used in the determination of expected credit losses. Please refer to Note 12 of the Financial Statements which is incorporated by reference into this Base Prospectus for further information on the determination of expected credit losses.

Sudden declines and significant volatility in the prices of assets may substantially curtail or eliminate the trading markets for certain assets, which may make it very difficult to sell, hedge or value such assets. The inability to sell or effectively hedge assets reduces MBL's and the Macquarie Bank Group's ability to limit losses in such positions and the difficulty in valuing assets may negatively affect their capital, liquidity or leverage ratios, increase their funding costs and generally require them to maintain additional capital.

Operational risks

MBL's and the Macquarie Bank Group's ability to retain and attract qualified employees is critical to the success of their business and the failure to do so may materially adversely affect their performance.

MBL and the Macquarie Bank Group's employees are their most important resource, and their performance largely depends on the talents and efforts of highly skilled individuals. MBL's and the Macquarie Bank Group's continued ability to compete effectively in their businesses and to expand into new business areas and geographic regions depends on their ability to retain and motivate their existing employees and attract new employees. Competition from within the financial services industry and from businesses outside the financial services industry, such as professional service firms, hedge funds, private equity funds and venture capital funds, for qualified employees has historically been intense. Remuneration costs required to attract and retain employees may increase and the competitive market for talent may further intensify. Recent employment conditions have made the competition to hire and retain qualified employees more challenging and costly. Attrition rates may also be impacted by factors such as changes in worker expectations, concerns and preferences, including an increased demand for remote work options and other flexibility in the post-COVID-19 environment.

In order to attract and retain qualified employees, MBL and the Macquarie Bank Group must compensate such employees at or above market levels. Typically, those levels have caused employee remuneration to be the Macquarie Bank Group's greatest expense as its performance-based remuneration has historically been cash and equity based and highly variable. Recent market events have resulted in increased regulatory and public scrutiny of corporate remuneration policies and the establishment of criteria against which industry remuneration policies may be assessed. As a regulated entity, MBL may be subject to limitations on remuneration practices (which may or may not affect its competitors). These limitations may require MBL and the Macquarie Bank Group to further alter their remuneration practices in ways that could adversely affect their ability to attract and retain qualified and talented employees.

Current and future laws (including laws relating to immigration and outsourcing) may restrict MBL's and the Macquarie Bank Group's ability to move responsibilities or personnel from one jurisdiction to another. This may impact MBL's and the Macquarie Bank Group's ability to take advantage of business and growth opportunities or potential efficiencies.

MBL and the Macquarie Bank Group may incur financial loss, adverse regulatory consequences or reputational damage due to inadequate or failure in internal or external operational systems and infrastructures, people and processes.

MBL and the Macquarie Bank Group's businesses depend on their ability to process and monitor, on a daily basis, a very large number of transactions, many of which are highly complex, across numerous and diverse markets in many currencies. While MBL and the Macquarie Bank Group employ a range of risk monitoring and risk mitigation techniques, those techniques and the judgments that accompany their application cannot anticipate every economic and financial outcome or the specifics and timing of such outcomes. As such, MBL and the Macquarie Bank Group may, in the course of their activities, incur losses. There can be no assurance that the risk management processes and strategies that MBL and the Macquarie Bank Group have developed will adequately anticipate or be effective in addressing market stress or unforeseen circumstances. For a further discussion of MBL's and the Macquarie Bank Group's risk management policies and procedures, please refer to Note 33 of the Financial Statements which is incorporated by reference into this Base Prospectus.

MBL and the Macquarie Bank Group also face the risk of operational failure, termination or capacity constraints of any of the counterparties, clearing agents, exchanges, clearing houses or other financial intermediaries MBL and the Macquarie Bank Group use to facilitate their securities or derivatives transactions, and as MBL's and the Macquarie Bank Group's interconnectivity with their clients and counterparties grows, the risk to MBL and the Macquarie Bank Group of failures in their clients' and counterparties' systems also grows. Any such failure, termination or constraint could adversely affect MBL's and the Macquarie Bank Group's ability to effect or settle transactions, service their clients, manage their exposure to risk, meet their obligations to counterparties or expand their businesses or result in financial loss or liability to their clients and counterparties, impairment of their liquidity, disruption of their businesses, regulatory intervention or reputational damage.

As MBL's and the Macquarie Bank Group's client base, business activities and geographical reach expands, developing and maintaining their operational systems and infrastructure becomes increasingly challenging. MBL and the Macquarie Bank Group must continuously update these systems to support their operations and growth, which may entail significant costs and risks of successful integration. MBL's and the Macquarie Bank Group's financial, accounting, data processing or technology assets may fail to operate properly or be disrupted as a result of events that are wholly or partially beyond their control, such as a malicious cyber-attack or a disruption event at a third-party supplier.

The Macquarie Bank Group's businesses manage a large volume of sensitive data and rely on the secure processing, transmission, storage and retrieval of confidential, proprietary and other information in their data management systems and technology, and in those managed, processed and stored by third parties on behalf of the Macquarie Bank Group. Inadequate data governance, management and control across the data lifecycle, which include the capture, processing, retention, publication, use, archiving and disposal of data, could lead to poor decision making in the provision of credit as well as affecting the Macquarie Bank Group's data management regulatory obligations, all of which may cause the Macquarie Bank Group to incur losses or lead to regulatory actions. MBL and the Macquarie Bank Group are subject to laws, rules and regulations in a number of jurisdictions regarding compliance with their privacy policies and the disclosure, collection, use, sharing and safeguarding of personally identifiable information of certain parties, such as their employees, customers, suppliers, counterparties and other third parties, the violation of which could result in litigation, regulatory fines and enforcement actions. Furthermore, a breach, failure or other disruption of MBL's and the Macquarie Bank Group's data management systems and technology, or those of their third-party service providers, could lead to the unauthorised or unintended release, misuse, loss or destruction of personal or confidential data about their customers, employees or other third parties in their possession. A purported or actual unauthorised access or unauthorised disclosure of personal or confidential data could materially damage MBL's and the Macquarie Bank Group's reputation and expose MBL and the Macquarie Bank Group to liability for violations of privacy and data protection laws.

MBL and the Macquarie Bank Group are exposed to the risk of loss resulting from the failure of their internal or external processes and systems, such as from the disruption or failure of their IT systems, or from external suppliers and service providers including public and private cloud-based technology platforms. Such operational risks may include theft and fraud, failure to effectively implement employment practices and inadequate workplace safety, improper business practices, mishandling of client moneys or assets, client suitability and servicing risks, product complexity and pricing, and valuation risk or improper recording, evaluating or accounting for transactions or breaches of their internal policies and regulations. There is increasing regulatory and public scrutiny concerning the appropriate management of data and the resilience of outsourced and offshore activities and their associated risks. If MBL and the Macquarie Bank Group fail to manage these risks appropriately, they may incur financial losses and/or regulatory intervention and penalties and damage to their reputation which may impact their ability to attract and retain clients who may or may not be directly affected.

MBL and the Macquarie Bank Group are also exposed to the risk of loss and adverse impact to external stakeholders, resulting from their business activities, including the actions or inactions of their employees, contractors and external service providers operating in markets globally. Conduct risks can arise from human errors, lack of reasonable care and diligence exercised or intentional malfeasance, fraud and other misconduct, including the misuse of client information in connection with insider trading or for other purposes, even if promptly discovered and remediated, can result in reputational damage and material losses and liabilities for MBL and the Macquarie Bank Group.

Whilst MBL and the Macquarie Bank Group have a range of controls and processes to minimise their conduct risk exposure and identify and manage employee behaviours in line with their risk management policies, it is not always possible to deter or prevent employee misconduct. The precautions MBL and the Macquarie Bank Group take to prevent and detect this activity may not be effective in all cases, which could result in financial losses, regulatory intervention and reputational damage.

A cyber-attack, information or security breach, or a technology disruption event of MBL or the Macquarie Bank Group or of a third-party supplier could adversely affect MBL's or the Macquarie Bank Group's ability to conduct their business, manage their exposure to risk or expand their *businesses. This may result in the disclosure or misuse of confidential or proprietary information and an increase in MBL's or the Macquarie Bank Group's costs to maintain and update their operational and security controls and infrastructure.*

The Macquarie Bank Group's businesses depend on the security and efficacy of its data management systems and technology, as well as those of third parties with whom it interacts or on whom it relies.

To access the Macquarie Bank Group’s network, products and services, its customers and other third parties may use personal mobile devices or computing devices that are outside of its network environment and are subject to their own cybersecurity risks. While the Macquarie Bank Group seeks to operate in a control environment that limits the likelihood of a cyber and information security incident, and to ensure that the impact of a cyber and information security incident can be minimised by information security capability and incident response, there can be no assurances that the Macquarie Bank Group's security controls will provide absolute security against a dynamic external threat environment.

Cyber and information security risks for financial institutions have increased in recent years, in part because of the proliferation of new technologies, the use of internet and telecommunications technology, the increase in remote working arrangements and the increased sophistication and activities of attackers (including hackers, organised criminals, terrorist organisations, hostile state-sponsored activity, disgruntled individuals, activists and other external parties). These risks have grown more acute due to advances in artificial intelligence, such as the use of machine learning and generative artificial intelligence, which has allowed malicious actors to develop more advanced social engineering attacks, including targeted phishing attacks. Global events and geopolitical instability may increase security threats targeted at financial institutions. Targeted social engineering attacks are becoming more sophisticated and are extremely difficult to prevent and requires the exercise of sound judgment and vigilance by the Macquarie Bank Group’s employees when they are targeted by such attacks. The techniques used by hackers change frequently and may not be recognised until launched or until after a breach has occurred. Additionally, the existence of cyber-attacks or security breaches at the Macquarie Bank Group's suppliers may also not be disclosed to it in a timely manner.

Despite efforts to protect the integrity of the Macquarie Bank Group's systems through the implementation of controls, processes, policies and other protective measures, there is no guarantee that the measures the Macquarie Bank Group continues to take will provide absolute security or recoverability given that the techniques used in cyber-attacks are complex, executed rapidly, frequently evolving and as a result are difficult to prevent, detect and respond to.

Due to increasing consolidation, interdependence and complexity of financial entities and technology systems, a technology failure, cyber-attack or other information or security breach that significantly degrades, deletes or compromises the systems or data of one or more financial entities could have a material impact on counterparties or other market participants, including the Macquarie Bank Group. This consolidation, interconnectivity and complexity increases the risk of operational failure, on both individual and industry-wide bases, as disparate systems need to be integrated. Any third-party technology failure, cyber-attack or other information or security breach, termination or constraint could, among other things, adversely affect the Macquarie Bank Group's ability to effect transactions, service its clients, manage its exposure to risk or expand its businesses.

The Macquarie Bank Group anticipates cyber-attacks will continue to occur because perpetrators are well resourced, deploying highly sophisticated techniques including artificial intelligence based attacks, which are evolving rapidly. This challenges its ability to implement effective control measures to prevent or minimise damage that may be caused by all information security threats. Cyber-attacks or other information or security breaches, whether directed at the Macquarie Bank Group or third parties, may result in a material loss or have adverse consequences for the Macquarie Bank Group, including operational disruption, financial losses, reputational damage, theft of intellectual property and customer data, violations of applicable privacy laws and other laws, litigation exposure, regulatory fines, penalties or intervention, loss of confidence in its security measures and additional compliance costs, all of which could have a material adverse impact on the Macquarie Bank Group.

MBL's and the Macquarie Bank Group's operations rely on their ability to maintain an appropriately staffed workforce, and on the competence, engagement, health, safety and wellbeing of employees and contractors.

MBL's and the Macquarie Bank Group's ability to operate their businesses efficiently and profitably, to offer products and services that meet the expectations of their clients and customers, and to maintain an effective risk management framework is highly dependent on their ability to staff their operations appropriately and on the competence, integrity and health, safety and wellbeing of their employees and contractors.

MBL's and the Macquarie Bank Group's operations could be impaired if the measures they take to ensure the health, safety and wellbeing of their employees and contractors are ineffective, or if any external party on which they rely fails to take appropriate and effective actions to protect the health and safety of their employees and contractors.

The Macquarie Bank Group could suffer losses due to hostile, catastrophic or unforeseen events, including due to environmental and social factors.

The Macquarie Bank Group's businesses are subject to the risk of unforeseen, hostile or catastrophic events, many of which are outside of its control, including natural disasters, extreme weather events (such as persistent winter storms or protracted droughts), leaks, spills, explosions, release of toxic substances, fires, accidents on land or at sea, terrorist attacks, military conflict including the ongoing Russia-Ukraine conflict and conflict in the Middle East and any potential conflict as a result of rising tensions between China and Taiwan and the United States, or other hostile or catastrophic events. Any significant environmental change or external event (including increased frequency and severity of storms, floods and other catastrophic events such as earthquakes, persistent changes in precipitation levels, rising average global temperatures, rising sea levels, pandemics, other widespread health emergencies, civil unrest. geopolitical or terrorism events) has the potential to disrupt business activities, impact the Macquarie Bank Group's operations or reputation, increase credit risk and other credit exposures, damage property and otherwise affect the value of assets held in the affected locations and the Macquarie Bank Group's ability to recover amounts owing to it.

The occurrence of any such events may prevent the Macquarie Bank Group from performing under its agreements with clients, may impair its operations or financial results, and may result in litigation, regulatory action, negative publicity or other reputational harm. The Macquarie Bank Group may also not be able to obtain insurance to cover some of these risks and the insurance that it has may be inadequate to cover its losses.

Any such long-term, adverse environmental or social consequences could prompt the Macquarie Bank Group to exit certain businesses altogether. In addition, such an event or environmental change (as the case may be) could have an adverse impact on economic activity, consumer and investor confidence, or the levels of volatility in financial markets.

The Macquarie Bank Group also faces increasing public scrutiny, laws and regulations related to environmental, social and governance ("**ESG**") factors, including concerns in respect of "greenwashing" practices. The Macquarie Bank Group risks damage to its brand and reputation if it fails to act responsibly in a number of areas, such as diversity and inclusion, environmental stewardship, respecting the rights of Indigenous Peoples, support for local communities, corporate governance and transparency and considering ESG factors (including human rights breaches such as modern slavery) where relevant when conducting its business, including under its investment and procurement processes. The Macquarie Bank Group is also subject to competing demands from different stakeholder groups with divergent views on such ESG-related factors, including by governmental and regulatory officials in various geographical markets in which it operates and invests. Failure to effectively manage these risks, including managing ESG-related expectations across varied stakeholder interests, may result in breaches of the Macquarie Bank Group's statutory obligations and harm to its reputation, and could adversely affect the Macquarie Bank Group's business, prospects, reputation, financial performance or financial condition.

Failure of the Macquarie Bank Group's insurance carriers or its failure to maintain adequate insurance cover could adversely impact its results of operations.

The Macquarie Bank Group maintains insurance that it considers to be prudent for the scope and scale of its activities. If the Macquarie Bank Group's insurance carriers fail to perform their obligations to the Macquarie Bank Group and/or its third-party cover is insufficient for a particular matter or group of related matters, its net loss exposure could adversely impact its results of operations.

The Macquarie Bank Group is subject to risks in using custodians.

Certain products the Macquarie Bank Group manages depend on the services of custodians to carry out certain securities transactions. Securities held at custodians are typically segregated. In the event of the insolvency of a custodian, the Macquarie Bank Group might not be able to recover equivalent unsegregated assets in full as the beneficiaries of these products will rank among the custodian's unsecured creditors. In addition, the cash held with a custodian in connection with these products will not be segregated from the custodian's own cash, and the creditors of these products will therefore rank as unsecured creditors in relation to the cash they have deposited.

MBL may be exposed to contagion risk as it does not control the management, operations or business of entities in the Macquarie Group that are not part of the Macquarie Bank Group.

Entities in the Macquarie Group that are not part of the Macquarie Bank Group may establish or operate businesses separately from the businesses of the Macquarie Bank Group, and are not obligated to support the businesses of the Macquarie Bank Group, other than as required by

APRA prudential standards. The activities of those entities may have an impact on the Macquarie Bank Group.

Strategic risks

MBL's and the Macquarie Bank Group's business may be adversely affected by their failure to adequately manage the risks associated with strategic opportunities and new businesses, including acquisitions, and the exiting or restructuring of existing businesses.

MBL and other entities in the Macquarie Bank Group are continually evaluating strategic opportunities and undertaking acquisitions of businesses, some of which may be material to their operations. MBL's and/or the Macquarie Bank Group's completed and prospective acquisitions and growth initiatives may cause them to become subject to unknown liabilities of the acquired or new business and additional or different regulations.

Future growth, including through acquisitions, mergers and other corporate transactions, may place significant demands on the Macquarie Bank Group's legal, accounting, IT, risk management and operational infrastructure and result in increased expenses. A number of the Macquarie Bank Group's recent and planned business initiatives and further expansions of existing businesses are likely to bring it into contact with new clients, new asset classes and other new products or new markets. These business activities expose the Macquarie Bank Group to new and enhanced risks, including reputational concerns arising from dealing with a range of new counterparties and investors, actual or perceived conflicts of interest, regulatory scrutiny of these activities, potential political pressure, increased credit related and operational risks, including risks arising from IT systems and reputational concerns with the manner in which these businesses are being operated or conducted.

Any time MBL and such other Macquarie Bank Group entities make an acquisition, they may over-value the acquisition, they may not achieve expected synergies, they may achieve lower than expected cost savings or otherwise incur losses, they may lose customers and market share, they may face disruptions to their operations resulting from integrating the systems, processes and personnel (including in respect of risk management) of the acquired business into the Macquarie Bank Group or their management's time may be diverted to facilitate the integration of the acquired business into the Macquarie Bank Group. MBL and other entities in the Macquarie Bank Group may also underestimate the costs associated with outsourcing, exiting or restructuring existing businesses. Where MBL's and/or the Macquarie Bank Group's acquisitions are in foreign jurisdictions, or are in emerging or growth economies in particular, they may be exposed to heightened levels of regulatory scrutiny and political, social or economic disruption and sovereign risk in emerging and growth markets.

MBL's and the Macquarie Bank Group's businesses depend on the Macquarie Group's brand and reputation.

The Macquarie Bank Group believes its reputation in the financial services markets and the recognition of the Macquarie brand by its customers are important contributors to its business. Many companies in the Macquarie Group and many of the funds managed by entities owned, in whole or in part, by the Macquarie Group use the Macquarie name. The Macquarie Bank Group does not control those entities that are not in the Macquarie Bank Group, but their actions may reflect directly on its reputation.

The Macquarie Bank Group's business may be adversely affected by negative publicity or poor financial performance in relation to any of the entities using the Macquarie name, including any

Macquarie-managed fund or funds that Macquarie has promoted or is associated with. Investors and lenders may associate such entities and funds with the name, brand and reputation of the Macquarie Bank Group and the Macquarie Group and other Macquarie-managed funds. If funds that use the Macquarie name or are otherwise associated with Macquarie-managed infrastructure assets, such as roads, airports, utilities and water distribution facilities that people view as community assets, are perceived to be managed inappropriately, those managing entities could be subject to criticism and negative publicity, harming the reputation of MBL and the Macquarie Bank Group and the reputation of other entities that use the Macquarie name.

Competitive pressure, both in the financial services industry, as well as in the other industries in which MBL and the Macquarie Bank Group operate, could adversely impact their business.

MBL and the Macquarie Bank Group face significant competition from local and international competitors, which compete vigorously in the markets and sectors across which the Macquarie Bank Group operates. MBL and the Macquarie Bank Group compete, both in Australia and internationally, with asset managers, retail and commercial banks, private banking firms, investment banking firms, brokerage firms, internet-based firms, commodity trading firms and other investment and service firms as well as businesses in adjacent industries in connection with the various funds and assets they manage and services they provide. This includes specialist competitors that may not be subject to the same capital and regulatory requirements and therefore may be able to operate more efficiently. In addition, digital technologies and business models are changing consumer behaviour and the competitive environment. The use of digital channels by customers to conduct their banking continues to rise and emerging competitors are increasingly utilising new technologies and seeking to disrupt existing business models, including in relation to digital payment services and open data banking, that challenge, and could potentially disrupt, traditional financial services. MBL and the Macquarie Bank Group face competition from established providers of financial services as well as from businesses developed by non-financial services companies. MBL and the Macquarie Bank Group believe that they will continue to experience pricing pressures in the future as some of their competitors seek to obtain or increase market share.

The widespread adoption and rapid evolution of new technologies, including process automation, machine learning and artificial intelligence, analytic capabilities, self-service digital trading platforms and automated trading markets, internet services and digital assets, such as central bank digital currencies, cryptocurrencies (including stablecoins), tokens and other cryptoassets, clearing and settlement processes could have a substantial impact on the financial services industry. As such new technologies evolve and mature, the Macquarie Bank Group’s businesses and results of operations could therefore be adversely impacted.

Any consolidation in the global financial services industry may create stronger competitors with broader ranges of product and service offerings, increased access to capital, and greater efficiency and pricing power which may enhance the competitive position of the Macquarie Bank Group's competitors. In addition to mergers and acquisitions pursued for commercial reasons, consolidation may also occur as a result of bank regulators encouraging or directing stronger institutions to acquire weaker institutions to preserve stability. The effect of competitive market conditions, especially in the Macquarie Bank Group's main markets, products and services, may lead to an erosion in its market share or margins.

Conflicts of interest could limit the Macquarie Bank Group's current and future business opportunities.

As the Macquarie Bank Group expands its businesses and its client base, it increasingly has to address potential or perceived conflicts of interest, including situations where its services to a particular client conflict with, or are perceived to conflict with, its own proprietary investments or other interests or with the interests of another client, as well as situations where one or more of its businesses have access to material non-public information that may not be shared with other businesses within the Macquarie Group. While the Macquarie Bank Group believes it has adequate procedures and controls in place to address conflicts of interest, including those designed to prevent the improper sharing of information among its businesses, appropriately dealing with conflicts of interest is complex and difficult, and its reputation could be damaged and the willingness of clients or counterparties to enter into transactions may be adversely affected if the Macquarie Bank Group fails, or appears to fail, to deal appropriately with conflicts of interest. In addition, potential or perceived conflicts could give rise to claims by and liabilities to clients, litigation or enforcement actions.

Tax

MBL's and the Macquarie Bank Group's business operations expose them to potential tax liabilities that could have an adverse impact on their results of operation and reputation.

MBL and the Macquarie Bank Group are exposed to costs and risks arising from the manner in which the Australian and international tax regimes may be applied, enforced and/or amended, both in terms of their own tax compliance and the tax aspects of transactions on which they work with clients and other third parties. MBL's and the Macquarie Bank Group's international, multi-jurisdictional platform increases their tax risks. Any actual or alleged failure to comply with or any change in the implementation, interpretation, application or enforcement of applicable tax laws and regulations could adversely affect MBL's or the Macquarie Bank Group's reputation and affected business areas, significantly increase their effective tax rate or tax liability and expose them to legal, regulatory and other actions.

Accounting standards

Changes in accounting standards, policies, interpretations, estimates, assumptions and judgments that could have a material impact on the financial results of MBL and the Macquarie Bank Group.

MBL's and the Macquarie Bank Group's accounting policies are fundamental to how they record and report their financial position and results of operations. These policies require the use of estimates, assumptions and judgements that affect the reported value of MBL's and the Macquarie Bank Group's assets or liabilities and results of operations. Management is required to determine estimates and apply subjective and complex assumptions and judgements about matters that are inherently uncertain. Changes in those estimates, assumptions and judgements are accounted for prospectively as a change in accounting estimate unless it is determined that either (i) the determination thereof was in error or (ii) the accounting policy which sets out the application of those estimates, assumptions and judgements has changed, in which case the previous reported financial information is represented.

Accounting standard setting bodies issue new accounting standards and interpretations in response to outreach activities, evolving interpretations, application of accounting principles as well as changes in market developments. In addition, changes in interpretations by accounting standard setting bodies; regulators; and MBL's and the Macquarie Bank Group's independent external auditor may also arise from time to time. These changes may be difficult to predict in terms of the nature of such changes and the timing thereof. The application of new requirements and interpretations may impact how MBL and the Macquarie Bank Group prepare and report their financial statements. In some cases, MBL and the Macquarie Bank Group may be required to apply a new or revised standard or change in interpretation retrospectively, resulting in a requirement to re-present their previously reported financial information.

The risk factors described above are the risk the Issuer considers to be material for the taking of an informed investment decision in respect of the Warrants based on the probability of their occurrence and the expected magnitude of their negative impact. Additional risks and uncertainties may also arise or become more material after the date of this base prospectus which could also have a material impact on the Issuer’s business operations in the future.

Documents Incorporated by Reference

The documents described below shall be incorporated by reference in and form part of this Base Prospectus, save that any statement contained in any document which is incorporated by reference herein shall be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

Any non-incorporated parts of a document referred to below are either deemed not relevant for the investor or covered in another part of this Base Prospectus. Any documents themselves incorporated by reference into the documents incorporated by reference into this Base Prospectus shall not form part of this Base Prospectus.

Macquarie Bank Annual Report

The 2024[1] Annual Report of Macquarie Bank, which includes the audited Annual Financial Report of Macquarie Bank consolidated with its subsidiaries (the "**Financial Statements**") for the financial year ended 31 March 2024 and the related auditor's report, shall be deemed to be incorporated by reference in, and to form part of, this Base Prospectus.

The Financial Report of Macquarie Bank consolidated with its subsidiaries for the financial year ended 31 March 2024 includes the Income statements, Statements of comprehensive income, Statements of financial position, Statements of changes in equity, Statements of cash flows, Notes to the financial statements, Directors' declaration and Independent auditor's report on the following pages:

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1 www.macquarie.com/assets/macq/investor/reports/2024/macquarie-bank-fy24-annual-report.pdf

Macquarie Bank Interim Financial Report

The 2025[2] Interim Financial Report of Macquarie Bank, which includes the unaudited interim Financial Report of Macquarie Bank consolidated with its subsidiaries for the half year ended 30 September 2024, and the Independent auditor's review report in respect of that Financial Report, shall be deemed to be incorporated by reference in, and to form part of, this Base Prospectus.

The unaudited Financial Report of Macquarie Bank consolidated with its subsidiaries for the half year ended 30 September 2024 includes the Consolidated income statement, Consolidated statement of comprehensive income, Consolidated statement of financial position, Consolidated statement of changes in equity, Consolidated statement of cash flows, Notes to the consolidated financial statements, Directors' declaration and Independent auditor's review report on the following pages:

	2025 Interim Financial Report
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Macquarie Bank is required to prepare annual financial statements for itself and its controlled entities in accordance with Australian Accounting Standards. Compliance with Australian Accounting Standards ensures compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The independent auditor of Macquarie Bank is PricewaterhouseCoopers, an Australian partnership, ("PwC Australia"), who is a member of the Chartered Accountants Australia and New Zealand (the "CA ANZ").

PwC Australia has audited the financial statements included in Macquarie Bank's annual report for the financial year ended 31 March 2024 in accordance with Australian Auditing Standards. The Independent Auditor's Report dated 3 May 2024 was unqualified.

With respect to the unaudited financial information of Macquarie Bank for the half year ended 30 September 2024, incorporated by reference in this Base Prospectus, PwC Australia has reported that they have applied limited procedures in accordance with professional standards for a review of such information. Their independent auditor's review report dated 1 November 2024,

[2] https://www.macquarie.com/assets/macq/investor/reports/2025/macquarie-bank-hy25-interim-report.pdf

incorporated by reference herein, states that they did not audit and they do not express an opinion on that unaudited financial information. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied.

Limitation on Auditors' Liability

As members of the CA ANZ, PwC Australia are participants in a CA ANZ scheme which limits the liability of its members. This scheme has been approved under the Professional Standards Act of 1994 of New South Wales, Australia.

Schemes submitted by the CA ANZ have been scrutinised and approved by the Professional Standards Council and subsequently by the NSW Attorney General. The scheme has also been approved by the Commonwealth, giving effect to the limitation on liability in relation to any claim for misleading or deceptive conduct under the Australian Consumer Law, the Corporations Act 2001 or the ASIC Act 2001.

The current CA ANZ scheme, which came into effect on 8 October 2019, limits the maximum liability for damages arising out of a cause of action for occupational liability (the "**Limitation Amount**") which may be awarded against a person to whom the scheme applies with regard to fees payable for audit services to which the cause of action relates, being a reasonable charge for the service provided or which was failed to be provided, as follows:

(a) Where the fee is less than $100,000, the Limitation Amount is $2,000,000
(b) Where the fee is greater than or equal to $100,000 but is less than $300,000, the Limitation Amount is $5,000,000
(c) Where the fee is greater than or equal to $300,000 but is less than $500,000, the Limitation Amount is $10,000,000
(d) Where the fee is greater than or equal to $500,000 but is less than $1,000,000, the Limitation Amount is $20,000,000
(e) Where the fee is greater than or equal to $1,000,000 but is less than $2,500,000, the Limitation Amount is $50,000,000
(f) Where the fee is greater than or equal to $2,500,000 the Limitation Amount is $75,000,000

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Macquarie Bank will provide, without charge, upon the written request of any person, a copy of any or all of the documents which, or portions of which, are incorporated in this Base Prospectus by reference. Written requests for such documents should be directed to Macquarie Bank at its office set out at the end of this Base Prospectus. In addition, such documents will be available for inspection and available free of charge at the offices of the Warrant Agents (save that a Final Terms relating to an unlisted Warrant will only be provided to a holder of such Warrant and such holder must produce evidence satisfactory to the relevant Warrant Agent as to the identity of such holder). Requests for such documents should be directed to the specified office of the Principal Warrant Agent in London or the Warrant Agent in Luxembourg.

Documents incorporated in this Base Prospectus by reference are also published on the Luxembourg Stock Exchange's internet site www.luxse.com and available on Macquarie Bank's internet site www.macquarie.com/au/about/investors/reports.

All information which Macquarie Bank has published or made available to the public in compliance with its obligations under the laws of the Commonwealth of Australia dealing with the regulation of securities, issuers of securities and securities markets has been released to the Australian Securities Exchange operated by ASX Limited ("**ASX**") in compliance with the continuous disclosure requirements of the ASX Listing Rules. Announcements made by Macquarie Bank under such rules are available on ASX's internet site www.asx.com.au (Macquarie Bank's ASX code is "MBL").

Internet site addresses (including Macquarie Bank's internet site as referred-to above) in this Base Prospectus are included for reference only and the contents of any such internet sites are not incorporated by reference into, and do not form part of, this Base Prospectus.

Terms and Conditions of the Warrants

The following is the text of the Terms and Conditions of the Warrants which (subject to completion) will be attached to each Global Warrant (as defined below).

The applicable Final Terms (or the relevant provisions thereof) will be attached to each Global Warrant.

The Warrants of this series (such Warrants being hereinafter referred to as the "**Warrants**") are constituted by a global warrant ("**Global Warrant**") and are issued pursuant to an amended and restated Master Warrant Agreement dated 20 October 2006 (as amended and supplemented from time to time) ("**Warrant Agreement**") between Macquarie Bank Limited as issuer ("**Issuer**"), Deutsche Bank AG, London Branch as principal warrant agent ("**Principal Warrant Agent**", which expression shall include any successor principal warrant agent) and Deutsche Bank Luxembourg, S.A. as warrant agent ("**Warrant Agent**" and, together with the Principal Warrant Agent, the "**Warrant Agents**", which expression shall include any additional or successor warrant agents) and registrar ("**Registrar**"). The Issuer shall undertake the duties of calculation agent ("**Calculation Agent**") in respect of the Warrants as set out below and in the applicable Final Terms unless another entity is so specified as calculation agent in the applicable Final Terms. The expression Calculation Agent shall, in relation to the relevant Warrants, include such other specified calculation agent.

No Warrants in definitive form will be issued. The Global Warrant has been deposited with a depositary ("**Common Depositary**") common to Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") and Euroclear Bank S.A./N.V. ("**Euroclear**"). The Warrants are either listed or unlisted. If the Warrants are intended to be listed, application will be made by the Issuer (or on its behalf) for the Warrants to be admitted to trading on the professional segment of the Euro MTF market operated by the Luxembourg Stock Exchange to which only Qualified Investors can have access for the purposes of trading in such securities. No assurances can be given that such application for listing will be granted, (or if granted, will be granted by the Issue Date).

The applicable Final Terms for the Warrants is attached to the Global Warrant. References herein to the "applicable Final Terms" are to the Final Term or Final Terms (in the case of any further warrants issued pursuant to Condition 12 and forming a single series with the Warrants) attached to the Global Warrant.

Copies of the Warrant Agreement (which contains the form of the Final Terms) and the applicable Final Terms may be obtained during normal office hours from the specified office of each Warrant Agent, save that if the Warrants are unlisted, the applicable Final Terms will only be obtainable by a Warrantholder and such Warrantholder must produce evidence satisfactory to the relevant Warrant Agent as to identity.

Words and expressions defined in the Warrant Agreement or used in the applicable Final Terms shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated.

The Warrantholders (as defined in Condition 1(*B*)) are entitled to the benefit of and are deemed to have notice of and are bound by all the provisions of the Warrant Agreement (insofar as they relate to the Warrants) and the applicable Final Terms, which are binding on them.

The Issuer may, at its sole discretion, and without further notice, increase or reduce the number of Warrants being issued.

1. Type, Title and Transfer

(A) Type

The Warrants are Index Warrants, Security Warrants or Bond Warrants as is specified in the applicable Final Terms. Certain terms which will, unless otherwise varied in the applicable Final Terms, apply to Index Warrants, Security Warrants or Bond Warrants, are set out in Condition 15.

The applicable Final Terms will indicate whether the Warrants are American style Warrants ("**American Style Warrants**") or European style Warrants ("**European Style Warrants**"), whether settlement shall be by way of cash payment ("**Cash Settled Warrants**") or physical delivery ("**Physical Delivery Warrants**"), whether the Warrants are call Warrants ("**Call Warrants**") or put Warrants ("**Put Warrants**"), whether a coupon is payable, whether the Warrants may only be exercised in Units and whether Averaging will apply to the Warrants. If Units are specified in the applicable Final Terms, Warrants must be exercised in Units and any Exercise Notice (referred to in Condition 5(*A*)) which purports to exercise Warrants in breach of this provision shall be void and of no effect. If Averaging is specified as applying in the applicable Final Terms the applicable Final Terms will state the relevant Averaging Dates and, in the case of a Market Disruption Event (as defined in Condition 15) occurring on an Averaging Date, whether Omission, Postponement or Modified Postponement (referred to in Condition 3 below) applies.

References in these Terms and Conditions, unless the context otherwise requires, to Cash Settled Warrants shall be deemed to include references to Physical Delivery Warrants, which include an option at the Issuer's election to request cash settlement of such Warrant and where settlement is to be by way of cash payment, and references in these Terms and Conditions, unless the context otherwise requires, to Physical Delivery Warrants shall be deemed to include references to Cash Settled Warrants which include an option at the Issuer's election to request physical delivery of the relevant underlying asset in settlement of such Warrant and where settlement is to be by way of physical delivery.

(B) Title to Warrants

Each person who is for the time being shown in the records of Clearstream, Luxembourg or of Euroclear as the holder of a particular amount of Warrants (in which regard any certificate or other document issued by Clearstream, Luxembourg or Euroclear as to the amount of Warrants standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and the Warrant Agents as the holder of such amount of Warrants for all purposes (and the expressions "**Warrantholder**" and "**holder of Warrants**" and related expressions shall be construed accordingly).

(C) Transfers of Warrants

All transactions (including transfers of Warrants) in the open market or otherwise must be effected through an account at Clearstream, Luxembourg or Euroclear subject to and in accordance with the rules and procedures for the time being of Clearstream, Luxembourg or of Euroclear, as the case may be. Title will pass upon registration of the transfer in the books of either Clearstream, Luxembourg or Euroclear, as the case may be. Transfers of Warrants may not be effected after the exercise of such Warrants pursuant to Condition 5.

Any reference herein to Clearstream, Luxembourg and/or Euroclear shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer and the Principal Warrant Agent from time to time and notified to the Warrantholders in accordance with Condition 10.

2. Status of the Warrants

The Warrants are direct, unsecured and unsubordinated obligations of the Issuer and rank *pari passu* without any preference among themselves. Claims against the Issuer rank at least equally with the claims of its unsecured and unsubordinated creditors (except creditors mandatorily preferred by law) and ahead of subordinated debt and obligations to shareholders (in their capacity as such).

3. Definitions

For the purposes of these Terms and Conditions, the following general definitions will apply:

"**Actual Exercise Date**" means the Exercise Date (in the case of European Style Warrants) or, subject to Condition 6(*A*)(ii), the date during the Exercise Period on which the Warrant is actually or is deemed exercised (in the case of American Style Warrants (as more fully set out in Condition 4(*A*)(i)));

"**Averaging**" means, where specified as applicable in the Final Terms, that the arithmetic mean of the Settlement Prices on each Averaging Date is a component of the calculation of Cash Settlement Amount.

"**Averaging Date**" means, in respect of an Actual Exercise Date, each date specified as an Averaging Date in the applicable Final Terms or, if any such date is not a Trading Day, the immediately following Trading Day unless, in the opinion of the Calculation Agent, a Market Disruption Event (as set out in Condition 15) has occurred on that day. If there is a Market Disruption Event on that day, then:

(a) if "**Omission**" is specified as applying in the applicable Final Terms, then such date will be deemed not to be an Averaging Date for purposes of determining the relevant Settlement Price provided that, if through the operation of this provision there would not be an Averaging Date in respect of such Actual Exercise Date, then the provisions of the definition of "Valuation Date" will apply for purposes of determining the relevant level, price or amount on the final Averaging Date with respect to that Actual Exercise Date as if such Averaging Date were a Valuation Date on which a Market Disruption Event had occurred; or

(b) if "**Postponement**" is specified as applying in the applicable Final Terms, then the provisions of the definition of "Valuation Date" will apply for purposes of determining the relevant level, price or amount on that Averaging Date as if such Averaging Date were a Valuation Date on which a Market Disruption Event had occurred irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or

(c) if "**Modified Postponement**" is specified as applying in the applicable Final Terms:

(i) where the Warrants are Index Warrants relating to a single Index, Security Warrants relating to a single Security or Bond Warrants relating to a single Bond, the Averaging Date shall be the first succeeding Valid Date (as defined below). If the first succeeding Valid Date has not occurred as of the Valuation Time on the eighth Trading Day immediately following the original date that, but for the occurrence of another Averaging Date or Market Disruption Event, would have been the final Averaging Date in relation to such Actual Exercise Date, then (A) that eighth Trading Day shall be deemed to be the Averaging Date (irrespective of whether that eighth Trading Day is already an Averaging Date), and (B) the Calculation Agent shall determine the relevant level or price for that Averaging Date in accordance with sub-paragraph (a)(ii) of the definition of “Valuation Date” below; and

(ii) where the Warrants are Index Warrants relating to a Basket of Indices, Security Warrants relating to a Basket of Securities or Bond Warrants relating to a basket of Bonds, the Averaging Date for each Index or Security not affected by a Market Disruption Event shall be the originally designated Averaging Date (“**Scheduled Averaging Date**”) and the Averaging Date for an Index or Security affected by a Market Disruption Event shall be the first succeeding Valid Date (as defined below) in relation to such Index or Security. If the first succeeding Valid Date in relation to such Index or Security has not occurred as of the Valuation Time on the eighth Trading Day immediately following the original date that, but for the occurrence of another Averaging Date or Market Disruption Event, would have been the final Averaging Date in relation to such Actual Exercise Date, then (A) that eighth Trading Day shall be deemed the Averaging Date (irrespective of whether that eighth Trading Day is already an Averaging Date) in relation to such Index or Security, and (B) the Calculation Agent shall determine the relevant level or amount for that Averaging Date in accordance with sub-paragraph (b)(ii) of the definition of “Valuation Date” below;

for the purposes of these Terms and Conditions “**Valid Date**” means a Trading Day on which there is no Market Disruption Event and on which another Averaging Date in relation to the Actual Exercise Date does not or is not deemed to occur;

“**Bond**” means, in respect of a Bond Warrant, the bonds as specified in the applicable Final Terms;

“**Business Day**” means (i) a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the relevant Business Day Centre(s) and Clearstream, Luxembourg and Euroclear are open for business and (ii) for the purposes of making payments in euro, any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer 2 System (TARGET2) is open;

“**Business Day Centres**” means the principal financial centre for the Settlement Currency and the financial centre in which the Security, the basket of Securities or the constituents of the Index are listed;

"**Cash Dividend**" is applicable if so specified in the Final Terms, in which case, means a cash amount equivalent to the Cash Dividend Percentage multiplied by the gross cash dividend or distribution per Security declared by the Security Issuer (converted into the Settlement Currency at the Exchange Rate (a) as determined by the Calculation Agent in its sole and absolute discretion; (b) actually obtained by the Hedging Party, or (c) as set out in designated screen) for each Entitlement, less any tax, duties, costs, commissions and fees;

"**Cash Dividend Percentage**" means, the percentage specified as such in the applicable Final Terms if Cash Dividend is applicable;

"**Cash Settlement Amount**" means, in relation to Cash Settled Warrants, the amount to which the Warrantholder is entitled in the Settlement Currency in relation to each such Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, as determined by the Calculation Agent pursuant to Condition 4;

"**Cash Settlement Amount Percentage**" means the percentage specified as such in the applicable Final Terms;

"**Calculation Amount**" means, in respect of a Warrant where coupon is payable, the amount specified as such in the applicable Final Terms;

"**Calculation Period**" means, in respect of a Warrant where coupon is payable and a Coupon Payment Date, the period specified as such in the applicable Final Terms, provided that if the Warrants are early redeemed for whatever reasons, the Calculation Period shall end on such early redemption date (inclusive). The Calculation Period will not be extended because of a Disruption Event;

"**Coupon Amount**" means, in respect of a Warrant where coupon is payable and a Coupon Payment Date, the amount specified as such in the applicable Final Terms (pro rata to the Calculation Period), or if no amount is so specified, an amount determined by the Calculation Agent in its sole discretion by multiplying the Calculation Amount and the Coupon Rate calculated with reference to the relevant Calculation Period;

"**Coupon Payment Date**" means, in respect of a Warrant where coupon is payable, the date specified as such in the applicable Final Terms;

"**Coupon Rate**" means, in respect of a Warrant where coupon is payable, the percentage specified as such in the applicable Final Terms;

"**Disruption Event**" means Change in Law, Hedging Disruption, Increased Cost of Hedging, FX Disruption and a Market Disruption Event;

"**Distribution Amount**" means any and all payments or distributions, including, without limitation, interest and coupon payments and consent fees, that are actually made by the issuer of the bonds to bondholders in the relevant jurisdiction in respect of an outstanding principal amount of the bonds, less any tax payable in relation to such amount;

"**Entitlement**" means, in relation to a Physical Delivery Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, the quantity of the Relevant Asset or the Relevant Assets (as specified in the applicable Final Terms), as the case may be, which a Warrantholder is entitled to receive on the Settlement Date in respect of each such Warrant or Unit, as the case may be, following payment of the Exercise Price (and any other sums payable) rounded down as provided in Condition 4(*C*)(i), as determined by the Calculation Agent including any documents evidencing such Entitlement;

"**Exchange(s)**" means:

(a) in respect of an Index relating to Index Warrants, each exchange or quotation system on which the constituents of the Index is primarily listed, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the shares underlying such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the shares underlying such Index on such temporary substitute exchange or quotation system as on the original Exchange);

(b) in respect of a Security relating to Security Warrants, each exchange or quotation system on which the Security is primarily listed, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Securities has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Security on such temporary substitute exchange or quotation system as on the original Exchange); and

(c) in respect of a Bond relating to Bond Warrants, if applicable, each exchange or quotation system on which the Bond is primarily listed, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Bond has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the Bond on such temporary substitute exchange or quotation system as on the original Exchange);

"**Exercise Date**" means the date specified as such in the applicable Final Terms, provided that, if such date is not a Business Day, the Exercise Date shall be the immediately succeeding Business Day. For the avoidance of doubt, the Calculation Agent may in its sole discretion extend the Exercise Date from time to time without notification;

"**Hedge Execution**" means, where specified as applicable in the Final Terms, that the Hedge Execution Price is a variable in the calculation of Cash Settlement Amount.

"**Hedge Positions**" means:

(i) any securities positions, derivatives positions, assets or other instruments or arrangements (however described) purchased, sold, entered into, maintained or held by or for the Hedging Party for the purpose of hedging any relevant price risk including, but not limited to, the equity and currency risk of the Warrant, or

(ii) any securities positions, derivatives positions, assets or other instruments or arrangements (however described) that may reasonably be purchased, sold, entered into, maintained or held by or for a hypothetical broker which such hypothetical broker would consider that it is necessary to hedge any relevant price risk including, but not limited to, the equity and currency risk of the Warrant;

"**Hedging Party**" means Macquarie Bank Limited and/or any of its affiliates or subsidiaries;

"**Index**" means, in respect of an Index Warrant, the index or indices as specified in the applicable Final Terms;

"Issue Price" means the price at which the Warrants will be offered, which is at par or at a discount to, or premium over, par, and on a fully or partly paid basis and will be specified in the applicable Final Terms;

"**Issuer Distribution Date**" means the date on which the issuer of the bonds makes any payments or distributions of Distribution Amounts to holders of the bonds in the relevant jurisdiction;

"**Settlement Date**" means, in relation to each Actual Exercise Date, (i) where Averaging is not specified in the applicable Final Terms, no later than the fifth Business Day following the Valuation Date provided that if a Market Disruption Event (as set out in Condition 15) has resulted in a Valuation Date for one or more Indices, Securities or Bonds, as the case may be, being adjusted as set out in the definition of "Valuation Date" below, the Settlement Date shall be the fifth Business Day next following the last occurring Valuation Date in relation to any Index, Security or Bond, as the case may be, or (ii) where Averaging is specified in the applicable Final Terms, no later than the fifth Business Day following the last occurring Averaging Date provided that where a Market Disruption Event (as set out in Condition 15) has resulted in an Averaging Date for one or more Indices, Securities or Bonds, as the case may be, being adjusted as set out in the definition of "Averaging Date" above, the Settlement Date shall be the fifth Business Day next following the last occurring Averaging Date in relation to any Index, Security or Bond, as the case may be, or such other date as is specified in the applicable Final Terms, provided that the Issuer may in its sole discretion postpone the Settlement Date until 31 days after the Valuation Date;

"**Settlement Price**" means, in relation to each Cash Settled Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be:

(a) in respect of Index Warrants, subject to Condition 15(*A*) and as referred to in "Valuation Date" below or "Averaging Date" above, as the case may be:

  (i) in the case of Index Warrants relating to a Basket of Indices, an amount (which shall be deemed to be a monetary value on the same basis as the Exercise Price) equal to the sum of: the values calculated for each Index as the official closing level for each Index as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of each Index determined by the Calculation Agent in good faith at the Relevant Time on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date and, in either case, without regard to any subsequently published correction, multiplied by the relevant Multiplier; and

  (ii) in the case of Index Warrants relating to a single Index, an amount (which shall be deemed to be a monetary value on the same basis as the Exercise Price) equal to the official closing value of the Index as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of the Index determined by the Calculation Agent in good faith at the Relevant Time on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable

Final Terms, an Averaging Date and, in either case, without regard to any subsequently published correction;

(b) in respect of Security Warrants, subject to Condition 15(*B*) and as referred to in "Valuation Date" below or "Averaging Date" above, as the case may be:

(i) in the case of Security Warrants relating to a Basket of Securities, an amount equal to the sum of: the values calculated for each Security as the official closing price (or the price at the Relevant Time on the Valuation Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such Security (as defined in Condition 15(*B*)) on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date (or if in the opinion of the Calculation Agent, any such closing price (or the price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be so determined and no Market Disruption Event has occurred and is continuing, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for the relevant Security whose closing price (or the price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be determined based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of the relevant Security or on such other factors as the Calculation Agent shall decide), multiplied by the relevant Multiplier, each such value to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate and the sum of such converted amounts to be the Settlement Price, all as determined by or on behalf of the Calculation Agent; and

(ii) in the case of Security Warrants relating to a single Security, an amount equal to the official closing price (or the price at the Relevant Time on the Valuation Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such Security (as defined in Condition 15(*B*)) on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date (or if, in the opinion of the Calculation Agent, no such closing price (or the price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) can be determined and no Market Disruption Event has occurred and is continuing, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for the Security based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of the Security or on such other factors as the Calculation Agent shall decide), such amount to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate and such converted amount to be the Settlement Price, all as determined by or on behalf of the Calculation Agent;

(c) in respect of Bond Warrants, subject to Condition 15(*C*) and as referred to in "Valuation Date" below or "Averaging Date" above, as the case may be:

(i) in the case of Bond Warrants relating to a basket of Bonds, an amount equal to the sum of: the values calculated for each Bond as the price of the Bonds, as determined by the Calculation Agent in a commercially reasonable manner, taking into account factors that the Calculation Agent deems relevant (that may include, without limitation, quotations, other price source information or other market data, or if the Bonds are listed, closing price or bid price on the Exchange) on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date, multiplied by the relevant Multiplier, each such value to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate. The price of the Bonds will be determined inclusive of accrued interest as of such date, unless the Calculation Agent determines that the Bonds are trading exclusive of accrued interest as of the relevant Valuation Date, in which case such price will be exclusive of accrued interest.

(ii) in the case of Bond Warrants relating to a single Bond, an amount equal to the price of the Bonds, as determined by the Calculation Agent in a commercially reasonable manner, taking into account factors that the Calculation Agent deems relevant (that may include, without limitation, quotations, other price source information or other market data or if the Bonds are listed, closing price or bid price on the Exchange) on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date, each such value to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate. The price of the Bonds will be determined inclusive of accrued interest as of such date, unless the Calculation Agent determines that the Bonds are trading exclusive of accrued interest as of the relevant Valuation Date, in which case such price will be exclusive of accrued interest;

"**Trade Date**" means the day specified as such in the applicable Final Terms;

"**Trading Day**" means any day that is (or, but for the occurrence of a Market Disruption Event (as set out in Condition 15), would have been) a trading day of the Exchange(s) other than a day on which trading on any such Exchange is scheduled to close prior to its regular weekday closing time;

"**Valuation Date**" means the first Trading Day following the Actual Exercise Date of the relevant Warrant unless, in the opinion of the Calculation Agent, a Market Disruption Event (as set out in Condition 15) has occurred on that day. If there is a Market Disruption Event on that day, then:

(a) where the Warrants are Index Warrants relating to a single Index, Security Warrants relating to a single Security or Bond Warrants relating to a single Bond, the Valuation Date shall be the first succeeding Trading Day on which there is no Market Disruption Event, unless there is a Market Disruption Event occurring on each of the eight Trading Days immediately following the original date that (but for the Market Disruption Event) would have been the Valuation Date. In that case, (i) the eighth Trading Day shall be deemed to be the Valuation Date (notwithstanding the Market Disruption Event) and (ii) the Calculation Agent shall determine the Settlement Price:

(x) in the case of Index Warrants, by determining the level of the Index as of the Valuation Time on that eighth Trading Day in accordance with (subject to Condition 15(*A*)(2)) the formula for and method of calculating the Index last in effect prior to the commencement of the Market Disruption Event using the Exchange traded price (or if trading in the relevant security/commodity has been materially suspended or materially limited, its good faith estimate of the Exchange traded price that would have prevailed but for that suspension or limitation) as of the Valuation Time on that eighth Trading Day of each security/commodity comprised in the Index; or

(y) in the case of Security Warrants or Bond Warrants, in accordance with its good faith estimate of the Settlement Price that would have prevailed but for the Market Disruption Event as of the Valuation Time on that eighth Trading Day.

(b) where the Warrants are Index Warrants relating to a Basket of Indices, Security Warrants relating to a Basket of Securities or Bond Warrants relating to a basket of Bonds, the Valuation Date for each Index, Security or Bond, as the case may be, not affected by a Market Disruption Event shall be the originally designated Valuation Date and the Valuation Date for each Index, Security or Bond, as the case may be, affected (each an "**Affected Item**") by a Market Disruption Event shall be the first succeeding Trading Day on which there is no Market Disruption Event relating to the Affected Item, unless there is a Market Disruption Event relating to the Affected Item occurring on each of the eight Trading Days immediately following the original date which (but for the Market Disruption Event) would have been the Valuation Date. In that case, (i) the eighth Trading Day shall be deemed to be the Valuation Date for the Affected Item (notwithstanding the Market Disruption Event) and (ii) the Calculation Agent shall determine the Settlement Price using, in relation to the Affected Item:

(x) in the case of an Index, the level of that Index as of the Valuation Time on that eighth Trading Day determined by reference to the formula for and method of calculating that Index last in effect prior to the commencement of the Market Disruption Event using the Exchange traded price (or, if trading in the relevant security/commodity has been materially suspended or materially limited, its good faith estimate of the Exchange traded price that would have prevailed but for that suspension or limitation) as of the Valuation Time on that eighth Trading Day of each security/commodity comprised in that Index; or

(y) in the case of a Security or Bond, its good faith estimate of the price for the Affected Item that would have prevailed but for the Market Disruption Event as of the Valuation Time on that eighth Trading Day,

and otherwise in accordance with the above provisions; and

"**Valuation Time**" means the Relevant Time specified in the applicable Final Terms or, in the case of Index Warrants, Security Warrants or Bond Warrants over listed Bonds, if no Relevant Time is specified, the close of trading on the Exchange; in the case of Bond Warrants over unlisted Bonds, the time as determined by the Calculation Agent in good faith.

4. Exercise Rights

(A) Exercise Period

(i) American Style Warrants

American Style Warrants are exercisable on any Business Day during the Exercise Period.

Any American Style Warrant with respect to which no Exercise Notice (as defined below) has been delivered in the manner set out in Condition 5, at or prior to 10.00 a.m., Luxembourg or Brussels time, as the case may be, on the last Business Day of the Exercise Period ("**Expiration Date**"), shall become void.

The Business Day during the Exercise Period on which an Exercise Notice is delivered prior to 10.00 a.m., Luxembourg or Brussels time (as appropriate), to Clearstream, Luxembourg or Euroclear, as the case may be, and the copy thereof so received by the Principal Warrant Agent, is referred to herein as the "**Actual Exercise Date**". If any Exercise Notice is received by Clearstream, Luxembourg or Euroclear, as the case may be, or if the copy thereof is received by the Principal Warrant Agent, in each case, after 10.00 a.m., Luxembourg or Brussels time (as appropriate), on any Business Day during the Exercise Period, such Exercise Notice will be deemed to have been delivered on the next Business Day, which Business Day shall be deemed to be the Actual Exercise Date, provided that any such Warrant in respect of which no Exercise Notice has been delivered in the manner set out in Condition 5 at or prior to 10.00 a.m. Luxembourg or Brussels time (as appropriate) on the Expiration Date shall become void.

(ii) European Style Warrants

European Style Warrants are only exercisable on the Exercise Date. Each Warrant will automatically be exercised at 12:00 p.m., Luxembourg or Brussels time (as appropriate) on the Exercise Date, without notice being given to the Warrantholders, if the Calculation Agent determines that the Cash Settlement Amount is greater than zero.

Any European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 5, at or prior to 10.00 a.m., Luxembourg or Brussels time (as appropriate) on the Actual Exercise Date, shall become void.

(B) *Cash Settlement*

If the Warrants are Cash Settled Warrants and if Hedge Execution is specified as not applicable in the Final Terms, each such Warrant or, if Units are specified in the applicable Final Terms, each Unit entitles its holder, upon due exercise and subject to certification as to non-U.S. beneficial ownership, to receive from the Issuer on the Settlement Date a Cash Settlement Amount calculated by the Calculation Agent (which shall not be less than zero) equal to:

(i) where Averaging is not specified in the applicable Final Terms:

(a) if such Warrants are Call Warrants

Cash Settlement Amount per Warrant = (Settlement Price - Exercise Price*) x Cash Settlement Amount Percentage;

(* to be deducted at the sole discretion of the Issuer)

(b) if such Warrants are Put Warrants,

Cash Settlement Amount per Warrant = (Exercise Price - Settlement Price) x Cash Settlement Amount Percentage; and

(ii) where Averaging is specified in the applicable Final Terms:

(a) if such Warrants are Call Warrants,

Cash Settlement Amount per Warrant = (the arithmetic mean of the Settlement Prices for all the Averaging Dates - Exercise Price*) x Cash Settlement Amount Percentage;

(* to be deducted at the sole discretion of the Issuer)

(b) if such Warrants are Put Warrants,

Cash Settlement Amount per Warrant = (Exercise Price - the arithmetic mean of the Settlement Prices for all the Averaging Dates) x Cash Settlement Amount Percentage

and less any tax, duties, costs, commissions and fees.

Subject to Condition 11, if the Warrants are Cash Settled Warrants and if Hedge Execution is specified as applicable in the Final Terms, each such Warrant or, if Units are specified in the applicable Final Terms, each Unit entitles its holder, upon due exercise and subject to certification as to non-U.S. beneficial ownership, to receive from the Issuer on the Settlement Date a Cash Settlement Amount equal to:

(A) if such Warrants are Call Warrants, an amount obtained (after deduction of all Exercise Expenses relating to the relevant Warrantholder) by the Issuer in selling its Hedge Positions (or where part or all of the Hedge Positions are instruments other than the underlying asset of the Warrant, (including but not limited to derivative contracts, exchange traded funds, depository receipts or alternate securities), the implied value of the relevant underlying asset (or the constituents of such underlying asset, as the case may be), as determined in the sole discretion of the Calculation Agent, shall be deemed to be the value (or part of the value) attained by the Issuer in selling its Hedge Positions) ("**Hedge Execution Price**"), less the Exercise Price which shall be deducted at the sole discretion of the Issuer and less any tax, duties, costs, commissions and other fees incurred or to be incurred by the Issuer or its affiliate in connection with such unwind, converted into the Settlement Currency at the Exchange Rate, multiplied by Cash Settlement Amount Percentage. The Cash Settlement Amount can be calculated as per the following formula:

Cash Settlement Amount per Warrant = (Hedge Execution Price - Exercise Price*) x Cash Settlement Amount Percentage

(* to be deducted at the sole discretion of the Issuer)

(B) if such Warrants are Put Warrants, Exercise Price less the Hedge Execution Price and less any tax, duties, costs, commissions and other fees incurred or to be incurred by the Issuer or its affiliate in connection with such unwind, converted into the Settlement Currency at the Exchange Rate, multiplied by Cash Settlement Amount Percentage. The Cash Settlement Amount can be calculated as per the following formula:

Cash Settlement Amount per Warrant = (Exercise Price – Hedge Execution Price) x Cash Settlement Amount Percentage

If the Settlement Price or the Hedge Execution Price is not in the Settlement Currency, it will be converted into the Settlement Currency at the Exchange Rate (a) as determined by the Calculation Agent in its sole and absolute discretion; (b) actually obtained by the Hedging Party; or (c) as set out in designated screen, for the purposes of determining the Cash Settlement Amount. The Cash Settlement Amount will be rounded to the nearest two decimal places (or, in the case of Japanese Yen, the nearest whole unit) in the relevant Settlement Currency, 0.005 (or, in the case of Japanese Yen, half a unit) being rounded upwards, with Warrants exercised at the same time by the same Warrantholder being aggregated for the purpose of determining the aggregate Cash Settlement Amounts payable in respect of such Warrants or Units, as the case may be.

The Issuer may determine the amount of any applicable capital gain tax to be deducted from the Cash Settlement Amount on a first-in-first-out basis or such other basis at its discretion.

If, in the opinion of the Calculation Agent, it is not possible for the Issuer to procure payment through Clearstream, Luxembourg or Euroclear (as the case may be) electronically by crediting the Warrantholder's account at Clearstream, Luxembourg or Euroclear (as specified in the relevant Exercise Notice pursuant to Condition 5(A)(1)(iv)) on the original Settlement Date, the Issuer shall use all its reasonable endeavours to procure payment through Clearstream, Luxembourg or Euroclear (as the case may be) electronically by crediting the Warrantholder's account as soon as reasonably practically after the original Settlement Date. The Issuer will not be liable to the Warrantholder for any interest in respect of the amount due or any loss or damage that such Warrantholder may suffer as a result of the existence of the Settlement Disruption Event.

For the purposes hereof "**Settlement Disruption Event**" means, in the opinion of the Calculation Agent, an event beyond the control of the Issuer as a result of which the Issuer cannot procure payment through Clearstream, Luxembourg or Euroclear (as the case may be).

Where "**Knock-out Event**" is specified in the applicable Final Terms, in respect of a Knock-out Determination Date, if the Observation Price is less than the Knock-out Level as of such Knock-out Determination Date, a Knock-out Event will be deemed to have occurred and the Warrants shall be redeemed at the Knock-out Redemption Amount on the Knock-out Settlement Date. The Warrants will be early terminated and the Cash Settlement Amount specified above will not be payable.

For the purposes hereof, the following terms shall have the following meanings:

"**Knock-out Determination Date**" means such day as specified in the applicable Final Terms.

"**Observation Price**" means the price specified as such in the applicable Final Terms.

"**Knock-out Level**" means the level specified as such in the applicable Final Terms.

"**Knock-out Redemption Amount**" means the amount specified as such in the applicable Final Terms.

"**Knock-out Settlement Date**" means the date specified as such in the applicable Final Terms.

(C) Physical Settlement

(i) Exercise Rights in relation to Physical Delivery Warrants

If the Warrants are Physical Delivery Warrants, each such Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, entitles its holder, upon due exercise and subject to certification as to non-U.S. beneficial ownership, to receive from the Issuer on the Settlement Date the Entitlement subject to payment of the relevant Exercise Price and any other sums payable.

Warrants or Units, as the case may be, exercised at the same time by the same Warrantholder will be aggregated for the purpose of determining the aggregate Entitlements in respect of such Warrants or Units, as the case may be PROVIDED THAT the aggregate Entitlements in respect of the same Warrantholder will be rounded down to the nearest whole unit of the Relevant Asset or each of the Relevant Assets, as the case may be, in such manner as the Calculation Agent shall determine. Therefore, fractions of the Relevant Asset or of each of the Relevant Assets, as the case may be, will not be delivered and no cash adjustment will be made in respect thereof.

Following exercise of a Security Warrant which is a Physical Delivery Warrant, all dividends on the relevant Securities to be delivered will be payable to the party that would receive such dividend according to market practice for a sale of the Securities executed on the relevant Actual Exercise Date and to be delivered in the same manner as such relevant Securities. Any such dividends to be paid to a Warrantholder will be paid to the account specified by the Warrantholder in the relevant Exercise Notice as referred to in Condition 5(*A*)(2)(vi).

(ii) Settlement Disruption

If, following the exercise of Physical Delivery Warrants, in the opinion of the Calculation Agent, delivery of the Entitlement is not practicable by reason of a Settlement Disruption Event (as defined below) having occurred and continuing on any Settlement Date, then such Settlement Date for such Warrants shall be postponed to the first following Business Day in respect of which there is no such Settlement Disruption Event, PROVIDED THAT the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Warrant or Unit, as the case may be, by delivering the Entitlement using such other commercially reasonable manner as it may select and in such event the Settlement Date shall be such day as the Issuer deems appropriate in connection with delivery of the Entitlement in such other commercially reasonable manner. For the avoidance of doubt, where a Settlement Disruption Event affects some but not all of the Relevant Assets comprising the Entitlement, the Settlement Date for the Relevant Assets not affected by the Settlement Disruption Event will be the originally designated Settlement Date. In the event that a Settlement Disruption Event will result in the delivery on a Settlement Date of some but not all of the Relevant Assets comprising the Entitlement, the Calculation Agent shall determine in its discretion the appropriate *pro rata* portion of the Exercise Price to be paid by the relevant Warrantholder in respect of that partial settlement. For so long as delivery of the Entitlement is not practicable by reason of a Settlement Disruption Event, then in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Warrant or Unit, as the case may be, by payment to the relevant Warrantholder of the Disruption Cash Settlement Price (as defined below) on the third Business Day following the date that notice of such election is given to the Warrantholders in accordance with Condition 10. Payment of the Disruption Cash Settlement Price will be made in such manner as shall be notified to the Warrantholders in accordance with Condition 10. The Calculation Agent shall give notice as soon as practicable to the Warrantholders in accordance with Condition 10 that a Settlement Disruption Event has occurred. No Warrantholder shall be entitled to any payment in respect of the relevant Warrant or Unit, as the case may be, in the event of any delay in the delivery of the Entitlement due to the occurrence of a Settlement Disruption Event and no liability in respect thereof shall attach to the Issuer.

For the purposes hereof:

"**Disruption Cash Settlement Price**" in respect of any relevant Warrant or Unit, as the case may be, shall be the fair market value of such Warrant or Unit, as the case may be (taking into account, where the Settlement Disruption Event affected some but not all of the Relevant Assets comprising the Entitlement and such non-affected Relevant Assets have been duly delivered as provided above, the value of such Relevant Assets), less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion, plus, if already paid, the Exercise Price (or, where as provided above some Relevant Assets have been delivered, and a *pro rata* portion thereof has been paid, such *pro rata* portion); and

"**Settlement Disruption Event**" means, in the opinion of the Calculation Agent, an event beyond the control of the Issuer as a result of which the Issuer cannot make delivery of the Relevant Asset(s).

(D) Issuer's Option to Vary Settlement

Upon a valid exercise of Warrants in accordance with these Terms and Conditions, the Issuer may at its sole and unfettered discretion in respect of each such Warrant or, if Units are specified in the applicable Final Terms, each Unit, elect not to pay the relevant Warrantholders the Cash Settlement Amount or to deliver or procure delivery of the Entitlement to the relevant Warrantholders, as the case may be, but, in lieu thereof to deliver or procure delivery of the Entitlement or make payment of the Cash Settlement Amount on the Settlement Date to the relevant Warrantholders, as the case may be. Notification of such election will be given to Warrantholders no later than 11.00 a.m., Luxembourg or Brussels time (as appropriate) on the second Business Day following the Actual Exercise Date.

(E) General

None of the Issuer, the Calculation Agent and the Warrant Agents shall have any responsibility for any errors or omissions in the calculation of any Cash Settlement Amount or of any Entitlement.

The purchase of Warrants does not confer on any holder of such Warrants any rights (whether in respect of voting, distributions or otherwise) attaching to any Relevant Asset.

All references in this Condition to "Luxembourg or Brussels time" shall, where Warrants are cleared through an additional or alternative clearing system, be deemed to refer as appropriate to the time in the city where the relevant clearing system is located.

(F) Change in Law

On the occurrence of Change in Law, the Issuer may either make adjustment to the Warrant (including but not limited to postponement of any settlement date) or elect to redeem the Warrant early at the fair market value less any hedging cost. "Change in Law" means that, on or after the Trade Date (a) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in its sole and absolute discretion that (i) it has become, or there is a reasonable likelihood that it may be or will become, illegal to hold, acquire or dispose of any relevant securities or any Hedge Positions or (ii) it will incur, or there is a reasonable likelihood that it will incur, an increased cost in performing its obligations in relation to the Warrants or in maintaining its positions in the Warrants as an issuer, or it will or there is a reasonable likelihood that it will not be able to enjoy any cost saving (including saving on capital or liquidity charges) but for the Issuer making adjustment to the terms of the Warrants (including, without limitation, due to any increase in tax liability or capital or liquidity charge, decrease in tax benefit or capital or liquidity charge benefit or other adverse effect on the tax or capital or liquidity position of the Issuer and/or any of its affiliates).

(G) Hedging Disruption

On the occurrence of a Hedging Disruption and while it is continuing the Issuer may either make adjustment to the Warrants (including but not limited to postponement of any settlement date) or elect to redeem the Warrant early upon notice to the Warrantholder specifying the date of such termination, which may be the same day that the notice of

Early Redemption is effective ("**Early Redemption Notice**") in which event the Calculation Agent will determine the value of the Warrant ("**Hedge Disruption Redemption Value**") payable by the Issuer converted into the Settlement Currency. The Early Redemption Notice will specify the date such Hedge Disruption Redemption Value is payable by the Issuer to the Warrantholder. If a Hedging Disruption occurs or is subsisting on the exercise date the Issuer may (in its sole discretion and without limitation to its rights above) defer the Exercise Date and Settlement Date (as the case may be). The Cash Settlement Amount payable on the deferred Settlement Date will be deemed to be an amount equal to the Hedge Disruption Redemption Value.

On the occurrence of an Increased Cost of Hedging, the Issuer will give prompt notice to the Warrantholder that such increased costs will be or there is a reasonable likelihood that it may be incurred and the Issuer may: (a) specify that commercially reasonable adjustment(s) will be made to the Warrant (including but not limited to postponement of any settlement date); or (b) the Issuer may give notice that it elects to redeem the Warrant early, specifying the date of such Early Redemption, which may be the same day that the notice of Early Redemption is effective. The Calculation Agent will determine the Hedge Disruption Redemption Value payable by the Issuer to the Warrantholder. The Early Redemption Notice will specify the date such Hedge Disruption Redemption Value is payable by the Issuer to the Warrantholder. If Increased Cost of Hedging occurs or is subsisting on or around the Exercise Date, the Cash Settlement Amount will be deemed to be the Hedge Disruption Redemption Value.

Where:

"Hedging Disruption" means that the Issuer is unable after using commercially reasonable efforts, to (A) acquire establish, re-establish, substitute, maintain, unwind or dispose of its Hedge Positions under the Warrant or (B) freely realise, recover, receive, repatriate, remit or transfer the proceeds of its Hedge Positions.

"Increased Cost of Hedging" means that the Issuer would or there is a reasonable likelihood that it may (1) incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, charge, cost expense or fee to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of its Hedge Position or (B) realise, recover or remit the proceeds of its Hedge Position or (2) suffer any amount of tax, duty, charge, cost, expense or fee, or fail to or become unable to enjoy any cost saving (whether in relation to the Hedge Positions or maintaining its positions in the Warrants as an issuer) but for the Issuer making adjustment to the terms of the Warrants (including but not limited to postponement of any settlement date).

(H) *FX Disruption*

If FX Disruption (including Inconvertibility, Non-Transferability and Illiquidity) occurs, is continuing or exists on or prior to any date on which a payment is scheduled to be made, the Issuer may either (i) suspend the settlement so that the Settlement Date will be the 10^{th} Business Day following the day on which the FX Disruption ceases to exist, (ii) settle in another currency or (iii) terminate the Warrants early at the fair market value less the hedging cost as determined by the Calculation Agent in its sole and absolute discretion. If the Issuer elects to suspend the Warrants, the Issuer shall nevertheless retain the right at all times to terminate the Warrants. The Issuer may adjust the payment obligations in respect of the Warrants to account for any funding (including internal funding costs) or other charges actually incurred by the Hedging Party as a result of or otherwise during such postponement.

Inconvertibility means it is impossible, impracticable or illegal for the Issuer and/or any of its affiliates to convert any amount to the Settlement Currency at the general exchange market, other than where such impossibility, impracticality or illegality is due solely to the failure of the Issuer and/or any if its affiliates to comply with any law, rule or regulation enacted by any governmental authority (unless such law, rule or regulation is enacted, enforced or re-interpreted after the Trade Date and it is impossible, impracticable or illegal for the Issuer and/or any of its affiliates to comply with such law, rule or regulation).

Non-Transferability means it is impossible, impracticable or illegal for the Issuer and/or any of its affiliates to deliver or repatriate the currency of the underlying asset or the Settlement Currency out of the country in which the Hedge Position are traded, or between accounts inside such country, other than where such impossibility, impracticality or illegality is due solely to the failure of the Issuer and/or any of its affiliates to comply with any law, rule or regulation enacted by any governmental authority (unless such law, rule or regulation is enacted, enforced or re-interpreted after the Trade Date and it is impossible, impracticable or illegal for the Issuer and/or any of its affiliates to comply with such law, rule or regulation).

Illiquidity means it becomes impossible or impracticable to obtain a firm quote of the foreign exchange rate of the underlying asset currency and/or the Settlement Currency.

(l) *Dividend*

In respect of Security Warrants,

(i) if the ex-date of the ordinary dividends or distributions of the Security Issuer payable in cash falls after the Trade Date and prior to the Exercise Date, the Issuer shall pay to each Warrantholder the Cash Dividend.

The aggregate Cash Dividend amount to which each Warrantholder shall be entitled shall be paid or caused to be paid by the Issuer to the Warrantholders' within 5 Business Days following the actual cash dividend payment date of the cash dividends by the Security Issuer. Where the terms of a cash dividend declared by the Security Issuer entitles a securityholder to elect scrip dividend in lieu of cash, the Issuer shall treat such dividend payments as a cash dividend and the option to elect scrip shall not be available to a Warrantholder. Where there is a material change to the taxes and charges that have been, or will be imposed on the Issuer in relation to the receipt and payment of the cash dividend, due to any circumstance, the cash dividend amount applicable may be adjusted accordingly in good faith by the Issuer to take into account the commercial effect of such change.

(ii) If the ex-date of a dividend payable in scrip falls after the Trade Date and prior to the Exercise Date, the Issuer shall within 5 Business Days after the day the Security Issuer delivers its scrip dividend (or its value in cash) to its securityholders (or, if later, the day the Issuer receives such scrip dividend) and at its sole discretion, issue such whole number of additional Warrants to entitled Warrantholders (less any applicable taxes and other charges which have been, are or will be imposed on the Issuer in relation to the receipt and payment of the

Scrip Dividend as determined by the Calculation Agent) equal to the number of Securities that would otherwise have been received (save as to the Exercise Date) (any fractional Warrant entitlement to be rounded down to the nearest whole Warrant).

Such payment, issue or delivery of warrants to each Warrantholder as of the relevant Warrants Record Date shall equal the number of Securities that would have been received as a dividend for the number of Securities (the latter number being equal to the aggregate number of Warrants held by such Warrantholder on the relevant Warrants Record Date) held by the Issuer (as if the Issuer were a holder of Securities) on the relevant Warrants Record Date.

(J) *Coupon*

If coupon is payable with respect to a Warrant, then in respect of a Calculation Period and a Coupon Payment Date, the Issuer shall pay to each Warrantholder the Coupon Amount on such Coupon Payment Date.

(J) *Distribution Amount*

If a distribution amount is payable with respect to a Bond Warrant, then in respect of an Issuer Distribution Date, the Issuer shall pay to each Warrantholder the Distribution Amount within five Business Days following the actual interest payment date of the Bond.

(K) *Redemption at the option of the Issuer (Issuer Call)*

If Issuer Call is specified as being applicable in the applicable Final Terms, during the Optional Redemption Period as specified in the Final Terms, the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Warrantholders in accordance with Condition 10, redeem all or some only of the Warrants then outstanding on the Optional Redemption Date as specified in the notice and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest/Coupon Amount accrued to (but excluding) the relevant Optional Redemption Date. The settlement of the Optional Redemption Amount shall occur on the Optional Redemption Settlement Date as specified in the applicable Final Terms. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and/or not more than the Maximum Redemption Amount in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of Warrants, the Warrants to be redeemed ("**Redeemed Warrants**") will be selected at the discretion of the Issuer.

(L) *Redemption at the option of the Warrantholders (Investor Put)*

If Investor Put is specified as being applicable in the applicable Final Terms, during the Optional Redemption Period as specified in the Final Terms, the Warrantholder may, having given not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Issuer in accordance with Condition 10, redeem, all or some only of the Warrants then outstanding on the Optional Redemption Date as specified in the notice and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest/Coupon Amount accrued to (but excluding) the Optional

Redemption Date. The settlement of the Optional Redemption Amount shall occur on the Optional Redemption Settlement Date as specified in the applicable Final Terms. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and/or not more than the Maximum Redemption Amount in each case as may be specified in the applicable Final Terms. It may be that before an Investor Put can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable Final Terms.

If this Warrant is represented by a Global Warrant, to exercise the right to require redemption of this Warrant the Warrantholder must, within the notice period, give notice to the Principal Warrant Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg in a form acceptable to Euroclear and Clearstream, Luxembourg, from time to time and, if this Warrant is represented by a Global Warrant, at the same time present or procure the presentation of the relevant Global Warrant to the Principal Warrant Agent for notation accordingly.

Any put notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg given by a holder of any Warrant pursuant to this Condition 4(L) shall be irrevocable.

5. Exercise Procedure

(A) Exercise Notice

Unless the Warrants are automatically exercised, Warrants may only be exercised by the delivery, or the sending by tested telex (confirmed in writing), of a duly completed exercise notice (an "**Exercise Notice**") in the form set out in the Warrant Agreement (copies of which form may be obtained from Clearstream, Luxembourg, Euroclear and the Warrant Agents during normal office hours) to Clearstream, Luxembourg or Euroclear, as the case may be, with a copy to the Principal Warrant Agent in accordance with the provisions set out in Condition 4 and this Condition.

(1) In the case of Cash Settled Warrants, the Exercise Notice shall:

(i) specify the series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;

(ii) specify the number of the Warrantholder's account at Clearstream, Luxembourg or Euroclear, as the case may be, to be debited with the Warrants being exercised;

(iii) irrevocably instruct Clearstream, Luxembourg or Euroclear, as the case may be, to debit on or before the Settlement Date the Warrantholder's account with the Warrants being exercised;

(iv) specify the number of the Warrantholder's account at Clearstream, Luxembourg or Euroclear, as the case may be, to be credited with the Cash Settlement Amount (if any) for each Warrant or Unit, as the case may be, being exercised;

(v) include an undertaking to pay all taxes, duties and/or expenses, including any applicable depository charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising in connection with the exercise of such Warrants ("**Exercise Expenses**") and an authority to Clearstream, Luxembourg or Euroclear to deduct an amount in respect thereof from any Cash Settlement Amount due to such Warrantholder and/or to debit a specified account of the Warrantholder at Clearstream, Luxembourg or Euroclear, as the case may be, in respect thereof and to pay such Exercise Expenses;

(vi) certify that each Warrant is not being exercised by or on behalf of a U.S. person (as defined in the Exercise Notice) and that such Warrant is not beneficially owned by a U.S. person, unless the Final Terms relating to the Warrant expressly provide otherwise in connection with an offering of the Warrant pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act; and

(vii) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Warrant Agreement.

(2) In the case of Physical Delivery Warrants, the Exercise Notice shall:

(i) specify the series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;

(ii) specify the number of the Warrantholder's account at Clearstream, Luxembourg or Euroclear, as the case may be, to be debited with the Warrants being exercised;

(iii) irrevocably instruct Clearstream, Luxembourg or Euroclear, as the case may be, to debit on or before the Settlement Date the Warrantholder's account with the Warrants being exercised;

(iv) irrevocably instruct Clearstream, Luxembourg or Euroclear, as the case may be, to debit on the Actual Exercise Date a specified account of the Warrantholder with Clearstream, Luxembourg and Euroclear, as the case may be, with the aggregate Exercise Prices in respect of such Warrants or Units, as the case may be, (together with any other amounts payable);

(v) include an undertaking to pay all taxes, duties and/or expenses, including any applicable depository charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising from the exercise of such Warrants and/or the delivery or transfer of the Entitlement pursuant to the terms of such Warrants ("**Exercise Expenses**") and an authority to Clearstream, Luxembourg or Euroclear to debit a specified account of the Warrantholder at Clearstream, Luxembourg or Euroclear, as the case may be, in respect thereof and to pay such Exercise Expenses;

(vi) include such details as are required by the applicable Final Terms for delivery of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of the Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Entitlement are to be delivered and specify the name and the number of the Warrantholder's account with Euroclear or Clearstream, Luxembourg, as the case may be, to be credited with any cash payable by the Issuer, either in respect of any cash amount constituting the Entitlement or any dividends relating to the Entitlement or as a result of the occurrence of a Settlement Disruption Event and the Issuer electing to pay the Disruption Cash Settlement Price;

(vii) specify the number of the Warrantholder's account at Clearstream, Luxembourg or Euroclear, as the case may be, to be credited with the amount due upon exercise of the Warrants;

(viii) certify that each Warrant is not being exercised by or on behalf of a U.S. person (as defined in the Exercise Notice) and that such Warrant is not beneficially owned by a U.S. person, unless the Final Terms relating to the Warrant expressly provide otherwise in connection with an offering of the Warrant pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act; and

(ix) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Warrant Agreement.

(3) If Condition 4(*D*) applies, the form of Exercise Notice required to be delivered will be different from that set out above. Copies of such Exercise Notice may be obtained from Clearstream, Luxembourg, Euroclear and the Warrant Agents during normal office hours.

(B) Verification of the Warrantholder

Upon receipt of an Exercise Notice, Clearstream, Luxembourg or Euroclear, as the case may be, shall verify that the person exercising the Warrants is the holder thereof according to the books of Clearstream, Luxembourg or Euroclear, as the case may be. Subject thereto, Clearstream, Luxembourg or Euroclear, as the case may be, will confirm to the Principal Warrant Agent the series number and number of Warrants being exercised and the account details, if applicable, for the payment of the Cash Settlement Amount or, as the case may be, the details for the delivery of the Entitlement of each Warrant or Unit, as the case may be, being exercised. Upon receipt of such confirmation, the Principal Warrant Agent will inform the Issuer thereof. Clearstream, Luxembourg or Euroclear, as the case may be, will on or before the Settlement Date debit the account of the relevant Warrantholder with the Warrants being exercised. If the Warrants are American Style Warrants, upon exercise of less than all the Warrants constituted by the Global Warrant, the Common Depositary will, on the instructions of, and on behalf of, the Principal Warrant Agent, note such exercise on the Schedule to the Global Warrant and the number of Warrants so constituted shall be reduced by the cancellation *pro tanto* of the Warrants so exercised.

(C) *Settlement*

(i) Cash Settled Warrants

The Issuer shall on the Settlement Date pay or cause to be paid the Cash Settlement Amount (if any) for each duly exercised Warrant or Unit, as the case may be, to the Warrantholder's account specified in the relevant Exercise Notice for value on the Settlement Date less any Exercise Expenses.

(ii) Physical Delivery Warrants

Subject to payment of the aggregate Exercise Prices and payment of any Exercise Expenses with regard to the relevant Warrants or Units, as the case may be, the Issuer shall on the Settlement Date deliver, or procure the delivery of, the Entitlement for each duly exercised Warrant or Unit, as the case may be, pursuant to the details specified in the Exercise Notice.

(D) *Determinations*

Any determination as to whether an Exercise Notice is duly completed and in proper form shall be made by Clearstream, Luxembourg or Euroclear, as the case may be, in consultation with the Principal Warrant Agent, and shall be conclusive and binding on the Issuer, the Warrant Agents and the relevant Warrantholder. Subject as set out below, any Exercise Notice so determined to be incomplete or not in proper form, or which is not copied to the Principal Warrant Agent immediately after being delivered or sent to Clearstream, Luxembourg or Euroclear, as the case may be, as provided in paragraph *(A)* above, shall be null and void.

If such Exercise Notice is subsequently corrected to the satisfaction of Clearstream, Luxembourg or Euroclear, as the case may be, in consultation with the Principal Warrant Agent, it shall be deemed to be a new Exercise Notice submitted at the time such correction was delivered to Clearstream, Luxembourg or Euroclear, as the case may be, and the Principal Warrant Agent.

Any Warrant with respect to which the Exercise Notice has not been duly completed and delivered in the manner set out above by the cut-off time specified in Condition 4(*A*)(i), in the case of American Style Warrants, or Condition 4(*A*)(ii), in the case of European Style Warrants, shall become void.

Clearstream, Luxembourg or Euroclear, as the case may be, shall use its best efforts promptly to notify the Warrantholder submitting an Exercise Notice if, in consultation with the Principal Warrant Agent, it has determined that such Exercise Notice is incomplete or not in proper form. In the absence of negligence or wilful misconduct on its part, none of the Issuer, the Warrant Agents, Clearstream, Luxembourg or Euroclear shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Warrantholder.

(E) *Delivery of an Exercise Notice*

Delivery of an Exercise Notice shall constitute an irrevocable election by the relevant Warrantholder to exercise the Warrants specified. After the delivery of such Exercise Notice, such exercising Warrantholder may not transfer such Warrants.

(F) *Exercise Risk*

Exercise of the Warrants is subject to all applicable laws, regulations and practices in force on the relevant Exercise Date and none of the Issuer and the Warrant Agents shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. None of the Issuer and the Warrant Agents shall under any circumstances be liable for any acts or defaults of Clearstream, Luxembourg or Euroclear in relation to the performance of its duties in relation to the Warrants.

6. Minimum and Maximum Number of Warrants Exercisable

(A) *American Style Warrants*

This paragraph *(A)* applies only to American Style Warrants.

(i) The number of Warrants exercisable by any Warrantholder on any Actual Exercise Date, as determined by the Issuer, must not be less than the Minimum Exercise Number specified in the applicable Final Terms and, if specified in the applicable Final Terms, if a number greater than the Minimum Exercise Number, must be an integral multiple of the number specified in the applicable Final Terms. Any Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and of no effect.

(ii) If the Issuer determines that the number of Warrants being exercised on any Actual Exercise Date by any Warrantholder or a group of Warrantholders (whether or not acting in concert) exceeds the Maximum Exercise Number (a number equal to the Maximum Exercise Number being the "**Quota**"), the Issuer may deem the Actual Exercise Date for the first Quota of such Warrants, selected at the discretion of the Issuer, to be such day and the Actual Exercise Date for each additional Quota of such Warrants (and any remaining number thereof) to be each of the succeeding Business Days until all such Warrants have been attributed with an Actual Exercise Date, provided, however, that the deemed Actual Exercise Date for any such Warrants which would thereby fall after the Expiration Date shall fall on the Expiration Date. In any case where more than the Quota of Warrants are exercised on the same day by Warrantholder(s), the order of settlement in respect of such Warrants shall be at the sole discretion of the Issuer.

(B) *European Style Warrants*

This paragraph *(B)* applies only to European Style Warrants.

The number of Warrants exercisable by any Warrantholder on the Exercise Date, as determined by the Issuer, must be equal to the Minimum Exercise Number specified in the applicable Final Terms and, if specified in the applicable Final Terms, if a number greater than the Minimum Exercise Number, must be an integral multiple of the number specified in the applicable Final Terms. Any Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and of no effect.

7. Illegality and impracticability

If the Issuer determines that the performance of its obligations under the Warrants has become or will become illegal or impracticable in whole or in part for any reason, the

Issuer may cancel the Warrants by giving notice to Warrantholders in accordance with Condition 10.

Should any one or more of the provisions contained in these Terms and Conditions be or become invalid, the validity of the remaining provisions shall not in any way be affected thereby.

If the Issuer cancels the Warrants then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Warrantholder in respect of each Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, held by such holder, which amount shall be the fair market value of a Warrant or Unit, as the case may be, notwithstanding such illegality less the cost to the Issuer of unwinding any underlying related hedging arrangements plus, if already paid by or on behalf of the Warrantholder, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Warrantholders in accordance with Condition 10.

8. Purchases

The Issuer may, but is not obliged to, at any time purchase Warrants at any price in the open market or by tender or private treaty. Any Warrants so purchased may be held or resold or surrendered for cancellation.

9. Agents, Determinations and Modifications

(A) Warrant Agents

The specified offices of the Warrant Agents are as set out at the end of these Terms and Conditions.

The Issuer reserves the right at any time to vary or terminate the appointment of any Warrant Agent and to appoint further or additional Warrant Agents, provided that no termination of appointment of the Principal Warrant Agent shall become effective until a replacement Principal Warrant Agent shall have been appointed and provided that, so long as any of the Warrants are listed on a stock exchange, there shall be a Warrant Agent having a specified office in each location required by the rules and regulations of the relevant stock exchange. Notice of any termination of appointment and of any changes in the specified office of any Warrant Agent will be given to Warrantholders in accordance with Condition 10. In acting under the Warrant Agreement, each Warrant Agent acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Warrantholders and any determinations and calculations made in respect of the Warrants by any Warrant Agent shall (save in the case of manifest error) be final, conclusive and binding on the Issuer and the Warrantholders.

(B) Calculation Agent

In relation to each issue of Warrants, the Calculation Agent acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Warrantholders. All calculations and determinations made in respect of the Warrants by the Calculation Agent shall (save in the case of manifest error) be final, conclusive and binding on the Issuer and the Warrantholders.

The Calculation Agent may delegate any of its obligations and functions to a third party as it deems appropriate.

(C) *Determinations by the Issuer*

Any determination made by the Issuer pursuant to these Terms and Conditions shall (save in the case of manifest error) be final, conclusive and binding on the Issuer and the Warrantholders.

(D) *Modifications*

The Issuer may modify these Terms and Conditions and/or the Warrant Agreement without the consent of the Warrantholders in any manner which the Issuer may deem necessary or desirable provided that such modification is not materially prejudicial to the interests of the Warrantholders or such modification is of a formal, minor or technical nature or to correct a manifest error or to cure, correct or supplement any defective provision contained herein and/or therein. Notice of any such modification will be given to the Warrantholders in accordance with Condition 10 but failure to give, or non-receipt of, such notice will not affect the validity of any such modification.

10. Notices

All notices to Warrantholders shall be valid if delivered (i) to Clearstream, Luxembourg and Euroclear for communication by them to the Warrantholders and (ii) if and so long as the Warrants are listed on a stock exchange, in accordance with the rules and regulations of the relevant stock exchange. If the Warrants are listed on the Luxembourg Stock Exchange, notices may be published on the Luxembourg Stock Exchange's internet site www.luxse.com and so long as publication in a daily newspaper with general circulation in Luxembourg is required by the rules of the Luxembourg Stock Exchange, notices shall be published in the *Luxemburger Wort*. Any such notice shall be deemed to have been given on the second Business Day following such delivery or, if earlier, the date of such publication or, if published more than once, on the date of the first such publication.

11. Expenses and Taxation

(A) A holder of Warrants must pay all Exercise Expenses relating to such Warrants as provided above.

(B) The Issuer shall not be liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, exercise or enforcement of any Warrant and all payments made by the Issuer shall be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted. The Issuer may withhold or deduct from any amount payable to the warrantholder such amount as shall be necessary to account for or to pay any such tax, duty, charge, withholding or other payment in respect of a Hedge Position. The Warrantholder shall indemnify the Issuer against any loss, cost or other liability sustained or incurred by the Issuer in respect of any such tax, duty, charge, withholding or other payment in respect of the Warrants and the Hedge Position. The indemnity shall survive the expiry of the Warrants or the sale of the Warrants by the Warrantholder.

The Issuer may deduct and/or withhold an amount from any payment made pursuant to the terms of the Warrants if it reasonably expects that tax or duty may be chargeable to such payment or the disposal of the Hedge Positions.

The Issuer may determine the amount of any applicable capital gain tax on a first-in-first-out basis or such other basis at its discretion. If such tax is determined on a first-in-first-out basis, the tax subject to deduction, withholding and/or indemnity may be determined by reference to the overall position of the Issuer (or a counterparty of the Issuer) in the relevant asset which may include not only the Hedge Position for a particular series of Warrant but also Hedge Position for all other financial instruments issued, or transactions entered into, by the Issuer and/or its affiliates (or a counterparty of the Issuer) and proprietary position of the Issuer and/or its affiliates (or a counterparty of the Issuer).

12. Further Issues

The Issuer shall be at liberty from time to time without the consent of Warrantholders to create and issue further Warrants so as to be consolidated with and form a single series with the outstanding Warrants.

13. Substitution of the Issuer

The Issuer, or any previous substituted company may, at any time, without the consent of the Warrantholders, substitute for itself as principal obligor under the Warrants any company ("**Substitute**"), being the Issuer or any other company, subject to:

(a) the Issuer unconditionally and irrevocably guaranteeing in favour of each Warrantholder the performance of all obligations by the Substitute under the Warrants;

(b) all actions, conditions and things required to be taken, fulfilled and done to ensure that the Warrants represent legal, valid and binding obligations of the Substitute having been taken, fulfilled and done and are in full force and effect;

(c) the Substitute shall have become party to the Warrant Agreement, with any appropriate consequential amendments, as if it had been an original party to it;

(d) each stock exchange on which the Warrants are listed shall have confirmed that, following the proposed substitution of the Substitute, the Warrants will continue to be listed on such stock exchange;

(e) if appropriate, the Substitute shall have appointed a process agent as its agent in England to receive service of process on its behalf in relation to any legal action or proceedings arising out of or in connection with the Warrants; and

(f) the Issuer shall have given at least 30 days' prior notice of the date of such substitution to the Warrantholders in accordance with Condition 10.

14. Governing Law and Jurisdiction

(A) The Warrants, the Global Warrant and the Warrant Agreement are governed by and shall be construed in accordance with English law.

(B) The Issuer agrees, for the exclusive benefit of the Warrantholders that the courts of England are to have jurisdiction to settle any disputes which may arises out of or in connection with the Warrants, the Global Warrant and the Warrant Agreement and that accordingly any suit, action or proceedings (together referred to as "**Proceedings**") arising out of or in connection with the Warrants, the Global Warrant and the Warrant Agreement may be brought in such courts. The Issuer hereby irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any such Proceedings in any such court and any claim that any such Proceedings have been brought in an inconvenient forum and hereby further irrevocably agrees that a judgement in any such Proceedings brought in the English courts shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction. Nothing contained in this Condition shall limit any right to take Proceedings against the Issuer in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

(C) The Issuer hereby appoints Macquarie Bank Limited, London Branch whose registered office is currently at Ropemaker Place, 28 Ropemaker Street, London EC2Y 9HD as its agent in England to receive service of process in any Proceedings in England based on the Warrants and the Global Warrant. If for any reason such process agent ceases to act as such or no longer has an address in England, the Issuer agrees to appoint a substitute process agent and to notify the Warrantholders of such appointment. Nothing herein shall affect the right to serve process in any other manner permitted by law.

15. Terms for Index Warrants, Security Warrants and Bond Warrants

(A) Index Warrants

(1) Market Disruption

For the purposes hereof:

"**Market Disruption Event**" shall mean, in relation to Warrants relating to a single Index or Basket of Indices, in respect of an Index, the occurrence or existence on any Trading Day during the one-half hour period that ends at the relevant Valuation Time of:

(i) any suspension of or limitation imposed on trading by the Exchange(s) or otherwise and whether by reason of movements in price exceeding limits permitted by the Exchanges or otherwise (a) relating to securities/commodities that comprise 20 per cent. or more of the level of the relevant Index, or (b) in futures or options contracts relating to the relevant Index on the Exchange(s);

(ii) any event that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (a) to effect transactions in, or obtain market values for, the securities/commodities that comprise 20 per cent. or more of the level of the relevant Index, or (b) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Index on the relevant Exchange(s); or

(iii) the closure on any Trading Day of the relevant Exchange(s) relating to securities/commodities that comprise 20 per cent. or more of the level of the relevant Index prior to its scheduled closing time unless such earlier closing time is announced by such Exchange(s) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) on such Trading Day and (ii) the submission deadline for orders to be entered in to the Exchange(s) system for execution at the Valuation Time on such Trading Day,

if, in the determination of the Calculation Agent, in any such case such suspension or limitation is material.

For the purpose of determining whether a Market Disruption Event exists in relation to an Index at any time, if trading in a security/commodity included in that Index is materially suspended or materially limited at that time, then the relevant percentage contribution of that security/commodity to the level of that Index shall be based on a comparison of (i) the portion of the level of that Index attributable to that security/commodity relative to (ii) the overall level of that Index, in each case immediately before that suspension or limitation.

The Calculation Agent shall give notice as soon as practicable to the Warrantholders in accordance with Condition 10 that a Market Disruption Event has occurred.

(2) **Adjustments to an Index**

(a) Successor Sponsor Calculates and Reports an Index

If a relevant Index is (i) not calculated and announced by the entity that is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the relevant Index and announces (directly or through an agent) the level of the Index on a regular basis ("**Sponsor**") but is calculated and announced by a successor to the Sponsor ("**Successor Sponsor**") acceptable to the Calculation Agent or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Index, then in each case that index ("**Successor Index**") will be deemed to be the Index.

(b) Modification and Cessation of Calculation of an Index

If (i) on or prior to a Valuation Date or an Averaging Date the Sponsor or (if applicable) the Successor Sponsor makes a material change in the formula for or the method of calculating a relevant Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock, capitalisation, contracts or commodities and other routine events) or permanently cancels the Index and no Successor Index exists, (ii) on a Valuation Date or an Averaging Date the Sponsor or (if applicable) the Successor Sponsor fails to calculate and announce a relevant Index, or (iii) the Calculation Agent reasonably considers that any authorisation, registration, recognition endorsement, equivalence decision, approval or inclusion in any official register in respect of the Index or the Sponsor or (if applicable) the Successor Sponsor has not been, or will not be, obtained or has been, or will be, rejected, refused, suspended or withdrawn by the relevant competent authority or other relevant official body, in each case with the effect that the Issuer is not, or will not be, permitted under any applicable law or regulation to use the Index as the underlying index of the Warrants, then the Calculation Agent shall determine the Settlement Price using, in lieu of a published level for that Index, the level for that Index as at the Valuation Time on that Valuation Date or that Averaging Date, as the case may be, as determined by the Calculation Agent in accordance with the formula for and method of calculating that Index last in effect prior to that change or failure, but using only those securities/commodities that comprised that Index immediately prior to that change or failure (other than those securities that have since ceased to be listed on the Exchange(s)). Alternatively, the Calculation Agent may determine the level for that Index using the closing level of the relevant spot-month index futures contract on that Valuation Date or that Averaging Date, if available.

(c) Notice

The Calculation Agent shall, as soon as practicable, notify the Principal Warrant Agent of any determination made by it pursuant to paragraph (b) above and the Principal Warrant Agent shall make available for inspection during normal office hours by Warrantholders copies of any such determinations.

(B) Security Warrants

For the purposes of this Condition 15(*B*):

"**Basket Security Issuer**" means a security issuer whose securities are included in the Basket of Securities and "Basket Security Issuers" means all such security issuers;

"**Securities**" and "**Security**" mean, subject to adjustment in accordance with this Condition 15(*B*), the shares or units of the relevant Basket Security Issuer and, in the case of an issue of Warrants relating to a single Security, such shares or units and related expressions shall be construed accordingly; and

"**Security Issuer**" means, in the case of an issue of Warrants relating to a single share or unit, the company or unit trust that has issued such share or unit.

(1) **Market Disruption**

For the purposes hereof:

"**Market Disruption Event**" shall mean, in relation to Warrants relating to a single Security or a Basket of Securities, in respect of a Security, the occurrence or existence on any Trading Day during the one-half hour period that ends at the relevant Valuation Time of any suspension of or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the relevant exchange or otherwise) in:

(i) any suspension of or limitation imposed on trading by the Exchange(s) or otherwise and whether by reason of movements in price exceeding limits permitted by the Exchange(s) or otherwise (a) relating to the Security on the Exchange, or (b) in futures or options contracts relating to the Security on the Exchange(s);

(ii) any event that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (a) to effect transactions in, or obtain market values for, the Securities on the Exchange, or (b) to effect transactions in, or obtain market values for, futures or options contracts relating to the Security on the relevant Exchange(s); or

(iii) the closure on any Trading Day of the Security on the relevant Exchange(s) prior to its scheduled closing time unless such earlier closing time is announced by such Exchange(s) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) on such Trading Day and (ii) the submission deadline for orders to be entered in to the Exchange(s) system for execution at the Valuation Time on such Trading Day, if in the determination of the Calculation Agent, in any such case such suspension or limitation is material.

The Issuer shall give notice as soon as practicable to the Warrantholders in accordance with Condition 10 that a Market Disruption Event has occurred.

(2) **Potential Adjustment Events, Merger Event, Tender Offer, De-listing, Nationalisation and Insolvency**

(a) For the purposes hereof:

"**Potential Adjustment Event**" means any of the following:

(i) a subdivision, consolidation or reclassification of relevant Securities (unless resulting in a Merger Event) or a free distribution or dividend of any such Securities to existing holders by way of bonus, capitalisation or similar issue;

(ii) a distribution or dividend to existing holders of the relevant Securities of (a) such Securities or (b) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Basket Security Issuer or Security Issuer, as the case may be, equally or proportionately with such payments to holders of such Securities or (c) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Basket Security Issuer or Security Issuer, as the case may be, as a result of a spin-off or other similar transaction or (d) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or otherwise) at less than the prevailing market price as determined by the Calculation Agent;

(iii) an extraordinary dividend;

(iv) a call by a Basket Security Issuer or Security Issuer, as the case may be, in respect of relevant Securities that are not fully paid;

(v) a repurchase by the Basket Security Issuer or Security Issuer, as the case may be, of relevant Securities whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;

(vi) in respect of a Basket Security Issuer or Security Issuer, as the case may be, an event that results in any securityholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of the Basket Security Issuer or Security Issuer, as the case may be, pursuant to a securityholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value, as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or

(vii) any other event having, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the relevant Securities.

Following the declaration by the Basket Security Issuer or Security Issuer, as the case may be, of the terms of any Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Securities and, if so, will (a) (i) make the corresponding adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement and/or the Exercise Price and/or the Multiplier and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate to account for that diluting or concentrative effect and (ii) determine the effective date of that adjustment; (b) issue additional Warrants (or warrants of the Issuer on substantially the same term of the Warrants (save as to the Exercise Date)); or (c) early redeem or terminate the Warrants. The Calculation Agent may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the Securities traded on that options exchange.

Upon the making of any such adjustment by the Calculation Agent, the Calculation Agent shall give notice as soon as practicable to the Warrantholders in accordance with Condition 10, stating the adjustment to any Relevant Asset and/or the Entitlement and/or the Exercise Price and/or the Multiplier and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms and the date from which such adjustment is effective and giving brief details of the Potential Adjustment Event.

If the ex-date in regard to any rights issue of the Securities fall after the Trade Date and prior to the Exercise Date, the Issuer shall issue or effect the delivery of either (i) a number of further Warrants to the Warrantholder; or (ii) the cash equivalent of such further Warrants relative to the number of Warrants held by the Warrantholder on the Warrants Record Date, subject to (a) the written consent of the Warrantholder to participate in respect of the corresponding rights issue of the Securities, and (b) the full payment of the equivalent amount in the Settlement Currency by the Warrantholder to the Issuer for the subscription of such further Warrants (including but not limited to all Warrantholder's Expenses subscribing for the equivalent number of Securities).

Such Warrants will be issued by the Issuer as soon as practicable after the Rights Securities Receipt Date. In case the Rights Securities Receipt Date falls on or after the Exercise Date, the Issuer has absolute discretion to either pay an equivalent amount in the Settlement Currency or issue such number of warrants on substantially the same term of the Warrants (save as to the Exercise Date) to reflect the market value of such Securities on or about the Rights Securities Receipt Date. The market value of such Securities is determined by the Calculation Agent in its absolute discretion.

"Right Securities Receipt Date" means the date upon which the Securities issued under a rights issue would have been received by a holder of the Securities under the prevailing market practice."

Where the Exercise Date is, or is deemed to be, the Warrants Record Date under these Conditions (as set out below), a Warrantholder shall only be entitled to the

Cash Dividend or Scrip Dividend (as the case may be) if the Securities are trading ex dividend on the Exercise Date.

In consultation with the Issuer, the Calculation Agent shall determine the Warrants Record Date. The "**Warrants Record Date**" shall mean, in respect of a dividend or rights issue, a date and time by which a Warrantholder must be registered as a holder of the relevant Warrants in order to be entitled to the Cash Dividend, Scrip Dividend or any rights issue (as the case may be).

In determining the Warrants Record Date, the Calculation Agent shall take into consideration the date fixed by the Security Issuer for entitlement of its securityholders to payment of the dividend or participate in the relevant rights issue, as the case may be, and shall endeavour but shall not be obligated to appoint the same date.

As at the Warrants Record Date, the Calculation Agent on behalf of the Issuer shall have sole and absolute discretion to determine the list of Warrantholders and such decision of the Calculation Agent shall be final and conclusive for the purposes of these Conditions and the obligations of the Issuer to pay any Cash Dividend or Scrip Dividend (as the case may be) or otherwise. No person who becomes registered as a holder of the relevant Warrants at any time following the Warrants Record Date shall be entitled to a Cash Dividend or Scrip Dividend payment or any entitlements.

Respect of any rights issue for the Securities, additional Instruments will be issued to entitled Instrument holders, subject to (i) the Issuer receiving written consent of the Instrument holder to participate in the corresponding rights issue of the Security; and (ii) receipt of the full payment of the USD equivalent amount by the Issuer from the Instrument holder for the subscription of such Instruments (inclusive of any applicable tax and other charges as determined by the Calculation Agent).

(b) For the purposes hereof:

"**De-listing**" means, in respect of any relevant Securities, that the Exchange announces that pursuant to the rules of such Exchange, the Securities cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in any member state of the European Union).

"**Insolvency**" means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting the Basket Security Issuer or Security Issuer, as the case may be, (i) all the Securities of that Basket Security Issuer or Security Issuer, as the case may be, are required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Securities of that Basket Security Issuer or Security Issuer, as the case may be, become legally prohibited from transferring them.

"**Merger Date**" means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent.

"**Merger Event**" means, in respect of any relevant Securities, any (i) reclassification or change of such Securities that results in a transfer of or an irrevocable commitment to transfer all of such Securities outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding security exchange of the Basket Security Issuer or Security Issuer, as the case may be, with or into another entity or person (other than a consolidation, amalgamation, merger or binding security exchange in which such Basket Security Issuer or Security Issuer, as the case may be, is the continuing entity and which does not result in any such reclassification or change of all such Securities outstanding) or (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100% of the outstanding Securities of such Basket Security Issuer or Security Issuer, as the case may be, that results in a transfer of or an irrevocable commitment to transfer all such Securities (other than such Securities owned or controlled by such other entity or person) or (iv) consolidation, amalgamation, merger or binding security exchange of the relevant Basket Security Issuer or Security Issuer, as the case may be, or its subsidiaries with or into another entity in which the Basket Security Issuer or Security Issuer, as the case may be, is the continuing entity and which does not result in a reclassification or change of all such Securities outstanding but results in the outstanding Securities (other than Securities owned or controlled by such other entity) immediately prior to such event collectively representing less than 50% of the outstanding Securities immediately following such event ("**Reverse Merger**"), in each case if the Merger Date is on or before, in the case of Physical Delivery Warrants, the relevant Actual Exercise Date or, in any other case, the final Valuation Date or where Averaging is specified in the applicable Final Terms, the final Averaging Date in respect of the relevant Warrant.

"**Nationalisation**" means that all the Securities or all the assets or substantially all the assets of the Basket Security Issuer or Security Issuer, as the case may be, are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority or entity.

"**Tender Offer**" means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10% and less than 100% of the outstanding voting securities of the Basket Security Issuer or Security Issuer, as the case may be, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

If a Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency occurs in relation to a Security, the Issuer in its sole and absolute discretion may take the action described in (i), (ii) or (iii) below:

(i) require the Calculation Agent to determine in its sole and absolute discretion (a) the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement and/or the Exercise Price and/or the Multiplier and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to account for the Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment and/or (b) in respect of a Merger Event, the whole number of replacement warrants of the Issuer relating to the securities of the successor entity under the Merger Event on substantially the same Conditions as the Warrants (save as to Exercise Date) (the "**Merger Warrants**") (any fractional Merger Warrants to be rounded down to the nearest whole Merger Warrants) to be issued by the Issuer to reflect such Merger Event and, subject to the relevant Warrantholder paying all Warrantholder's Expenses in relation thereto and, upon such determination, the Issuer will, as soon as practicable determine the effective date of that adjustment and/or the date of issue of such Merger Warrants and issue such Merger Warrants to the Warrantholders, to be distributed between Warrantholders in proportion to the ratio that each Warrantholder's holding of Warrants at the time of the issue of the Merger Warrants bears to the total number of Warrants outstanding on such date. Upon the issue of Merger Warrants to any Warrantholder, such Warrantholder's holding of Warrants will be cancelled and the Issuer shall have no further obligations in respect of such cancelled Warrants. The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency made by any options exchange to options on the Securities traded on that options exchange;

(ii) cancel the Warrants by giving notice to Warrantholders in accordance with Condition 10. If the Warrants are so cancelled the Issuer will pay an amount to each Warrantholder in respect of each Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, held by him which amount shall be the fair market value of a Warrant or a Unit, as the case may be, taking into account the Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency, as the case may be, less the cost to the Issuer of unwinding any underlying related hedging arrangements plus, if already paid, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Warrantholders in accordance with Condition 10; or

(iii) following such adjustment to the settlement terms of options on the Securities traded on such exchange(s) or quotation system(s) as the Issuer in its sole discretion shall select ("**Options Exchange**"), require the Calculation Agent to make a corresponding adjustment to any one or more of any Relevant Asset and/or the Entitlement and/or the Exercise Price and/or the Multiplier and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Options Exchange. If options on the Securities are not traded on the Options Exchange, the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement and/or the Exercise Price and/or the Multiplier and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, with reference to the rules and precedents (if any) set by the Options Exchange to account for the Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency, as the case may be, that in the determination of the Calculation Agent would have given rise to an adjustment by the Options Exchange if such options were so traded.

(c) Upon the occurrence of a Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency, the Issuer shall give notice as soon as practicable to the Warrantholders in accordance with Condition 10 stating the occurrence of the Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency, as the case may be, giving details thereof and the action proposed to be taken in relation thereto and the date from which the adjustment is effective. However, Warrantholders should be aware that there may necessarily be some delay between the time at which any of the above events occur and the time at which notice thereof is given to the Warrantholders.

(d) The Calculation Agent may in its sole discretion make any other adjustments to the Conditions of the Warrants that it deems necessary from time to time in order to maintain the theoretical value of the Warrants.

(e) By subscribing for or purchasing the Warrants, each Warrantholder acknowledges and agrees that the Issuer or any of its affiliates may make such disclosure to any legal or regulatory body or authority as the Issuer or any of its affiliates shall consider necessary or appropriate regarding the Warrants or the Hedge Positions. In addition, each Warrantholder represents to the Issuer that its purchase of the Warrants has not resulted in and will not result in any violation by itself or the Issuer of any applicable laws and regulations and such representation is deemed to be repeated at all times until the termination of the Warrants.

The Issuer shall give notice as soon as practicable to the Warrantholders in accordance with Condition 10 that a Market Disruption Event has occurred.

(3) **China Connect Service**

Where the Final Terms relating to the Warrant specifies that China Connect Service terms are applicable, Condition 3 shall be amended by adding the following defined terms in alphabetical order. The following defined terms shall be read together with, and shall supplement, those definitions under Condition 3. In respect of the same definition, the following defined terms and the definition under Condition 3 shall both apply to the extent they are reconcilable. In case of any inconsistencies, the defined terms in this section shall prevail.

"**China Connect Business Day**" means any Trading Day on which the China Connect Service is open for order-routing during its regular order-routing sessions, notwithstanding the China Connect Service closing prior to its scheduled closing time (without regard to any order-routing outside of the regular order-routing session hours).

"**China Connect Disruption**" means (i) any suspension of or limitation imposed on routing of orders (including in respect of buy orders only, sell orders only or both buy and sell orders) through the China Connect Service , relating to the share or one of the shares in a basket on the Exchange (or in the case of an Index Warrant, relating to securities that comprise 20 percent or more of the level of the relevant index) or (ii) any event (other than a China Connect Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of the market participants in general to enter orders in respect of shares through the China Connect Service (or in the case of an Index Warrant, in securities that comprise 20 percent or more of the level of the relevant index)

"**China Connect Early Closure**" means the closure on any China Connect Business Day of the China Connect Service (provided that, in the case of an Index Warrant, securities that comprise 20 percent or more of the level of the relevant Index are securities that are order-routed through the China Connect Service) prior to its scheduled closing time unless such earlier closing time is announced by SEHK or the Exchange, as the case may be, at least one hour prior to the earlier of (i) the actual closing time for order-routing through the China Connect Service on such China Connect Business Day and (ii) the submission deadline for orders to be entered into the China Connect Service system for execution on the Exchange at the Valuation Time on such China Connect Business Day.

"**China Connect Service**" means the securities trading and clearing links programme developed by the Exchange, The Stock Exchange of Hong Kong Limited ("**SEHK**"), China Securities Depository and Clearing Corporation ("**CSDCC**") and Hong Kong Securities Clearing Company Limited ("**HKSCC**"), through which (i) SEHK and/or its affiliates provides order-routing and other related services for certain eligible securities traded on the Exchange and (ii) CSDCC and HKSCC provides clearing, settlement, depository and other services in relation to such securities.

"**China Connect Service Termination**" means, on or after the Trade Date, the announcement by one or more of the Exchange, SEHK, the CSDCC, HKSCC or any regulatory authority with competent jurisdiction of a suspension or termination of the China Connect Service or a part thereof for any reason which materially affects the routing of orders in respect of, or holding of, the shares through the China Connect Service and the Calculation Agent determines that there is a reasonable likelihood that such suspension or termination is not, or will not be, temporary.

"**China Connect Share Disqualification**" means, on or after the Trade Date, the shares cease to be accepted as "China Connect Securities" (as defined in the rules of the exchange of SEHK) for the purpose of the China Connect Service.

"**Hedging Disruption**" shall include (without limitation) (i) any inability to hedge by the Hedging Party or its affiliates as a result of compliance with any foreign ownership restrictions imposed by the issuer of any share, any exchange or any court, tribunal, government or regulatory authority in the People's Republic of China excluding Hong Kong, Macau and Taiwan ("**PRC**") or Hong Kong; (ii) China Connect Share Disqualification; (iii) China Connect Service Termination; and (iv) for the avoidance of doubt, using commercially reasonable efforts to hedge the risks with respect to the Transaction referred to in Hedging Disruption does not include the use of any quota granted to such Hedging Party or its affiliates under the Qualified Foreign Institutional Investor ("**QFII**") or Renminbi Qualified Foreign Institutional Investor ("**RQFII**") schemes.

"**Market Disruption Event**" includes (i) a China Connect Disruption or (ii) a China Connect Early Closure.

"**Trading Day**" means any day that is (or, but for the occurrence of a Market Disruption Event (as set out in Condition 15), would have been) (i) a trading day of the Exchange(s) other than a day on which trading on any such Exchange is scheduled to close prior to its regular weekday closing time and, if applicable, (ii) the China Connect Service is scheduled to be open for order-routing for its regular order-routing sessions;

(C) Bond Warrants

(1) For the purposes hereof:

"**Bankruptcy**" means a Bond Issuer:

(a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);

(b) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due;

(c) makes a general assignment, arrangement, scheme or composition with or for the benefit of its creditors generally, or such a general assignment, arrangement, scheme or composition becomes effective;

(d) institutes or has instituted against it a proceeding seeking a judgement of insolvency or bankruptcy or any other similar relief under any bankruptcy or insolvency law or other law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (i) results in a judgement of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (ii) is not dismissed, discharged, stayed or restrained in each case within 30 calendar days of the institution or presentation thereof;

(e) has a resolution passed for its winding-up or liquidation (other than pursuant to a consolidation, amalgamation or merger);

(f) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;

(g) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 calendar days thereafter; or

(h) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has any analogous effect to any of the events specified in paragraphs (a) to (g) (inclusive).

"**Bond Event**" shall mean, in respect of a Bond, as determined by the Calculation Agent, the occurrence during the period from and including the Trade Date to but excluding the Valuation Date of one or more of Bond Acceleration, Bond Default, Bond Early Redemption, Bond Failure to Pay, Bond Governmental Intervention, Bond Issuer ISDA Event or Bond Restructuring, including if such Bond Event is the result of a Bond Change in Law Event. The Issuer shall give notice as soon as practicable to the Warrantholders in accordance with Condition 10 that a Bond Event has occurred.

"Bond Acceleration" means, in respect of a Bond, a Bond has become due and payable before it would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default, early redemption or other similar condition or event (however described in the terms and conditions governing such Bond).

"Bond Change in Law Event" means (i) the adoption of any change in any applicable law or regulation (including without limitation, any law or regulation in respect of tax, solvency or capital requirements) or (ii) the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority or brought in a court of competent jurisdiction).

"Bond Default" means, in respect of a Bond, a Bond has become capable of being declared due and payable before it would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default, or other similar condition or event (however described in the terms and conditions governing such Bond), notwithstanding any grace period set forth in the terms and conditions governing such Bond.

"Bond Early Redemption" means, in respect of a Bond (i) an early repayment at par of the Bond other than in accordance with its terms and conditions, (ii) an early redemption of the Bond for tax reasons in accordance with its terms and conditions, (iii) an early redemption of the Bond at, below or above par in accordance with its terms and conditions or (iv) any other early redemption and/or early repayment of the Bond in accordance with its terms and conditions, including, without limitation, any partial or total call of the Bonds by the Bond Issuer.

"Bond Failure to Pay" means, in respect of a Bond, the failure by a Bond Issuer to make, when and where due, any payment under a Bond, provided that such failure is not remedied on or before the third Business Day (included) immediately following the relevant scheduled payment date, notwithstanding any grace period set forth in the terms and conditions governing such Bond at the time of such failure.

"Bond Governmental Intervention" means, with respect to one or more Bonds that any one or more of the following events occurs as a result of action taken or an announcement made, by a governmental authority pursuant to, or by means of, a restructuring and resolution law or regulation (or any other similar law or regulation), in each case, applicable to the Bond Issuer in a form which is binding, irrespective of whether such event is expressly provided for under the terms of the Bond:

(i) any event which would affect creditors' rights so as to cause: (A) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination); (B) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination); (C) a postponement or other deferral of a date or dates for either (i) the payment or accrual of interest or (ii) the payment of principal or premium; or (D) a change in the ranking in priority of payment of any obligation under the Bond, causing the subordination of such obligation to any other obligation of the Bond Issuer;

(ii) an expropriation, transfer or other event which mandatorily changes the beneficial holder of the Bond;

(iii) a mandatory cancellation, conversion or exchange; or

(iv) any event which has an analogous effect to any of the events specified in paragraphs (i) to (iii) of this definition.

"Bond Issuer" means the issuer of the Bond as specified in the applicable Final Terms.

"Bond Issuer ISDA Event" means that there is a public announcement by ISDA of the occurrence of, in relation to the Bond Issuer, one or more of Bankruptcy, Failure to Pay, Obligation Acceleration, Obligation Default, Repudiation/Moratorium, Restructuring or Governmental Intervention as defined in this Condition 15(C)(1).

"Bond Restructuring" means that:

(a) with respect to each Bond, any one or more of the following events occurs in a form that binds any holders of such Bond (including, in each case, by way of an exchange), whether or not such event is expressly provided for or not under the terms of such Bond in effect as of the date as of which such Bond is issued or incurred: (i) any amount to be received by any holder of the Bond under the Bond would be reduced or paid in or exchanged into another form due to any Bond Change in Law Event; (ii) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals initially provided for; (iii) a reduction in the amount of principal or premium payable at maturity or at scheduled redemption dates initially provided for; (iv) a postponement, suspension or other deferral of a date or dates for either (A) the payment or accrual of interest or (B) the payment of principal or premium; (v) a change in the ranking in priority of payment of any obligation under the Bond, causing the subordination of such obligation to any other obligation of the Bond Issuer; (vi) any change in the currency or composition of any payment of interest or principal to any other currency; or (vii) any variation of the terms of the Bond.

(b) Notwithstanding the provisions of (a) above, the following will not constitute a Bond Restructuring: the payment in euro of interest or principal in relation to a Bond denominated in a currency of a Member State of the European Union that adopts or has adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union.

"Borrowed Money" means any obligation (excluding an obligation under a revolving credit arrangement for which there are no outstanding, unpaid drawings in respect of principal) for the payment or repayment of borrowed money (which term shall include, without limitation, deposits and reimbursement obligations arising from drawings pursuant to letters of credit).

"Buyer" means the party specified as such in the related Confirmation.

"Confirmation" means, with respect to a Credit Derivatives Transaction, one or more documents and other confirming evidence exchanged between the parties or otherwise effective, which taken together, confirm or evidence all of the terms of that Credit Derivatives Transaction.

"Credit Derivative Transaction" means any transaction that is identified in the related Confirmation as a Credit Derivative Transaction or any transaction that incorporates the 2014 ISDA Credit Derivatives Definitions.

"Credit Event" means, with respect to a Credit Derivative Transaction, one or more of Bankruptcy, Failure to Pay, Obligation Acceleration, Obligation Default, Repudiation/Moratorium, Restructuring or Governmental Intervention as specified in the related Confirmation.

If an occurrence would otherwise constitute a Credit Event, such occurrence will constitute a Credit Event whether or not such occurrence arises directly or indirectly from, or is subject to a defence based upon:

(A) any lack or alleged lack of authority or capacity of the Bond Issuer to enter into any Obligation or, as applicable, an Underlying Obligor to enter into any Underlying Obligation;

(B) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Obligation or, as applicable, any Underlying Obligation, however described;

(C) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described; or

(D) the imposition of, or any change in, any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described.

"Credit Derivatives Determinations Committee" means each committee established by ISDA pursuant to the DC Rules for purposes of reaching certain DC Resolutions (including, but not limited to, the determination of the occurrence of a Credit Event) in connection with "*Credit Derivative Transactions*" as more fully described in the DC Rules.

"DC Resolution" has the meaning given to that term in the DC Rules.

"DC Rules" means the Credit Derivatives Determinations Committee Rules, as published by ISDA on its website at www.isda.org (or any successor website thereto) from time to time and as amended from time to time in accordance with the terms thereof.

"DC Secretary" has the meaning given to that term in the DC Rules.

"Default Requirement" means USD 10,000,000 or the amount specified as such in the Confirmation for the applicable Credit Derivative Transaction (or in each case its equivalent in the Obligation Currency as of the occurrence of the relevant Credit Event).

"Definitions" means the 2014 ISDA Credit Derivatives Definitions.

"Deliver" means to deliver, novate, transfer (including in the case of a Guarantee, transfer of the benefit of the Guarantee), assign or sell, as appropriate, in order to convey all right, title and interest to the Seller as more fully described in the Definitions. **Delivery** and **Delivered** will be construed accordingly.

"Downstream Affiliate" means an entity, whose outstanding Voting Shares were, at the date of issuance of the Qualifying Guarantee, more than 50%. owned, directly or indirectly, by the Bond Issuer.

"**Failure to Pay**" means after the expiration of any applicable Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period), the failure by a Bond Issuer to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations in accordance with the terms of such Obligations at the time of such failure.

"Fixed Cap" means, with respect to a Guarantee, a specified numerical limit or cap on the liability of the Bond Issuer in respect of some or all payments due under the Underlying Obligation, provided that a Fixed Cap shall exclude a limit or cap determined by reference to a formula with one or more variable inputs (and for these purposes, the outstanding principal or other amounts payable pursuant to the Underlying Obligation shall not be considered to be variable inputs).

"Governmental Authority" means:

(i) any *de facto* or *de jure* government (or any agency, instrumentality, ministry or department thereof);

(ii) any court, tribunal, administrative or other governmental, inter-governmental or supranational body;

(iii) any authority or any other entity (private or public) either designated as a resolution authority or charged with the regulation or supervision of the financial markets (including a central bank) of the Bond Issuer or some or all of its obligations; or

(iv) any other authority which is analogous to any of the entities specified in paragraphs (i) to (iii) above.

"**Governmental Intervention**" means that, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs as a result of action taken or an announcement made by a Governmental Authority pursuant to, or by means of, a restructuring and resolution law or regulation (or any other similar law or regulation), in each case, applicable to the Bond Issuer in a form which is binding, irrespective of whether such event is expressly provided for under the terms of such Obligation:

(a) any event which would affect creditors' rights so as to cause: (i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination); (ii) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination); (iii) a postponement or other deferral of a date or dates for either (I) the payment or accrual of interest, or (II) the payment of principal or premium; or (iv) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation;

(b) an expropriation, transfer or other event which mandatorily changes the beneficial holder of the Obligation;

(c) a mandatory cancellation, conversion or exchange; or

(d) any event which has an analogous effect to any of the events specified in paragraphs (a) to (c).

For purposes of this definition of Governmental Intervention, the term Obligation shall be deemed to include Underlying Obligations for which the Bond Issuer is acting as provider of a Guarantee.

"**Grace Period**" means:

(a) subject to paragraphs (b) and (c) below, the applicable grace period with respect to payments under and in accordance with the terms of the relevant Obligation in effect as of the date as of which such Obligation is issued or incurred;

(b) if "Grace Period Extension" is specified as applying in the related Confirmation, a Potential Failure to Pay has occurred on or prior to the Scheduled Termination Date and the applicable grace period cannot, by its terms, expire on or prior to the relevant Scheduled Termination Date, the Grace Period will be deemed to be the lesser of such grace period and the period specified as such in the related Confirmation or, if no period is specified, 30 calendar days; and

(c) if, as of the date as of which an Obligation is issued or incurred, no grace period with respect to payments or a grace period with respect to payments of less than three Grace Period Business Days is applicable under the terms of such Obligation, a Grace Period of 3 Grace Period Business Days shall be deemed to apply to such Obligation; provided that; unless Grace Period Extension is specified as applicable in the related Confirmation, such deemed Grace Period shall expire no later than the Scheduled Termination Date.

"**Grace Period Business Day**" means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the place or places and on the days specified for that purpose in the relevant Obligation and if a place or places are not so specified, in the jurisdiction of the Obligation Currency.

"**Grace Period Extension Date**" means, if (a) Grace Period Extension is specified as applicable in the related Confirmation and (b) a Potential Failure to Pay occurs on or prior to the Scheduled Termination Date, the date that is the number of days in the Grace Period after the date of such Potential Failure to Pay. If Grace Period Extension is not specified as applicable in the related Confirmation, Grace Period Extension shall not apply to the relevant Credit Derivative Transaction.

"Guarantee" means a Relevant Guarantee or a guarantee which is the Reference Obligation.

"**Loan**" means any obligation of a type included in the Borrowed Money category that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement and shall not include any other type of Borrowed Money.

"**Market Disruption Event**" means any event that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in or obtain market values for the Bonds.

"**Multiple Holder Obligation**" means an Obligation that (i) at the time of the event which constitutes a Restructuring Credit Event is held by more than three holders that are not Affiliates of each other and (ii) with respect to which a percentage of holders (determined pursuant to the terms of the Obligation as in effect on the date of such event) at least equal to sixty-six-and two-thirds is required to consent to the event which constitutes a Restructuring Credit Event provided that any Obligation that is a Bond shall be deemed to satisfy the requirement in this subparagraph (ii) of this definition of Multiple Holder Obligation.

"Notice of Publicly Available Information" means an irrevocable notice from the Notifying Party to the other party that cites Publicly Available Information confirming the occurrence of the Credit Event or Potential Repudiation/Moratorium, as applicable, described in the Credit Event Notice or Repudiation/Moratorium Extension Notice. The notice given must contain a copy, or a description in reasonable detail, of the relevant Publicly Available Information. If "*Notice of Publicly Available Information*" is applicable to a Credit Derivative Transaction and the Credit Event Notice or Repudiation/Moratorium Extension Notice, as applicable, contains Publicly Available Information, such Credit Event Notice or Repudiation/Moratorium Extension Notice will also be deemed to be a Notice of Publicly Available Information.

"**Notifying Party**" means "Buyer or Seller" unless otherwise specified in the related Confirmation.

"**Obligation**" means: (a) any obligation of a Bond Issuer (either directly or as a provider of a Relevant Guarantee) for the payment or repayment of money (including, without limitation, Borrowed Money), including for the avoidance of doubt, the Reference Obligation.

"**Obligation Acceleration**" means one or more Obligations in an aggregate amount of not less than the Default Requirement have become due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described), other than a failure to make any required payment, in respect of a Bond Issuer under one or more Obligations.

"**Obligation Currency**" means the currency or currencies in which the Obligation is denominated.

"**Obligation Default**" means one or more Obligations in an aggregate amount of not less than the Default Requirement have become capable of being declared due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default, or other similar condition or event (however described), other than a failure to make any required payment, in respect of a Bond Issuer under one or more Obligations.

"**Payment Requirement**" means USD 1,000,000 or the amount specified as such in the Confirmation for the applicable Credit Derivative Transaction (or in each case, its equivalent in the Obligation Currency as of the occurrence of the relevant Failure to Pay or Potential Failure to Pay, as applicable).

"**Permitted Transfer**" means, with respect to a Qualifying Guarantee, a transfer to and the assumption by any single transferee of such Qualifying Guarantee (including by way of cancellation and execution of a new guarantee) on the same or substantially the same terms, in circumstances where there is also a transfer of all (or substantially all) of the assets of the Bond Issuer to the same single transferee.

"**Potential Failure to Pay**" means the failure by a Bond Issuer to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations, without regard to any grace period or any conditions precedent to the commencement of any grace period applicable to such Obligations, in accordance with the terms of such Obligations at the time of such failure.

"**Potential Repudiation/Moratorium**" means the occurrence of an event described in paragraph (i)(a) of the definition of Repudiation/Moratorium.

“Qualifying Affiliate Guarantee” means a Qualifying Guarantee provided by the Bond Issuer in respect of an Underlying Obligation of a Downstream Affiliate of the Bond Issuer.

“Qualifying Guarantee” means a guarantee evidenced by a written instrument (which may include a statute or regulation), pursuant to which the Bond Issuer irrevocably agrees, undertakes, or is otherwise obliged to pay all amounts of principal and interest (except for amounts which are not covered due to the existence of a Fixed Cap) due under an Underlying Obligation for which the Underlying Obligor is the obligor, by guarantee of payment and not by guarantee of collection (or, in either case, any legal arrangement which is equivalent thereto in form under the relevant governing law).

A Qualifying Guarantee shall not include any guarantee:

(i) which is structured as a surety bond, financial guarantee insurance policy or letter of credit (or legal arrangement which is equivalent thereto in form); or

(ii) pursuant to the terms applicable thereto, the principal payment obligations of the Bond Issuer can be discharged, released, reduced, assigned or otherwise altered as a result of the occurrence or non-occurrence of an event or circumstance, in each case other than: (a) by payment; (b) by way of Permitted Transfer; (c) by operation of law; (d) due to the existence of a Fixed Cap; or (e) due to: (A) provisions permitting or anticipating a Governmental Intervention, if "*Financial Reference Entity Terms*" is specified as applicable in the related Confirmation; or (B) any Solvency Capital Provisions, if "*Subordinated European Insurance Terms*" is specified as applicable in the related Confirmation.

If the guarantee or Underlying Obligation contains provisions relating to the discharge, release, reduction, assignment or other alteration of the principal payment obligations of the Bond Issuer and such provisions have ceased to apply or are suspended at the time of the relevant determination, in accordance with the terms of such guarantee or Underlying Obligation, due to or following the occurrence of (I) a non-payment in respect of the guarantee or the Underlying Obligation, or (II) an event of the type described in the definition of Bankruptcy in respect of the Bond Issuer or the Underlying Obligor, then it shall be deemed for these purposes that such cessation or suspension is permanent, notwithstanding the terms of the guarantee or Underlying Obligation.

In order for a guarantee to constitute a Qualifying Guarantee:

(ii) the benefit of such guarantee must be capable of being Delivered together with the Delivery of the Underlying Obligation; and

(iii) if a guarantee contains a Fixed Cap, all claims to any amounts which are subject to such Fixed Cap must be capable of being Delivered together with the Delivery of such guarantee.

“Reference Obligation” means each obligation specified as such or of a type described in the related Confirmation.

“Relevant Guarantee” means a Qualifying Affiliate Guarantee or, if “All Guarantees” is specified as applicable in the related Confirmation, a Qualifying Guarantee.

"**Repudiation/Moratorium**" means the occurrence of both of the following events:

(a) an authorised officer of a Bond Issuer or a Governmental Authority: (x) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, one or more Obligations in an aggregate amount of not less than the Default Requirement; or (y) declares or imposes a moratorium, standstill, roll-over or deferral, whether de facto or de jure, with respect to one or more Obligations in an aggregate amount of not less than the Default Requirement; and

(b) a Failure to Pay, determined without regard to the Payment Requirement, or a Restructuring, determined without regard to the Default Requirement, with respect to any such Obligation occurs on or prior to the Repudiation/Moratorium Evaluation Notice Date.

"Repudiation/Moratorium Evaluation Date" means, if a Potential Repudiation/Moratorium occurs on or prior to the date that is 14 calendar days after the Scheduled Termination Date, (i) if the Obligations to which such Potential Repudiation/Moratorium relates include Bonds, the date that is the later of (A) the date that is 60 days after the date of such Potential Repudiation/Moratorium and (B) the first payment date under any such Bond after the date of such Potential Repudiation/Moratorium (or, if later, the expiration date of any applicable Grace Period in respect of such payment date) and (ii) if the Obligations to which such Potential Repudiation/Moratorium relates do not include Bonds, the date that is 60 days after the date of such Potential Repudiation/Moratorium; provided that, in either case, the Repudiation/Moratorium Evaluation Date shall occur no later than the Scheduled Termination Date unless the Repudiation/Moratorium Extension Condition is satisfied.

"Repudiation/Moratorium Extension Condition" means a condition that is satisfied:

(A) if the DC Secretary publicly announces, pursuant to a valid request that was delivered and effectively received, that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Potential Repudiation/Moratorium for purposes of the relevant Credit Derivative Transaction has occurred with respect to an Obligation of the Bond Issuer and that such event occurred on or prior to the Scheduled Termination Date, or

(B) otherwise, by the delivery by the Notifying Party to the other party of a Repudiation/Moratorium Extension Notice and unless Notice of Publicly Available Information is specified as "*Not applicable*" in the related Confirmation, a Notice of Publicly Available Information that are each effective on or prior to the date that is fourteen calendar days after the Scheduled Termination Date.

In all cases, the Repudiation/Moratorium Extension Condition will be deemed not to have been satisfied, or not capable of being satisfied, if, or to the extent that, the DC Secretary publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved that either (i) an event does not constitute a Potential Repudiation/Moratorium for purposes of the relevant Credit Derivative Transaction with respect to an Obligation of the Bond Issuer or (ii) an event that constitutes a Potential Repudiation/Moratorium for purposes of the relevant Credit Derivative Transaction has occurred with respect to an Obligation of the Bond Issuer but that such event occurred after the Scheduled Termination Date.

"Repudiation/Moratorium Extension Notice" means an irrevocable notice from the Notifying Party to the other party that describes a Potential Repudiation/Moratorium that occurred on or prior to the Scheduled Termination Date. A Repudiation/Moratorium Extension Notice must contain a description in reasonable detail of the facts relevant to the determination that a Potential Repudiation/Moratorium has occurred and indicate the date of the occurrence. The Potential Repudiation/Moratorium that is the subject of the Repudiation/Moratorium Extension Notice need not be continuing on the date the Repudiation/Moratorium Extension Notice is effective.

"Resolve" has the meaning given to it in the DC Rules, and "*Resolved*" and "*Resolves*" shall be construed accordingly.

"**Restructuring**" means that,

(A) with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs in a form that binds all holders of such Obligation, is agreed between a Bond Issuer or a Governmental Authority and a sufficient number of holders of such Obligation to bind all the holders of the Obligation or is announced (or otherwise decreed) by a Bond Issuer or a Governmental Authority in a form that binds all holders of such Obligation, and such event is not expressly provided for under the terms of such Obligation in effect as of the later of (i) the Credit Event Backstop Date applicable to a Series and (ii) the date as of which such Obligation is issued or incurred:

(a) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals;

(b) a reduction in the amount of principal or premium payable at maturity or at scheduled redemption dates;

(c) a postponement or other deferral of a date or dates for either (i) the payment or accrual of interest or (ii) the payment of principal or premium;

(d) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation; or

(e) any change in the currency or composition of any payment of interest or principal to any currency which is not a Permitted Currency;

(B) Notwithstanding the above provisions, none of the following shall constitute a Restructuring:

(i) the payment in euros of interest or principal in relation to an Obligation denominated in a currency of a Member State of the European Union that adopts or has adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union;

(ii) the occurrence of, agreement to or announcement of any of the events described in (a) to (e) above due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and

(iii) the occurrence of, agreement to or announcement of any of the events described in (a) to (e) above in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Bond Issuer.

For the purposes of the definition of Restructuring and Multiple Holder Obligation, the term Obligation shall be deemed to include Underlying Obligations for which the Bond Issuer is acting as provider of a Guarantee. In the case of a Guarantee and an Underlying Obligation, references to the Bond Issuer in paragraph (A) above shall be deemed to refer to the Underlying Obligor and the reference to the Bond Issuer in paragraph (B) above shall continue to refer to the Bond Issuer.

"Scheduled Termination Date" means the date specified as such in the related Confirmation.

"Seller" means the party specified as such in the related Confirmation.

"Subordination" means, with respect to an obligation (the **Second Obligation**) and another obligation of the Bond Issuer to which such obligation is being compared (the **First Obligation**), a contractual, trust or similar arrangement providing that (i) upon the liquidation, dissolution, reorganisation or winding-up of the Bond Issuer, claims of the holders of the First Obligation are required to be satisfied prior to the claims of the holders of the Second Obligation or (ii) the holders of the Second Obligation will not be entitled to receive or retain payments in respect of their claims against the Bond Issuer at any time that the Bond Issuer is in payment arrears or is otherwise in default under the First Obligation.

"Underlying Obligation" means, with respect to a guarantee, the obligation which is the subject of the guarantee.

"**Underlying Obligor**" means with respect to an Underlying Obligation, the issuer in the case of a Bond, the borrower in the case of a Loan, or the principal obligor in the case of any other Underlying Obligation.

"Voting Shares" means the shares or other interests that have the power to elect the board of directors or similar governing body of an entity.

(2) Bond Event

If a Bond Event occurs in relation to a Bond, the Issuer in its sole and absolute discretion may take the action described in (i) or (ii) below:

(i) require the Calculation Agent to determine in its sole and absolute discretion (a) the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement and/or the Exercise Price and/or the Multiplier and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to account for the Bond Event and determine the effective date of that adjustment; or

(ii) cancel the Warrants by giving notice to Warrantholders in accordance with Condition 10. If the Warrants are so cancelled the Issuer will pay an amount to each Warrantholder in respect of each Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, held by him which amount shall be the fair market value of a Warrant or a Unit, as the case may be, taking into account the Bond Event, less the cost to the Issuer of unwinding any underlying related hedging arrangements plus, if already paid, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Warrantholders in accordance with Condition 10.

Upon the occurrence of a Bond Event, the Issuer shall give notice as soon as practicable to the Warrantholders in accordance with Condition 10 stating the occurrence of the Bond Event, giving details thereof and the action proposed to be taken in relation thereto and the date from which the adjustment is effective. However, Warrantholders should be aware that there may necessarily be some delay between the time at which any of the above events occur and the time at which notice thereof is given to the Warrantholders.

By subscribing for or purchasing the Warrants, each Warrantholder acknowledges and agrees that the Issuer or any of its affiliates may make such disclosure to any legal or regulatory body or authority as the Issuer or any of its affiliates shall consider necessary or appropriate regarding the Warrants or the Hedge Positions. In addition, each Warrantholder represents to the Issuer that its purchase of the Warrants has not resulted in and will not result in any violation by itself or the Issuer of any applicable laws and regulations and such representation is deemed to be repeated at all times until the termination of the Warrants.

(3) Conversion

If the Bond is convertible bond or exchangeable bond, upon conversion, the Warrant shall become Warrant over such underlying security and the Calculation Agent shall adjust the terms of such Warrant as it deems appropriate to account for such conversion. The terms applicable to Security Warrant shall be applicable to the Bond Warrant in a similar manner as the context requires.

16. Adjustments for European Monetary Union

The Issuer may, without the consent of the Warrantholders, on giving notice to the Warrantholders in accordance with Condition 10:

(i) elect that, with effect from the Adjustment Date specified in the notice, certain terms of the Warrants shall be redenominated in euro.

The election will have effect as follows:

(A) where the Settlement Currency of the Warrants is the National Currency Unit of a country which is participating in the third stage of European Economic and Monetary Union, such Settlement Currency shall be deemed to be an amount of euro converted from the original Settlement Currency into euro at the Established Rate, subject to such provisions (if any) as to rounding as the Issuer may decide, after consultation with the Calculation Agent, and as may be specified in the notice, and after the Adjustment Date, all payments of the Cash Settlement Amount in respect of the Warrants will be made solely in euro as though references in the Warrants to the Settlement Currency were to euro;

(B) where the Exchange Rate and/or any other terms of these Terms and Conditions are expressed in or, in the case of the Exchange Rate, contemplate the exchange from or into, the currency ("**Original Currency**") of a country which is participating in the third stage of European Economic and Monetary Union, such Exchange Rate and/or any other terms of these Terms and Conditions shall be deemed to be expressed in or, in the case of the Exchange Rate, converted from or, as the case may be into, euro at the Established Rate; and

(C) such other changes shall be made to these Terms and Conditions as the Issuer may decide, after consultation with the Calculation Agent to conform them to conventions then applicable to instruments expressed in euro; and/or

(ii) require that the Calculation Agent make such adjustments to the Multiplier and/or the Settlement Price and/or the Exercise Price and/or any other terms of these Terms and Conditions and/or the Final Terms as the Calculation Agent, in its sole discretion, may determine to be appropriate to account for the effect of the third stage of European Economic and Monetary Union on the Multiplier and/or the Settlement Price and/or the Exercise Price and/or such other terms of these Terms and Conditions.

Notwithstanding the foregoing, none of the Issuer, the Calculation Agent and the Warrant Agents shall be liable to any Warrantholder or other person for any commissions, costs, losses or expenses in relation to or resulting from the transfer of euro or any currency conversion or rounding effected in connection therewith.

In this Condition, the following expressions have the following meanings:

"**Adjustment Date**" means a date specified by the Issuer in the notice given to the Warrantholders pursuant to this Condition which falls on or after the date on which the country of the Original Currency first participates in the third stage of European Economic and Monetary Union pursuant to the Treaty;

"**Established Rate**" means the rate for the conversion of the Original Currency (including compliance with rules relating to rounding in accordance with applicable European Community regulations) into euro established by the Council of the European Union pursuant to first sentence of Article 109 *l*(4) of the Treaty;

"**euro**" means the currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty;

"**National Currency Unit**" means the unit of the currency of a country, as those units are defined on the day before the date on which the country of the Original Currency first participates in the third stage of European Economic and Monetary Union; and

"**Treaty**" means the treaty establishing the European Community, as amended.

17. Additional Representations

If the Warrants are directly or indirectly linked to China A shares, the Warrants may not be offered, sold or delivered, or offered or sold or delivered to any person for reoffering or resale or redelivery, in any such case directly or indirectly, in the PRC, or to any Domestic Investor as defined in the Administrative Rules of Securities Accounts of China Securities Depository and Clearing Corporation Limited. China A shares refer to shares of companies incorporated in the PRC, traded on stock exchanges in the PRC and which are denominated in renminbi.

"**Domestic Investor**" is defined in the Administrative Rules of Securities Accounts of China Securities Depository and Clearing Corporation Limited and includes the following:

(i) PRC citizens resident in the PRC (excluding Hong Kong, Macau and Taiwan);

(ii) PRC citizens resident outside the PRC who are not permanent residents of another country or permanent residents of Hong Kong, Macau or Taiwan;

(iii) Legal persons registered in the PRC (excluding Hong Kong, Macau and Taiwan).

"**Legal persons registered in the PRC**" excludes foreign entities incorporated or organised in other jurisdictions even though they may have an office (i.e. a branch) in the PRC.

"**PRC citizens**" used in the rules do not include persons who are permanent residents of Hong Kong, Macau or Taiwan.

Each purchaser of the Warrants linked to China A Shares therefore represents to the Issuer that:

(a) it is not a Domestic Investor;

(b) it is not owned in whole or in part, directly or indirectly, by one or more Domestic Investors;

(c) it will not sell, transfer, assign, novate or otherwise dispose of Warrants linked to A shares to any transferee without prior written consent of Macquarie Bank Limited;

(d) all amounts paid or to be paid by it under the Warrants do not involve money financed by or sourced from any Domestic Investor.

Each purchaser of the Warrants linked to Taiwan listed shares is deemed to have represented, warranted and undertaken to the Issuer upon its purchase of the Warrants that (1) it is not purchasing the Warrants for the specific benefit or account of (i) any residents of the PRC, corporations in the PRC, or corporations outside the PRC that are beneficially owned by residents of the PRC or (ii) any residents of the Republic of China ("**Taiwan**"), corporations in Taiwan, or corporations outside Taiwan that are beneficially owned by residents of Taiwan; (2) it will not sell, transfer, assign, novate or otherwise dispose of the Warrants to or for the specific benefit or account of (i) any residents of the PRC, corporations in the PRC, or corporations outside the PRC which are beneficially owned by residents of the PRC or (ii) any residents of Taiwan, corporations in Taiwan, or corporations outside Taiwan which are beneficially owned by residents of Taiwan; and details of the Warrants (including the identity of the Warrantholder) may, (a) upon request or order by any competent authority, regulatory or enforcement organisation, governmental or otherwise, including the stock exchange on which the underlying shares are listed, (b) as required by applicable law, rules, regulations, codes or guidelines (whether having the force of law or otherwise), be disclosed in accordance with such request, order, law, rules, regulations, codes or guidelines (whether such disclosure is to be made to third parties or otherwise), and releases a party (and its Affiliates) from the duty of confidentiality owed to the other in relation to such information; and (3) it is not (i) a shareholder holding directly or indirectly through nominees more than ten percent (10%) of the shares issued by, or a director, supervisor or manager of, a Taiwan company the shares of which are traded on the Taiwan Stock Exchange or Taipei Exchange which are the underlying of the Warrant ("**Insider**") or (ii) a person or entity which would be deemed to be a "nominee" of an Insider.

Consequences of misrepresentations

If any of the representations as set out in the preceding paragraph proves to be incorrect or misleading in any material respect when made or repeated or deemed to have been made or repeated; or if a Warrantholder fails to comply with or perform any agreement or obligation undertaken by it in the above representations, the Issuer may early terminate the relevant Warrants at the fair market value less any hedging cost as determined by the Calculation Agent in its sole and absolute discretion.

18. Contracts (Rights of Third Parties) Act 1999

The Warrants do not confer on a third party any right under the Contracts (Rights of Third Parties) Act 1999 ("**Act**") to enforce any term of the Warrants but this does not affect any right or remedy of a third party which exists or is available apart from the Act.

Form of Final Terms

Final Terms for an issue by Macquarie Bank Limited under the Warrant Programme for the issue of Warrants relating to a single Security, a Basket of Securities, a single Index, a Basket of Indices, a single Bond or a Basket of Bonds.

FINAL TERMS

Date: [•]
Series No.: [•]

MACQUARIE BANK LIMITED
(ABN 46 008 583 542)

[Issue Size] [Call/Put] Warrants
relating to the [ordinary shares of [Security Issuer]]/ [Index]/ [Bond]

issued pursuant to the Macquarie Bank Limited
Warrant Programme

This document constitutes the Final Terms in relation to the issue of Warrants as described herein. Terms used herein shall have the meanings given to them in the base prospectus dated 14 November 2024 [and the Supplement dated [•] (together,] the "**Prospectus**") issued in relation to the programme for the issue of Warrants by Macquarie Bank Limited (the "**Programme**"). These Final Terms must be read in conjunction with the Prospectus.

These Final Terms must be read in conjunction with the Prospectus and any supplement, which are published on the website of the Luxembourg Stock Exchange: www.luxse.com. In order to get the full information both the Prospectus (and any supplement) and these Final Terms must be read in conjunction. A summary of the individual issue is annexed to these Final Terms.

Type	[American Style / European Style] [Cash Settled / Physical Delivery] [Call / Put] Warrants relating to the [ordinary shares of [Security Issuer] / [Basket of Securities]] / [Index]/ [Basket of Indices]/ [Bond]/ [Basket of Bonds] [with coupon]
Issue Size	[•]
Issue Date	[•]
Issue Price per Warrant	[Currency] [Issue Price]
Exercise Price	[Currency] [•]
Payout of the Warrants	[For Cash Settled Warrants: Hedge Execution: Applicable/ Not applicable

	Cash Settlement Amount Percentage: [•] [Calculation Amount: [•] Calculation Period: From [and including]/[but excluding] [•] to [and including]/[but excluding] [•] [Coupon Amount: [•]] Coupon Payment Date: [•] Coupon Rate: [•] [p.a.]] Cash Dividend: Applicable/ Not applicable [Cash Dividend Percentage: [•]] [Trade Date: [•]] [Units: [•]] [Entitlement: [•]] [Multiplier: [•]] [Relevant Time: [•]] [Exchange Rate: [•]] Averaging: Applicable/ Not applicable [Averaging Dates: [•]] [[Omission] / [Postponement]/ [Modified Postponement] applies] [Knock-out Event : Applicable Knock-out Determination Date : [•] Observation Price : [•][, provided that if such price or a component for determining such price is not available for whatever reason, a price determined by the Calculation Agent using its good faith estimate] Knock-out Level : [•] Knock-out Redemption Amount : [•] Knock-out Settlement Date : [•]]
Settlement Currency	[•]

Exercise Date/ expiration date/ Exercise Period	[•]
Settlement Date	[the date determined by the Calculation Agent being no later than the fifth Business Day following the Valuation Date, or as amended by the Calculation Agent from time to time without notification, provided that if a Market Disruption Event has resulted in a Valuation Date for the Securities being adjusted as set out in the definition of "Valuation Date" in Condition 3, the Settlement Date shall be the fifth Business Day next following the last occurring Valuation Date in relation to the Securities.]/ [•]
Underlying/ Relevant Asset	[Security / Index/ Basket of Securities/ Basket of Indices/ Bond/ Basket of Bonds] [name(s) of the issuer of the Security or Basket of Securities/ Bond or Basket of Bonds] [ISIN of the underlying] [the relevant weighting of each security within a basket of securities and where pricing information is available] [Where the underlying is an index need to include the name of the index, the name of the index sponsor and details of where the information about the index can be obtained, where the underlying is a basket if indices, information relating to the relevant weightings of each index in the basket] [Where the underlying is an index, include: [specify benchmark(s)] [is/are] provided by [insert administrator(s) legal name(s)] [repeat as necessary]. [As at the date of these Final Terms, [insert administrator(s) legal name(s)] [appear[s]]/[[does]/[do] not appear] [repeat as necessary] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmark Regulation. [As far as the Issuer is aware, [[insert benchmark(s)] [does/do] not fall within the scope of the Benchmark Regulation by virtue of Article 2 of that Regulation] [repeat as necessary] OR [the transitional provisions in Article 51 of the Benchmark Regulation apply], such that [insert administrator(s) legal name(s)] [is/are] not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition,

	endorsement or equivalence). [repeat as necessary].]] [China Connect Service terms are applicable.]
Put/Call Options	[Issuer Call: Applicable / Not Applicable (i) Optional Redemption Amount(s) of each Warrant: [[ ] per Calculation Amount] /[An amount calculated by the Issuer as the Cash Settlement Amount payable by the Issuer as if the Optional Redemption Date were the Valuation Date.] (ii) If redeemable in part: (a) Minimum Redemption Amount: [ ]/[Not applicable because redeemable in full only] (b) Maximum Redemption Amount: [ ]/ [Not applicable because redeemable in full only] (iii) Notice period: Minimum period: [] Maximum period: [] (iv) Optional Redemption Period: [ ] (v) Optional Redemption Settlement Date: [ ] [Investor Put: Applicable / Not Applicable (i) Optional Redemption Amount(s) of each Warrant: [[ ] per Calculation Amount] /[An amount calculated by the Issuer as the Cash Settlement Amount payable by the Issuer as if the Optional Redemption Date were the Valuation Date.] (ii) If redeemable in part: (a) Minimum Redemption Amount: [ ]/[Not applicable because redeemable in full only] (b) Maximum Redemption Amount: [ ]/ [Not applicable because redeemable in full only] (iii) Notice period: Minimum period: [] Maximum period: [] (iv) Optional Redemption Period: [ ] (v) Optional Redemption Settlement Date: [ ]

Limitation on rights	Maximum Exercise Number: [•] Minimum Exercise Number: [•]
Euroclear and Clearstream name and address	[Euroclear Bank S.A./N.V., 1 Boulevard du Roi Albert II, B-1210 Brussels, Luxembourg] [Clearstream Banking S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg, Luxembourg]
Net proceeds	[•]
Expenses and taxes	[•]
Interest of natural and legal persons involved in the issue	[So far as the Issuer is aware, no person involved in the issue of the Warrants has an interest material to the offer.]/ [•]
Third party information	[Not Applicable / The information included in these Final Terms under "Additional provisions relating to the underlying" (the "Underlying Information") consists of extracts from or summaries of information that is publicly available free of charge on [source] in respect of the Underlying and is not necessarily the latest information available. The Issuer accepts responsibility for accurately extracting and summarising the Underlying Information. As far as the Issuer is aware, no facts have been omitted which would render the reproduced information inaccurate or misleading. No further or other responsibility (express or implied) in respect of the Underlying Information is accepted by the Issuer.]
Listing and admission to trading	[Not Applicable] / [Application [has been] [will be] made by the Issuer (or on its behalf) for the Warrants to be admitted to trading on the [professional segment of the Euro MTF Market and listed on the Official List of the Luxembourg Stock Exchange to which only Qualified Investors can have access for the purposes of trading in such securities]][with effect from, at the earliest the Issue Date.] [In the case of a further issue, include: The existing Warrants are [unlisted]/ [listed on the Luxembourg Stock Exchange]]
Placing and Underwriting	[Not applicable] / [name and address of the coordinators, placers, paying agents, depository agents in each country, entities agreeing to

	underwrite the issue on a firm commitment or under “best efforts” agreements whether partially or not, and date of underwriting agreement]
Yield to final maturity	[Not applicable] [Specify details]
Representation of debt security holders including an identification of the organisation representing the investors and provisions applying to such representation. Indication of where the public may have access to the contracts relation to these forms of representation	[Not applicable] [Specify details]
ISIN	[•]
Common Code	[•]
Information about the past and the further performance of the underlying and its volatility can be obtained from	[•]
Additional provisions relating to the underlying	[Country of Incorporation: [•]] [Place of Listing: [•]] [Date of Listing: [•]] [Par Value: [•]] [Financial information: [•]] [Dividend information: [•]] [Historical price/level information: [•]]

Macquarie Bank Limited

Information about Macquarie Bank Limited

Macquarie Bank Limited (ABN 46 008 583 542) is registered as an Australian public company with ASIC. It is listed in the Australian Business Register and is headquartered in Sydney.

MBL's registered office and principal place of business is Level 1, 1 Elizabeth Street, Sydney, New South Wales, 2000, Australia. The telephone number of its principal place of business is +612-8232-3333.

Legal identifier (LEI) of Macquarie Bank is 4ZHCHI4KYZG2WVRT8631. The website of Macquarie Bank is www.macquarie.com. This website and any other websites referenced in this Base Prospectus are for information purposes only and do not form part of this Base Prospectus.

Macquarie Bank is a public company constituted with limited liability under the laws of the Commonwealth of Australia. It is regulated by APRA as an ADI in Australia and by the Financial Conduct Authority in the United Kingdom as to banking business with Professional and Eligible Counterparties.

MBL, the predecessor of MGL, has its origins as the merchant bank Hill Samuel Australia Limited, created in 1969 as a wholly owned subsidiary of Hill Samuel & Co Limited, London. MBL was incorporated on 26 April 1983 under the Companies Act 1981. MBL obtained an Australian banking license as MBL in 1985 and in 1996, MBL was publicly listed on the ASX.

MBL's ordinary shares were listed on the ASX from 29 July 1996 until the corporate restructuring of the Macquarie Group in November 2007. As part of the restructure MBL became an indirect wholly-owned subsidiary of MGL, a new ASX-listed company comprising a "**Banking Group**" (consisting of Macquarie B.H. Pty Limited (the direct parent of MBL) and its subsidiaries including MBL) and a "**Non-Banking Group**" (consisting of MGL, Macquarie Financial Limited and its subsidiaries and Macquarie Asset Management Holdings Pty Ltd and its subsidiaries). Although MBL's ordinary shares are no longer listed on the ASX, certain debt securities continue to be listed on the ASX and, accordingly, MBL remains subject to the disclosure and other requirements of the ASX as they apply to companies with debt securities listed on the ASX.

At 30 September 2024 Macquarie Bank Group employed over 15,700 people and had total assets of A$345.3 billion, a Harmonised Basel III Tier 1 capital ratio of 19.6%, a Harmonised Basel III Common Equity Tier 1 ratio of 17.6% and total equity of A$21.1 billion. For the half year ending 30 September 2024, Macquarie Bank Group's net operating income was A$5.5 billion and profit attributable to ordinary equity holders was A$1.2 billion.

As an Australian company, MBL has the legal capacity and powers of an individual both in and outside Australia.

Organisational Structure

The Macquarie Bank Group comprises two operating groups: Banking & Financial Services and Commodities & Global Markets. Certain assets of the Financial Markets business and certain activities of the Commodity Markets and Finance business, and some other less financially significant activities are undertaken from within the Non-Banking Group.

The Macquarie Bank Group currently provides services to both the Macquarie Bank Group and the Non-Banking Group through the Corporate segment. The Corporate segment is not considered an operating group and includes the following Central Service Groups: Corporate Operations Group, Financial Management Group, Risk Management Group, Legal and Governance Group and Central Executive. Services from these Central Service Groups include: risk management, finance, technology, operations, group treasury, human resources, workplace, legal and corporate governance, corporate affairs, taxation services, strategy, operational risk management, data and transformation, resilience and global security, central executive services, and other services as may be agreed from time to time.

Macquarie Bank Group will continue to monitor and review the appropriateness of the Macquarie Group structure. From time to time, the optimal allocation of its businesses between the Macquarie Bank Group and the Non-Banking Group and within the Macquarie Bank Group and the Non-Banking Group may be adjusted and it may make changes in light of relevant factors including business growth, regulatory considerations, market developments and counterparty considerations.

Business Group Overview

Banking and Financial Services

Banking & Financial Services is in the Banking Group and comprises MBL's retail banking and financial services business, providing a diverse range of personal banking, wealth management and business banking products and services to retail clients, advisers, brokers and business clients. Banking & Financial Services does not operate in the United Kingdom or European Union.

Commodities & Global Markets (excluding certain assets of the Credit Markets business and certain activities of the Commodity Markets and Finance business, and some other less financially significant activities)

Commodities and Global Markets is a global business offering capital and financing, risk management, market access and physical execution and logistics solutions across three distinct business lines: Commodities, Financial Markets and Asset Finance.

Indication of any Significant New Products and/or Activities

Any indication of significant new products and/or activities (if any) is described in Note 3 of Macquarie Bank's 2025 Interim Report for the half-year ended 30 September 2024.

Trend Information

Except as may be described in this Base Prospectus (including as set out under "Risk Factors" on pages 14 to 43 inclusive of this Base Prospectus) or released to the ASX in compliance with the continuous disclosure requirements of the Listing Rules of the ASX, there are no known trends, uncertainties, demands, commitments or events that have had a material adverse change on Macquarie Bank's prospects since the financial year ended 31 March 2024.

Profit Estimate

Macquarie Bank does not make profit forecasts or estimates.

Major Shareholders

As at the date of this Base Prospectus, Macquarie B.H. Pty Ltd (ABN 86 124 071 432) is the sole ordinary shareholder of Macquarie Bank. Macquarie B.H. Pty Ltd is wholly-owned by MGL.

Lawsuits and Contingent liabilities

Macquarie Bank is an indirect subsidiary of MGL. Macquarie Group is a large diversified Australian-based financial institution with a long and successful history. Like any financial institution, Macquarie Group is subject to lawsuits from time to time. Where appropriate, a provision is made or contingent liability recognised in respect of any such claims. An assessment of likely losses is made on a case-by-case basis for the purposes of Macquarie Group's consolidated financial statements and specific provisions that Macquarie Group considers appropriate are made, as described in the Notes to Macquarie Group's consolidated financial statements for the year ended 31 March 2024.

There are no other, nor have there been, any other governmental, legal or arbitration proceedings (including any proceedings which are pending or threatened of which Macquarie Bank or the Macquarie Group is aware) in the 12 month period prior to the date of this document which may have or have had a significant effect on the financial position or profitability of Macquarie Bank.

Germany

Macquarie Bank was one of over 100 financial institutions involved in the German dividend trading market. Nearly a dozen criminal trials related to cum-ex have been or are being prosecuted against individuals in German courts and there have been a number of convictions. Macquarie Bank's historical involvement in that market included short selling-related activities and acting as a lender to third parties who undertook dividend trading.

The Cologne Prosecutor's Office is investigating Macquarie Bank's historical activities. Under German law, companies cannot be criminally prosecuted, but they can be added as ancillary parties to the trials of certain individuals. Ancillary parties may be subject to confiscation orders requiring the disgorgement of profits.

As part of their ongoing industry-wide investigation, the German authorities have designated as suspects approximately 100 current and former Macquarie Group staff members, including the current Macquarie Group CEO. Most of these individuals are no longer at the Macquarie Group. Macquarie Group has been responding to the German authorities' requests for information about its historical activities and expects former and current Macquarie Group employees to participate in interviews with German authorities over the coming months.

Since 2018, a number of German civil claims have been brought against Macquarie Bank by investors in a group of independent investment funds financed by Macquarie Bank to undertake German dividend trading in 2011, who seek total damages of approximately €59 million. The funds were trading shares around the dividend payment dates where investors were seeking to obtain the benefit of dividend withholding tax credits. The investors' credit claims were refused and there was no loss to the German revenue authority. Macquarie Bank strongly disputes these claims noting that it did not arrange, advise or otherwise engage.

Macquarie Group has provided for these matters.

Regulatory and supervision developments

Significant regulatory changes that may affect our businesses are expected in the various markets in which we operate. The following is a summary of significant regulatory and supervision developments in Australia, the United States, the United Kingdom and other jurisdictions for the Macquarie Bank Group. This summary also describes certain regulators and regulatory regimes applicable to the Macquarie Group, including MGL as the authorised non-operating holding company ("**NOHC**") for the Banking Group and the Non-Banking Group.

Australia

In Australia, the principal regulators that supervise and regulate the Macquarie Group's activities are APRA, the RBA, the Australian Securities and Investments Commission ("**ASIC**"), ASX Limited (as the operator of the Australian Securities Exchange ("**ASX**") market), Australian Securities Exchange Limited (as the operator of the ASX24 market), the Australian Competition and Consumer Commission ("**ACCC**") and the Australian Transaction Reports and Analysis Centre ("**AUSTRAC**").

Set out below is a summary of certain key Australian legislative and regulatory provisions that are applicable to our operations.

APRA

APRA is the prudential regulator of the Australian financial services industry, focused on ensuring financial promises are met within a stable, efficient and competitive financial system. Under the Australian Banking Act, MBL is an authorised deposit-taking institution ("**ADI**"), and MGL is a NOHC and, as such, both are regulated by APRA. MBL and MGL have corporate governance and policy frameworks designed to meet APRA's requirements for ADIs and NOHCs, respectively.

Under the Australian Banking Act, APRA has powers to issue directions to MGL and MBL and, in certain circumstances, to appoint a Banking Act statutory manager to take control of MBL's business. In certain circumstances, APRA may require MBL to transfer all or part of its business to another entity under the Financial Sector (Transfer and Restructure) Act 1999 (the "**Australian FSTR Act**"). A transfer under the Australian FSTR Act overrides anything in any contract or agreement to which MBL is a party to, including the terms of its debt securities. APRA's powers under the Australian Banking Act and Australian FSTR Act are discretionary and may be more likely to be exercised by it in circumstances where MGL or MBL is in material breach of applicable banking laws and/or regulations or is in financial distress. In these circumstances, APRA is required to have regard to protecting the interests of MBL's depositors and to the stability of the Australian financial system, but not necessarily to the interests of other creditors of MGL and MBL.

In its supervision of ADIs, APRA focuses on capital adequacy, liquidity, market risk, credit risk, operational risk, associations with related entities, large exposures to unrelated entities and funds management, securitisation, covered bonds activities and climate change financial risk. APRA also focuses on the supervision of non-financial risks including outsourcing, business continuity management, information security, governance, accountability, remuneration and risk culture.

The Macquarie Group has established a remediation plan with APRA to strengthen MBL's governance, culture, structure and remuneration to ensure full and ongoing compliance with prudential standards and management of MBL-specific risks.

RBA

In exercising its powers, APRA works closely with the RBA. The RBA is Australia's central bank and an active participant in the financial markets. It also manages Australia's foreign reserves, issues Australian currency notes, serves as banker to the Australian government and, through the Payment Systems Board (the board of the RBA is responsible for the RBA's payments system policy), supervises the payments system and sets the target cash rate.

ASIC

ASIC is Australia's corporate, markets and financial services regulator, which regulates Australian companies, financial markets, financial services organisations and professionals who deal and advise in investments, superannuation, insurance, deposit taking and credit. ASIC is also responsible for consumer protection, monitoring and promoting market integrity and licensing in relation to the Australian financial system.

ASX

ASX is Australia's primary securities market. MGL's ordinary shares are listed on ASX. MBL and MGL each have a contractual obligation to comply with ASX's listing rules, which have the statutory backing of the Australian Corporations Act.

ACCC

The ACCC is Australia's competition regulator. Its key responsibilities are to ensure that corporations do not act in a way that may have the effect of eliminating or reducing competition, and to oversee product safety and liability issues, pricing practices and third-party access to facilities of national significance. The ACCC's consumer protection activities complement those of Australia's state and territory consumer affairs agencies that administer the unfair trading legislation of those jurisdictions.

AUSTRAC

AUSTRAC is Australia's anti-money laundering and counter-terrorism financing regulator and specialist financial intelligence unit. It works collaboratively with Australian industries and businesses (including certain entities of the Macquarie Group) in their compliance with anti-money laundering and counter-terrorism financing legislation. As Australia's financial intelligence unit, AUSTRAC contributes to investigative and law enforcement work to combat money laundering, terrorism financing, organised and financial crime, tax evasion and to prosecute criminals in Australia and overseas.

Australian regulatory developments

Capital adequacy

APRA's approach to the assessment of an ADI's capital adequacy is based on the risk-based capital adequacy framework set out in the Basel Committee on Banking Supervision's ("**Basel Committee**") publications.

APRA has stipulated a capital adequacy framework that applies to MBL as an ADI and MGL as a NOHC. In the case of Macquarie Group, this framework is set out in MGL's NOHC Authority.

On 9 December 2022, APRA released the final versions of the transitional and new Prudential Standard APS 330 Public Disclosure ("**APS 330**"). The updates to APS 330 are to align Pillar 3 disclosures with updated international standards for public disclosures as set by the Basel Committee and with APRA's revised bank capital framework. Since 1 January 2023, the transitional APS 330 has required ADIs to make public disclosures that are consistent with the new capital framework until the new disclosure standard becomes effective on 1 January 2025.

On 21 September 2023, APRA released a discussion paper on the challenges of using Additional Tier 1 ("**AT1**") capital instruments in a potential bank stress scenario in an Australian context, particularly given the unusually large proportion of AT1 issued by Australian ADIs that is held by retail investors. On 10 September 2024, APRA released a discussion paper outlining potential amendments to APRA's prudential framework to replace AT1 capital instruments with other forms of capital. APRA's proposed changes are expected to support resolution by minimising the risks associated with AT1 capital instruments and simplifying the resolution process. As part of this proposal, APRA expects that AT1 capital instruments would be predominantly replaced with Tier 2 capital instruments. Following this discussion paper, APRA intends to undertake a formal consultation on any amendments to APRA's prudential framework and has indicated that it expects the effective date for any such amendments will be in January 2027.

Liquidity

APRA's liquidity standard ("**APS 210**") details the local implementation of the Basel III liquidity framework for Australian banks. In addition to a range of qualitative requirements, APS 210 incorporates the Liquidity Coverage Ratio ("**LCR**") and the Net Stable Funding Ratio ("**NSFR**"). The LCR and NSFR apply specifically to MBL (the regulated ADI in the Macquarie Group). As an APRA authorised and regulated NOHC, MGL is required to manage liquidity in compliance with APS 210's qualitative requirements.

The LCR requires unencumbered liquid assets be held to cover expected net cash outflows under a combined "idiosyncratic" and market-wide stress scenario lasting 30 calendar days. Under APS 210, the eligible stock of high-quality liquid assets ("**HQLA**") includes notes and coin balances held with central banks, Australian dollar Commonwealth Government and semi-government securities, any Committed Liquidity Facility ("**CLF**") allocation, as well as certain HQLA-qualifying foreign currency securities. Consistent with the industry-wide phase out of the CLF, MBL's CLF allocation reduced to zero as at December 2022. Since May 2022, APRA has imposed a 25% add-on to the net cash outflow component of MBL's LCR calculation.

The NSFR is a 12-month structural funding metric, requiring that "available stable funding" be sufficient to cover "required stable funding", where "stable" funding has an actual or assumed maturity of greater than 12 months. Since April 2021, APRA has imposed a 1% decrease to the available stable funding component of MBL's NSFR calculation.

On 24 July 2024, APRA published updated prudential standards, a prudential practice guide and a 'Response to submissions' paper to its November 2023 consultation on targeted changes to liquidity and capital requirements aimed at strengthening the banking sector's resilience to future stress. These updates will come into effect from 1 July 2025. In addition, APRA plans to conduct a comprehensive review of APS 210. The consultation for this is expected to be in the first half of calendar year 2025, ahead of an expected implementation date for the revised APS 210 standard in 2026.

Recovery and exit planning and resolution planning

On 1 January 2024, CPS 190 Recovery and Exit Planning ("CPS 190") and CPS 900 Resolution Planning ("CPS 900") came into effect for banks and insurers, including MBL, MGL and Macquarie Investment Management Limited ("MIML"). CPS 190 will be effective for superannuation entities from 1 January 2025.

The prudential standards, and their supporting prudential practice guides (CPG 190 Recovery and Exit Planning and CPG 900 Resolution Planning) are the culmination of several years of policy development to ensure the financial system is better prepared to manage periods of stress.

On 2 December 2021, APRA released a letter finalising loss-absorbing capacity requirements for domestic systemically important banks to increase minimum Total Capital by 4.5% of risk weighted assets, which applies from 1 January 2026. APRA has confirmed that MBL will be subject to the same requirement.

Climate change financial risk

On 28 August 2024, APRA published its Corporate Plan for 2024-2025, noting its key climate-related activities for this period are to consult on amendments to CPS 220 Risk Management to more clearly embed climate-related financial risk considerations in risk management frameworks and to release an information paper with insights from the Climate Risk Self-Assessment completed by APRA-regulated entities on a voluntary basis in May 2024.

Market risk

The Basel Committee's finalised standard on minimum capital requirements for market risk (the Fundamental Review of the Trading Book ("FRTB")) includes a clearly defined boundary between trading book and banking book, and a standardised approach and internal model approach that relies upon the use of expected shortfall models.

As part of its 2024-2025 Corporate Plan, APRA announced that it expects ADIs to continue momentum towards FRTB readiness. Further, since 2019, APRA has undertaken a number of rounds of industry consultation and prepared revisions to APS 117 Capital Adequacy: Interest Rate Risk in the Banking Book (Advanced ADIs) ("APS 117") that aim to simplify the interest rate risk in the banking book ("IRRBB") framework, and reduce volatility in the IRRBB capital charge calculation. The revised APS 117 was finalised in July 2024 and will come into effect on 1 October 2025.

Operational risk

On 17 July 2023, APRA released the final version of the new cross-industry prudential standard CPS 230 Operational Risk Management ("CPS 230"), which commences from 1 July 2025. CPS 230 aims to strengthen operational risk management for APRA-regulated entities by introducing new requirements to address identified weaknesses in existing controls, improve business continuity planning to ensure they are positioned to respond to severe disruptions, and strengthen third-party risk management by ensuring risks from material service providers are appropriately managed. CPS 230 contains transitional arrangements for pre-existing contractual arrangements with service providers, with the requirements in the standard applying from the earlier of the contract renewal date or 1 July 2026.

On 13 June 2024, APRA released the final prudential practice guide CPG 230 Operational Risk Management to accompany the new CPS 230, which provides guidance to assist entities with the implementation of, and compliance with, the new standard.

Associations with related entities

APRA's Prudential Standard APS 222 Associations with Related Entities ("APS 222") aims to identify, monitor and control contagion risk within banking groups. The standard includes:

- a definition of related entities that includes substantial shareholders, related individuals (including senior managers of the ADI and individuals on the board of directors) and their relatives;
- limits on the extent to which ADIs can be exposed to related entities;
- minimum requirements for ADIs to assess contagion risk;
- requirements where an ADI has an exposure to a funds management vehicle that is a related entity; and
- requirements for ADIs to regularly assess and report on their exposure to step-in risk, which is the likelihood that they may need to "step-in" to support an entity to which they are not directly related.

Remuneration

APRA's Prudential Standard CPS 511 Remuneration ("CPS 511") requires boards to maintain a remuneration framework that promotes effective risk management of both financial and non-financial risks including variable downward-adjustment tools and deferral periods to address poor risk and conduct outcomes. Changes to Macquarie Group's remuneration framework were implemented for FY2024 to meet the requirements of CPS 511.

On 1 August 2023, APRA released updates to CPS 511 requiring APRA-regulated entities to publicly disclose information on aspects of their remuneration. The disclosure requirements commence for all entities from their first full financial year following 1 January 2024. For the Macquarie Group, this requirement came into effect for the full financial year commencing 1 April 2024. APRA is also proposing to collect and publish more granular data on remuneration (in addition to the public disclosure requirements). APRA has yet to finalise the draft reporting standard and communicate the commencement date.

Under the updates to CPS 511, entities must:

- annually publish information on their remuneration frameworks, design, governance and outcomes; and
- disclose additional qualitative information and how they have placed a material weight on non-financial risk measures, such as risk management.

On 6 September 2024, APRA released for consultation its proposed minor updates to CPS 511. APRA has indicated that it expects to release the finalised revisions in late 2024.

Financial Accountability Regime

The Financial Accountability Regime Act 2023 ("**FAR Act**") received Royal Assent on 14 September 2023. The Financial Accountability Regime ("**FAR**") replaces the Banking Executive Accountability Regime ("**BEAR**") and extends the responsibility and accountability framework established under BEAR to all prudentially regulated entities. The FAR Act applies to the banking industry, i.e., ADIs and NOHCs, including both MGL and MBL as of 15 March 2024. It will apply to the insurance and superannuation industries, including MIML within the Banking Group, from 15 March 2025.

FAR is intended to improve the operating culture of entities in the banking, insurance and superannuation industries and to increase transparency and accountability across these industries – both in relation to prudential and conduct related matters. It imposes certain obligations on accountable entities (e.g., MGL and MBL) and their accountable persons. The regime is jointly administered by APRA and ASIC.

Design and distribution obligations

The design and distribution obligations ("**DDO**") which came into effect on 5 October 2021 require issuers and distributors of certain products to develop and maintain effective product governance arrangements across the life cycle of a financial product to ensure that consumers are receiving products that are likely to be consistent with their objectives, financial situation and needs.

The Macquarie Group has implemented controls and policies to meet the requirements of the regime. The Macquarie Group continues to monitor regulatory settings to ensure the Macquarie Group meets its obligations on an ongoing basis, noting that the DDO is expected to be an area of enforcement focus for ASIC in 2024.

ASIC market integrity rules

ASIC introduced new market integrity rules, effective 10 March 2023, aimed at promoting the technological and operational resilience of securities and futures market operators and participants, including the Macquarie Group. The technological and operational resilience rules clarify and strengthen existing obligations for market operators and participants and providing greater domestic and international alignment in relation to issues of change management, outsourcing, information security, business continuity planning, governance and resourcing, and trading controls. The Macquarie Group has updated its policies and procedures to comply with these requirements. In September 2024, ASIC issued further guidance on compliance with technological and operational resilience with which participants are expected to comply. Macquarie Group is assessing its policies and procedures against the updated guidance.

Dispute resolution

In 2023, ASIC introduced mandatory internal dispute resolution ("**IDR**") data reporting to improve the way complaints are dealt with across the financial system and bring about greater transparency in financial firms' complaint handling procedures. MGL, MBL and MIML joined the framework for IDR data reporting and made the required reports by 31 August 2023. The balance of Macquarie Group entities that are Australian credit licensees or Australian financial services licensees joined the framework from 29 February 2024 and are required to report IDR data to ASIC every six months on an ongoing basis. ASIC will be analysing the data to inform its approach to publication on IDR and will communicate its approach in advance of publication.

Unfair contract terms regime

On 9 November 2022, the Treasury Laws Amendment (More Competition, Better Prices) Bill 2022 received Royal Assent and came into effect on 9 November 2023. It establishes a civil penalty regime prohibiting the use of, and reliance on, unfair contract terms in standard form contracts. It also expands the class of contracts that are covered by the unfair contract terms regime. The new regime applies to any standard form contract relating to financial products and services regulated under the Australian Securities and Investments Commission Act 2001, where the upfront price payable under the contract does not exceed A$5 million and the counterparty is a consumer or business that employs less than 100 people or has a turnover for the last fiscal year of less than A$10 million.

On 6 February 2024, ASIC granted a limited class no-action position for contravention of the unfair contract terms regime where each counterparty to a standard form contract is an institutional investor or where each counterparty to an industry standard form contract is a wholesale client and the contract is used for the purpose of a dealing in, or related to a dealing in, financial markets.

MBL has made changes to its documentation, processes and policies as necessary. Contracts relating to the provision of financial services and supply contracts with vendors may be impacted.

Transaction reporting rules

The ASIC Derivative Transaction Rules (Reporting) 2024 commenced on 21 October 2024 to replace the ASIC Derivative Transaction Rules (Reporting) 2022. The updated rules were enacted to align to international reporting standards and consolidate transitional provisions and exemptions.

Banking Code

On 27 June 2024, ASIC approved a new version of the Australian Banking Association's Banking Code of Practice (the "**Code**"). The new Code will commence on 28 February 2025, and includes enhancements such as expanding the definition of a small business, broadening the definition of financial difficulty and new provisions for deceased estates. The Code sets out the standards of practice and service in the Australian banking industry for individual and small business customers, and their guarantors. MBL is a subscriber to the Code.

Australian environmental, social and governance regulation and disclosure

The Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Act 2024 received Royal Assent on 17 September 2024 and will come into force on 1 January 2025. The amendments require in-scope companies, including MGL, to report certain mandatory climate-related disclosures, and consider voluntarily reporting certain sustainability-related disclosures, based on International Sustainability Standards Board ("**ISSB**") equivalent standards, namely Australian Sustainability Reporting Standard ("**AASB**") S1 (General Requirements for Disclosure of Sustainability Related Financial Information) and AASB S2 (Climate-related Disclosures). The amendments require MGL, as the ultimate parent company, to commence reporting for its financial year commencing 1 April 2025. MGL continues to progress its established project to prepare for future sustainability and climate-related reporting obligations.

ASIC has continued to be proactive in using enforcement powers in relation to greenwashing misconduct as a strategic priority and issued Report 791 *ASIC's interventions on greenwashing misconduct: 2023-2024* on 23 August 2024 detailing findings, recommendations and good practice for entities to consider in relation to sustainable finance-related products and services.

*Australian anti-money laundering and counter-terrorism financing ("**AML-CTF**") reforms*

In September 2024, the AML-CTF Amendment Bill 2024 was introduced into Parliament, introducing significant reforms to the Australian AML-CTF regime. The Bill is anticipated to be passed as law by the end of 2024, with changes expected to take effect in 2026. These amendments aim to close regulatory gaps and align Australia with Financial Action Task Force ("**FATF**") recommendations ahead of the FATF mutual evaluation scheduled for 2026. Consultation on the Anti-Money Laundering and Counter-Terrorism Financing Rules underpinning the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 will commence once the Bill is passed and is expected to continue through mid-2025.

The proposed AML-CTF reforms extend the regime to additional high-risk services provided by lawyers, accountants, trust and company service providers, real estate professionals, and dealers in precious metals and stones. Furthermore, they aim to modernise the regime to reflect changes in business structures and technologies by updating regulations on virtual assets and payments technology and simplifying the AML-CTF regime to enhance its effectiveness.

The Macquarie Group will establish a program of work in short order to achieve compliance with these reforms.

Combatting foreign bribery

Amendments to the Australian Criminal Code under the Crimes Legislation Amendment (Combatting Foreign Bribery) Act 2024 came into effect on 8 September 2024. The amendments expand the scope of the foreign bribery offence and introduces a new offence under which corporations are strictly liable for failing to prevent bribery of a foreign official by an associate acting on their behalf, unless the corporation can demonstrate it had "adequate procedures" to prevent foreign bribery.

International

The Macquarie Bank Group's businesses are subject to various regulatory regimes.

United States

U.S. financial regulators remain active in issuing new and revised regulations, exemptive orders and interpretive guidance. This regulatory activity could have a material effect on our business, financial condition and results of operations, including with respect to the activities of the Macquarie Group and its U.S. subsidiaries and representative offices.

In the U.S., MBL operates solely through representative offices. These representative offices are generally limited to (i) soliciting business on behalf of MBL, which must then be approved and booked offshore, and (ii) performing administrative tasks as directed by MBL. Our representative offices are licensed and subject to periodic examination by the banking regulatory authorities of the individual states in which they are located, including New York and Texas. Our representative offices are also subject to periodic examination by the relevant regional Federal Reserve Bank, each of which is in turn subject to oversight by the Board of Governors of the Federal Reserve System (the "**FRB**").

Securities, Commodities and Derivatives Regulators

The U.S. features a comprehensive financial regulatory regime that applies to many of Macquarie Group's products and services, including securities, commodities, derivatives and other similar instruments. Some of these products and services are subject to the overlapping regulatory jurisdiction of multiple U.S. regulatory agencies, including the FRB, the Securities and Exchange Commission (the "**SEC**"), and the Commodity Futures Trading Commission (the "**CFTC**"). The U.S. regulatory landscape is subject to material developments as new or revised rules, exemptive orders and interpretive guidance are promulgated, implemented and enforced by the relevant regulator, and this may have a material effect on our U.S. operations. Macquarie Group's securities broker-dealer subsidiaries are regulated by the SEC and by various other self-regulatory organisations of which they are members, such as the Financial Industry Regulatory Authority ("**FINRA**") and the national securities exchanges (e.g., the Nasdaq Stock Market), as well as by state securities regulators. We also conduct securities and corporate finance-related activities through several investment advisers and investment companies registered with the SEC under, respectively, the U.S. Investment Advisers Act of 1940 and the U.S. Investment Company Act of 1940.

We are regulated by the CFTC and the National Futures Association ("**NFA**") with respect to the trading of futures, swaps and commodity options for customers and related clearing activities, as well as soliciting and accepting orders for such transactions. MBL is registered as a swap dealer with the CFTC and Macquarie Futures USA LLC ("**MFUSA**") within the Banking Group is registered as a futures commission merchant with the CFTC. Macquarie Capital (USA) Inc has submitted its application with the NFA to be approved as an introducing broker for swaps. As CFTC registrants, MBL and MFUSA are subject to comprehensive regulatory oversight by the CFTC. In addition, MBL is registered as a security-based swap dealer with the SEC.

Anti-money laundering regulators

The MBL representative offices, MFUSA and Macquarie Group's securities broker-dealers and mutual funds managed or sponsored by Macquarie Group's subsidiaries are subject to anti-money laundering ("**AML**") laws and regulations in the U.S. Applicable regulations include those issued by the Treasury Department's Financial Crimes Enforcement Network ("**FinCEN**") to implement various AML requirements of the Bank Secrecy Act (as amended, the "**Bank Secrecy Act**"). The Bank Secrecy Act and similar regulations require certain types of financial institutions (including U.S. representative offices of foreign banks and U.S. futures commission merchants, securities broker-dealers and mutual funds) to establish and maintain written AML compliance programs.

Economic sanctions

The MBL representative offices and Macquarie Group's other operations that are within or that involve the U.S. (e.g., transactions through the U.S., transfers through the U.S. financial system) must also comply with the economic sanctions programs administered by Office of Foreign

Assets Control of the U.S. Department of the Treasury ("OFAC"), which enforces economic sanctions against targeted foreign countries, individuals and entities.

Other U.S. regulators

The Federal Energy Regulatory Commission regulates the wholesale natural gas and electricity markets in which Macquarie Group operates. As Macquarie Group continues to expand its U.S. energy trading business, its compliance with energy trading regulations will become increasingly important.

United Kingdom

Financial Conduct Authority ("FCA") and the Prudential Regulation Authority ("PRA")

The FCA and the PRA are responsible for the regulation of financial services business in the UK, including banking, investment business, consumer credit and insurance. Deposit-taking institutions, insurers and significant investment firms are dual-regulated, with the PRA responsible for the authorisation, prudential regulation and day-to-day supervision of such firms, and the FCA responsible for regulating their conduct of business requirements. MBL operates a branch, MBL LB, in the UK. The PRA and FCA have regulatory oversight of the UK activities of MBL, including MBL LB. APRA, however, remains its prudential regulator.

MGL has three regulated subsidiaries in the UK within the Non-Banking Group, Macquarie Infrastructure and Real Assets (Europe) Limited ("MIRAEL"), Macquarie Capital (Europe) Limited ("MCEL") and Macquarie Investment Management Europe Limited ("MIMEL") authorised and regulated by the FCA. MIRAEL is authorised as an alternative investment fund manager ("AIFM") pursuant to the Financial Services and Markets Act 2000, as amended (the "FSMA"), and is able to manage qualifying alternative investment funds and market such funds to professional investors in the UK. MCEL and MIMEL are authorised and regulated by the FCA as investment firms.

MBL LB, MIRAEL, MCEL and MIMEL are required to comply with certain UK legislation and regulatory requirements set forth by the FCA and, in the case of MBL LB, the PRA in their handbooks of rules and guidance (as amended from time to time) (collectively, the "UK Rules"). The UK Rules include, among others, requirements for prudential management of risks, systems and controls, corporate governance, market conduct, conduct of business and the treatment of customers.

In many cases, the UK Rules reflect the requirements set out in EU laws and regulations which have been implemented in the UK, or assimilated in the UK following the UK's withdrawal from the EU, (such as the Markets in Financial Instruments Directive 2014/65/EU ("MiFID II") and the Markets in Financial Instruments Regulation (600/2014/EU) ("MiFIR"), which relate to the carrying on of investment business). The UK Rules have, in certain cases, been amended to tailor to the UK financial system.

Other UK regulators

Other UK regulators that may impact our business include the Office of Gas and Electricity Markets, which regulates the UK downstream natural gas and electricity industry, and the Information Commissioner's Office which is responsible for regulating compliance with legislation in the UK governing data protection and electronic communications.

European Union

EU Regulators

In the EU, the European Banking Authority is the agency tasked with implementing a standard set of rules to regulate and supervise banking and certain financial services across all EU countries. Under the Single Supervisory Mechanism (the "SSM"), the European Central Bank (ECB) is designated as the competent authority for banking supervision across the EU, with national competent authorities ("NCAs") as the direct financial services regulatory authorities in each individual EU member state . The ECB directly regulates entities designated as "Significant Institutions" and indirectly regulates, through the NCAs, entities designated as "Less Significant Institutions" ("LSIs").

France – Autorité de Contrôle Prudentiel et de Resolution ("ACPR") and Autorité des Marchés Financiers (the "AMF")

The ACPR is responsible for the supervision of the banking and insurance sectors in France and authorises any regulated entity such as credit institutions, investment firms, insurance companies, financing companies and payment institutions. The ACPR is responsible for prudential supervision but is also the competent authority when it comes to clients' protection and financial crime, more specifically AML-CTF matters. The AMF is the French financial markets regulator and is responsible for regulating the market, its participants and investment products distributed via these markets and is also responsible for ensuring that investors are properly informed.

Macquarie Capital France Société Anonyme ("MCF") within the Non-Banking Group and the French branch of Macquarie Bank Europe Designated Activity Company ("MBE") within the Banking Group are regulated by both the ACPR and the AMF. The French branch of Macquarie Asset Management S.à r.l. ("MAMES") within the Non-Banking Group was incorporated on 22 April 2024, and is supervised by the AMF. These entities are required to comply with French legislation and regulatory requirements set out by the ACPR and AMF in the form of codes, regulations and guidance issued from time to time (collectively, the "French Rules"), as applicable. The French Rules include, among others, requirements as to capital adequacy, liquidity adequacy, systems and controls, corporate governance, market conduct, financial crime, conduct of business and the treatment of customers.

Ireland – Central Bank of Ireland ("CBI")

The CBI is responsible for the regulation of financial services business in Ireland, including banking, investment business, consumer credit and insurance. Those credit institutions that are LSIs within the SSM framework are supervised directly by the CBI with indirect supervision from the ECB.

The Macquarie Bank Group has an authorised Irish subsidiary, MBE, which is authorised and regulated as a credit institution by the CBI. MBE is designated as a High-Impact LSI within the SSM framework.

Regulated entities in Ireland are required to comply with Irish legislation and the regulatory requirements set forth by the CBI in the form of codes, regulations and guidance issued from time to time (collectively, the "Irish Rules"), as applicable. The Irish Rules include, among others, requirements as to capital adequacy, liquidity adequacy, systems and controls, corporate governance, market conduct, conduct of business and the treatment of customers. The Irish

Rules reflect the requirements set out in EU prudential regulations and directives such as Regulation (EU) 2019/876 ("**CRR II**"), Directive (EU) 2019/878 ("**CRD V**").

*Luxembourg – Commission de Surveillance du Secteur Financier ("**CSSF**")*

The CSSF is Luxembourg's financial sector regulator, responsible for regulating investment business including investment fund managers, credit institutions and investment firms.

The Macquarie Group includes the following Luxembourg regulated entities within the Non-Banking Group:

- Macquarie Investment Management Europe S.A. ("**MIMESA**"), which is authorised and regulated by the CSSF as an investment firm; and
- MAMES, which is authorised and regulated by the CSSF as an alternative investment fund manager.

As regulated entities, MIMESA and MAMES are required to comply with Luxembourg legislation and regulation as set out by the CSSF in the form of codes, regulations and guidance issued from time to time (collectively, the "**Luxembourg Rules**"), as applicable. The Luxembourg Rules include, among others, requirements as to capital adequacy, systems and controls, corporate governance, market conduct, conduct of business and the treatment of customers.

Other international regulators

Outside Australia, the U.S., the EU and the UK, MBL has branches in the Dubai International Finance Centre, and Singapore that are regulated by the Dubai Financial Services Authority, and the Monetary Authority of Singapore, respectively. MBL also has a representative office in South Africa, regulated by the South African Reserve Bank, in Brazil, regulated by the Banco Central do Brasil, and in Switzerland, regulated by the Swiss Financial Markets Supervisory Authority, which gives MBL limited authorisation to conduct marketing of its products and services to institutions, subject to local license limitations. Bank regulation varies from country to country, but generally is designed to protect depositors and the banking system as a whole, not holders of a bank's securities. Bank regulations may cover areas such as capital adequacy, minimum levels of liquidity, and the conduct and marketing of banking services.

Other key financial regulators of our businesses include but are not limited to the Securities and Futures Commission of Hong Kong.

Financial regulation varies from country to country and may include the regulation of securities offerings, mergers and acquisitions activity, commodities and futures activities, anti-trust issues, investment advice, trading and brokerage, sales practices, and the offering of investment products and services.

In addition to the foregoing, certain businesses and assets owned or managed by the Macquarie Bank Group in international jurisdictions are subject to additional laws, regulations and oversight that are specific to the industries applicable to those businesses and assets.

International regulatory developments

U.S. anti-money laundering regulations

At this time, registered investment advisers are not required by SEC regulation to establish or maintain an AML compliance program or file suspicious activity reports ("**SARs**") with FinCEN. However, on 15 February 2024, FinCEN published a proposed rulemaking that, if adopted, would include certain investment advisers in the definition of "financial institution" under the Bank Secrecy Act, prescribe minimum standards for AML and countering the financing of terrorism programs to be established by covered advisers, require covered advisers to report suspicious activity to FinCEN, and make several other related changes to FinCEN regulations.

Standardised national AML regulations for U.S. registered investment advisors and exempt reporting advisors are expected to take effect on 1 January 2026 and mainly impact Macquarie Group's U.S. asset management businesses by increasing regulatory obligations, including reporting, governance and customer identification obligations.

Canadian derivative regulations

Canada has harmonised derivatives reporting rules across its provinces and territories. MBL, as well as its subsidiary Macquarie Energy Canada Ltd ("**MEC**"), are currently operating as deemed derivative dealers in Canada for purposes of transaction reporting and, since September 2024, are subject to Canadian business conduct requirements. Derivative dealer registration rules have not yet been finalised in Canada, but it is anticipated that MBL and MEC may be required to register as derivative dealers. Registration and compliance obligations in Canada will likely result in increased costs with respect to MBL's and its subsidiaries' Canadian derivatives business.

UK prudential framework

MBL LB is prudentially regulated by its home regulator, APRA. However, certain PRA provisions, applicable to third country branches in the UK, would apply to MBL LB.

The FCA introduced a prudential regime for investment firms that it prudentially regulates (the Investment Firm Prudential Regime, "**IFPR**") with a view to reduce the potential harm to consumers and markets and capture the vulnerabilities and risks specific to these firms. This regime applies to Macquarie Group investment firms such as MCEL, MIRAEL and MIMEL.

UK regulatory reform

The Financial Services and Markets Act 2023 (the "**FSMA 2023**") received royal assent on 29 June 2023 with some provisions having come into effect on 29 August 2023 and others coming into force pursuant to subsequent regulations made by HM Treasury. The FSMA 2023 aims to implement the outcomes of the government's future regulatory framework review and to make changes to update the UK regulatory regime following Brexit. The FSMA 2023 establishes a framework to revoke EU law relating to financial services, and enables HM Treasury, the FCA and PRA to replace EU law in the UK with legislation and a regulatory rule-set to deliver a comprehensive "FSMA" model of regulation. The FSMA 2023 intends to move away from the onshored EU legislation towards the historic approach taken under the Financial Services and Markets Act 2000 (the "**FSMA 2000**"), whereby primary responsibility for regulation is delegated to the UK regulatory authorities, subject to the oversight of Parliament. The FSMA 2023 will be followed by a program of regulatory reform, the timetable and extent of which are currently uncertain.

The Retained EU Law (Revocation and Reform) Act 2023 (the "**Brexit Freedoms Act**"), which also received royal assent on 29 June 2023, establishes a framework for the repeal of non-financial services retained EU law and provides for the abolition of the supremacy of retained EU law and general principles of EU law interpretation. This will end the special status that retained EU law (including those relating to financial services) has on the UK statute book. The Brexit Freedoms Act also provides and modifies a number of powers relating to the ability of a Minister of the Crown (or similar) to amend retained EU legislation. It treats all retained direct EU legislation as equivalent to domestic secondary legislation and subject to amendment in the same way as secondary legislation.

The FSMA 2023 and the Brexit Freedoms Act are framework legislation for the UK government to make further policy changes and diverge from EU law in the coming years. As is common with financial services regulation, the applicable changes to different firms are likely to come into effect over a long period and require a change management program to identify and implement relevant changes.

In December 2022, HM Treasury published a policy statement on "Building a smarter financial services framework for the UK", which set out the UK government's plan to deliver the future regulatory framework through the powers established in the FSMA 2023 and announced a package of over 30 measures to reform UK financial services regulation (collectively known as the "**Edinburgh Reforms**"). It prescribes how the program of reform will be approached in phases, with retained EU law in the area of financial services split into "tranches". Work has been undertaken across the first two tranches, delivering the outcomes arising from the Wholesale Markets Review, Lord Hill's Listing Review, the Securitisation Review, and the Review into the Solvency II Directive. The second and third tranches consist of further implementation of the remaining outcomes of the Wholesale Markets Review, continued work on Solvency II, the Packaged Retail and Insurance-Based Investment Products Regulation, the Short Selling Regulation, the Taxonomy Regulation, the Money Market Funds Regulation, Payment Services Directive and the E-Money Directive, Insurance Mediation and Distribution Directives, the Capital Requirements Regulation and Directive, Long-Term Investment Funds Regulation, and the consumer information rules in the Payment Accounts Regulations 2015. A number of these reforms may impact the Macquarie Group's UK regulated entities. The UK government continues to make progress on the Edinburgh Reforms, and in February 2024, provided an update to the Treasury Committee on the current status.

There remains a risk that the UK regime may diverge from the EU regime in certain respects. As is common with financial services regulation, the applicable changes to different firms will come into effect over a long period and require a change management program to identify and implement relevant changes. The impact of such changes on the Macquarie Group is unknown at this time, although any such changes could have an impact on the Macquarie Group's operations, business, compliance framework, structure, profitability and/or prospects.

EU prudential framework for credit institutions – CRR and CRD

The Basel III framework sets the global standards for prudential requirements for banks and was implemented in the EEA through the EU Capital Requirements Regulation ("**CRR**") and Fourth Capital Requirements Directive ("**CRD IV**"). The CRR established a single set of harmonised prudential rules which apply directly to all credit institutions in the EEA, with CRD IV containing other provisions required to be transposed into national law. The latest amendments to these requirements will be implemented in the form of CRR III and CRD VI from January 2025 and January 2026 respectively. The CRR and CRD as amended apply to MBE as implemented in Ireland by the CBI.

EU prudential framework for investment firms – IFR and IFD

The IFR and IFD establish a prudential regime tailored to investment firms authorised in the EU. Under the framework, investment firms are categorised into one of three classes according to their size and business activities, and are subject to certain capital, liquidity, governance, risk management, reporting and disclosure requirements. The IFR and IFD apply to MIMESA and MCF.

EU regulatory reforms

The EU's Digital Operational Resilience Act ("**DORA**") will apply in all EU member states from 17 January 2025. Its stated aim is to improve resilience against cyber security and technology risks within the financial services sector and to address a perceived gap in existing operational resilience legislation, which lacked sufficient Information and Communication Technology ("**ICT**") coverage and did not reflect the risks of increasing reliance and inter-connectedness of ICT within the financial services sector. DORA will require in-scope entities to implement comprehensive information and communications technology risk frameworks, monitoring, and incident response and business continuity plans. It will apply to certain subsidiaries of the Macquarie Group, including MBE, MCF, MAMES and MIMESA. Although DORA only directly targets EU regulated entities, the Macquarie Group's intra-group operational model means it will impact global polices and standards.

EU anti-money laundering regulations

MCF and MAMES are subject to a range of measures aimed at preventing financial crime which are mandated under European wide directives which member states must legislate for at a national level; the latest directive is the 6th Money Laundering Directive ("**6MLD**"). 6MLD strengthens criminal penalties and expands the scope of the existing legislation to better fight against money laundering and the financing of terrorism. 6MLD does not apply in the UK However, the UK's legislative regime is substantively similar in scope to 6MLD. The EU AML regulations were introduced in 2024, and its main objectives are to harmonise AML regulation across the EU and to reduce discrepancies in national implementations of earlier AML directives.

Additionally, the EU anti money laundering authority ("**EUAMLA**") was established in June 2024 and is expected to commence operations in mid-2025. EUAMLA is intended to enhance cooperation among financial intelligence units and to co-ordinate national authorities in applying EU rules to counter money laundering and terrorist financing.

International environmental, social and governance regulations

There is increased regulatory and investor scrutiny over the environmental, social and governance ("**ESG**") impacts of the activities of financial groups such as Macquarie Group, including associated sustainability and greenwashing risk management, particularly in the EU and the UK

At the EU level the Sustainable Finance Disclosure Regulation (EU) No. 2019/2088 (the "**SFDR**") was introduced to enable clients and investors to make informed investment decisions based upon standardised environmental sustainability disclosures. MAMES is subject to SFDR disclosure and periodic reporting requirements at an entity and product level. MCF is only subject to SFDR entity-level disclosure requirements. On 14 September 2023, the European Supervisory Authorities published public and targeted consultations in relation to SFDR with responses required by 15 December 2023. The European Commission published a summary of feedback received from the consultations on 3 May 2024 confirming strong support for changes to the SFDR framework, which may lead to a substantial overhaul of the existing disclosure regime into rules based upon product labelling and improved interoperability with other EU sustainability regulation.

Regulatory initiatives in the UK continue to focus on issuers and asset managers. MIRAEL and MIMEL published an entity-specific report in June 2024 to comply with new FCA rules mandating climate-related disclosures for asset managers, which align with Taskforce on Climate-related Financial Disclosures ("**TCFD**").

On 28 November 2023, the FCA published its Policy Statement setting out its final rules on the UK Sustainability Disclosure Requirements ("**SDR**") and investment labels. SDR has a phased implementation with requirements applying between 2024-2026. The majority of this regime is for use by asset managers and distributors, and is broadly designed to prevent greenwashing and ensure consistency in sustainable product labelling. On 23 April 2024, the FCA published a consultation proposing to extend SDR to portfolio management activity. These labelling and disclosure rules have a limited impact upon Macquarie Group's UK asset management entities due to the focus on retail clients and exclusion of overseas funds.

Varying regulatory approaches are being taken regarding greenwashing risk management. The FCA's new anti-greenwashing rule, introduced as part of the SDR, has applied to all FCA-regulated Macquarie Group entities in the UK since 31 May 2024. This rule builds upon existing regulatory marketing principles by requiring firms to ensure that any reference to the sustainability characteristics of a product or service is consistent with the product's or service's profile and is not misleading.

The standardisation of sustainability reporting continues to progress. The ISSB released its first two sustainability reporting standards (IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures) which have been effective from 1 January 2024. On 16 May 2024, the UK government confirmed they plan to endorse these standards in the first quarter of 2025. In the EU, the Corporate Sustainability Reporting Directive (EU) 2022/2464 ("**CSRD**") entered into force in January 2023 and requires large European undertakings to report sustainability information under European Sustainability Reporting Standards ("**ESRS**"). The reporting framework requires certain Macquarie Group entities regulated in Europe to report from 2026 and MGL as a consolidated group from 2029. The ISSB has set out a potential route forward to support companies in--scope of CSRD wishing to apply both ISSB sustainability reporting standards and ESRS together. In future, MBE will be required to make quantitative and qualitative prudential disclosures on ESG risks as a credit institution under the revised CRR framework based on regulatory technical standards, which have not yet been issued by the European Banking Authority.

The Macquarie Group is also subject to modern slavery legislations and annually reports its approach towards identifying and mitigating the risk of modern slavery within its supply chain and business operations. The Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act 2023 came into effect on 1 January 2024, and requires the Macquarie Group to outline the actions taken to prevent and reduce the risk that forced labour or child labour is used in its supply chains.

Seniority of Warrants in the Issuer's capital structure in insolvency scenarios

The Warrants will be direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank pari passu and without prejudice among themselves and (subject as aforesaid and save for such exceptions as may be provided by applicable legislation) at least equally with all other unsecured and unsubordinated obligations of the Issuer, from time to time outstanding.

Australian insolvency laws

In the event that MBL is, is likely to become or becomes insolvent, insolvency proceedings are likely to be governed by Australian law or the law of another jurisdiction determined in accordance with Australian law. Australian insolvency laws are, and the laws of that other jurisdiction can be expected to be, different from the insolvency laws of other jurisdictions. In particular, the voluntary administration procedure under the Corporations Act, which provides for the potential re-organisation of an insolvent company, differs significantly from similar provisions under the insolvency laws of other jurisdictions. If MBL becomes insolvent, the treatment and ranking of Warrantholders and MBL's shareholders under Australian law, and the laws of any other jurisdiction determined in accordance with Australian law, may be different from the treatment and ranking of Warrantholders and MBL's shareholders if MBL were subject to the bankruptcy laws or the insolvency laws of other jurisdictions.

In September 2017, reforms to Australian insolvency laws were passed. Among other things, the legislation provides for a stay on enforcement of certain rights arising under a contract (such as a right entitling a creditor to terminate the contract or to accelerate payments or providing for automatic acceleration) for a certain period of time (and potentially, indefinitely), if the reason for enforcement is the occurrence of certain events relating to specified insolvency proceedings (such as the appointment of an administrator, managing controller or an application for a scheme of arrangement) or the company's financial position during those insolvency proceedings (known as "ipso facto rights").

The stay will apply to ipso facto rights arising under contracts, agreements or arrangements entered into after 1 July 2018, subject to certain exclusions. Such exclusions include rights exercised under a kind of contract, agreement or arrangement prescribed by the regulations. On 21 June 2018, the Australian federal government introduced regulations setting out the types of contracts and contractual rights which will be excluded from the stay (the "**Regulations**").

The Regulations provide, among other things, that any ipso facto rights under a contract, agreement or arrangement that is or governs securities, financial products, bonds or promissory notes will be exempt from the stay. The Regulations also provide that a contract, agreement or arrangement under which a party is or may be liable to subscribe for, or to procure subscribers for, securities, financial products, bonds or promissory notes is also excluded from the stay. Furthermore, the Regulations also provide that a contract, agreement or arrangement that is, or is directly connected with a derivative, will not be the subject of the stay. Accordingly, the Regulations should exclude the Warrants and certain other related arrangements from the stay. However, since their commencement in 2018, the legislation and the Regulations have not been the subject of judicial interpretation.

Material Contracts

There are no material contracts that are not entered into in the ordinary course of Macquarie Bank's business which could result in Macquarie Bank or any entity within the Group being under an obligation or entitlement that is material to Macquarie Bank's ability to meet its obligations to holders of Warrants in respect of the Warrants.

Principal investment activity

Since 31 March 2024, being the date of Macquarie Bank's last published audited financial statements, and other than as released to the ASX prior to the date of this Base Prospectus, Macquarie Bank has not made any principal investments that are material to its ability to meet its obligations to Warrantholders in respect of the Warrants.

Significant change in the Issuer's prospects, financial position and financial performance

There has been no significant change in the prospects, financial position and in the financial performance of Macquarie Bank since the half year ended 30 September 2024 (the date as at which the latest unaudited half-year financial statements of Macquarie Bank consolidated with its subsidiaries were prepared).

Directors of Macquarie Bank

The persons named below are Voting Directors of Macquarie Bank under Macquarie Bank's constitution and exercise the powers of directors for the purposes of the Corporations Act. All members of the Board of Voting Directors of Macquarie Bank have the business address of Level 1, 1 Elizabeth Street, Sydney, NSW, 2000, Australia.

Glenn R Stevens AC
BEc (Hons) (Sydney), MA (Econ) (UWO)
Independent Chair since 10 May 2022
Independent Voting Director since November 2017
Member of the Board Conflicts Committee

Other current positions: Mr Stevens serves on the Board of NSW Treasury Corporation. He is a Director of the Anika Foundation and the Lowy Institute, Deputy Chair of the Temora Aviation Museum and a volunteer pilot for Angel Flight.

Stuart D Green
BA (Hons) (UCL), MBA (CUL Business School), FCA, FCT
Managing Director and Chief Executive Officer since July 2021
Executive Voting Director of MBL since July 2021
Member of the Board Conflicts Committee

Other current positions: Mr Green is a Director of the Financial Markets of Foundation for Children and a member of the Australian Banking Association Council and Macquarie Group Foundation Committee.

Shemara R Wikramanayake
BCom, LLB (UNSW)
Managing Director and Chief Executive Officer of MGL
Executive Voting Director since August 2018

Other current positions: Shemara sits on the World Bank's Global Commission on Adaptation and Private Sector Investment Lab and was a founding CEO of the United Nations Climate

Finance Leadership Initiative (CFLI). She currently leads emerging markets workstreams for CFLI and the Glasgow Financial Alliance for Net Zero (GFANZ) and is a member of the Monetary Authority of Singapore's International Advisory Panel, Global Investors for Sustainable Development (GISD) Alliance and was a member of the Australian Universities Accord Panel of Eminent Australians conducting the Australian Universities Accord Review.

Jillian R Broadbent AC
BA (Maths & Economics) (Sydney)
Independent Voting Director since November 2018
Chair of the Board Remuneration Committee
Member of the Board Risk Committee

Other current positions: Ms Broadbent is a Director of the Sydney Dance Company, the National Portrait Gallery Board Foundation, the Seaborn Broughton & Walford Foundation and the Lowy Institute.

Wayne S Byres
BEc (Hons) (MQ), MAppFin (MQ), GAICD, SFFin
Independent Voting Director since February 2024
Member of the Board Audit Committee
Member of the Board Conflicts Committee
Member of the Board Governance and Compliance Committee
Member of the Board Risk Committee

Other current positions: Mr Byres is a Director of ASX Limited and an advisor to the International Monetary Fund on banking and financial matters.

Philip M Coffey
BEc (Hons) (Adelaide), GAICD, SF Finsia
Independent Voting Director since August 2018
Chair of the Board Risk Committee
Member of the Board Governance and Compliance Committee

Other current positions: Mr Coffey is a Non-Executive Director of Lendlease Corporation Limited and Goodstart Early Learning Ltd.

Michelle A Hinchliffe
BCom (UQ), FCA, ACA
Independent Voting Director since March 2022
Chair of the MBL Board Audit Committee
Member of the MBL Board Governance and Compliance Committee

Other current positions: Ms Hinchliffe is a Non-Executive Director of BHP Group Limited, Santander UK plc and Santander UK Group Holdings plc.

Susan J Lloyd-Hurwitz
BA (Hons) (USYD), MBA (Distinction), INSEAD
Independent Voting Director since July 2023
Member of the Board Audit Committee
Member of the Board Remuneration Committee

Other current positions: Ms Lloyd-Hurwitz is a director of Rio Tinto and Spacecube, She is Chair of the Australian National Housing Supply & Affordability Council and the Australian Centre for Gender Equality and Inclusion @Work Advisory Board, President of Chief Executive Women and a Global Board member at INSEAD.

Rebecca J McGrath
BTP (Hons) (UNSW), MAppSc (ProjMgt) (RMIT), FAICD
Independent Voting Director since January 2021
Chair of the Board Governance and Compliance Committee
Member of the Board Risk Committee

Other current positions: Ms McGrath is Chairman of Investa Wholesale Funds Management Limited and Investa Office Management Holdings Pty Limited, and a Non-Executive Director of Djerriwarrh Investments Limited. She is a member the national Board of the Australian Institute of Company Directors, a member of the ASIC Corporate Governance Consultative Panel and a member of the Australian British Chamber of Commerce Advisory Council. She is also a Non-executive Director of the Melbourne Business School Board.

Mike Roche
BSc (UQ), GAICD, FIA (London), FIAA
Independent Voting Director since January 2021
Member of the Board Audit Committee
Member of the Board Remuneration Committee
Member of the Board Risk Committee

Other current positions: Mr Roche is a Non-Executive Director of Wesfarmers Limited, MaxCap Group Pty Ltd and Te Pahau Management Limited and Managing Director of M R Advisory Pty Ltd. He is a co-founder, and a Director of, the Sally Foundation.

Ian M Saines
BCom (Economics) (UNSW), FAICD
Independent Voting Director since June 2022
Chair of the Board Conflicts Committee
Member of the Board Remuneration Committee
Member of the Board Risk Committee

Other current positions: Mr Saines is a Non-Executive Director of Air Lease Corporation and NSW Treasury Corporation and is Deputy Chair of the United States Studies Centre. He is a member of the Salvation Army Australia's Sydney Corporate and Philanthropic Council and a member of the Advisory Committee of Catholic Schools of Broken Bay.

David JK Whiteing
BBusSci (UCT)
Independent Voting Director since September 2023
Member of the Board Audit Committee
Member of the Board Conflicts Committee
Member of the Board Governance and Compliance Committee
Member of the Board Risk Committee

Other current positions: David is a Non-Executive Director of Silicon Quantum Computing Pty Ltd.

Board Committees

MBL has established the following Board Committees:

- Board Risk Committee ("**BRiC**");
- Board Audit Committee ("**BAC**");
- Board Remuneration Committee ("**BRC**");
- Board Governance and Compliance Committee ("**BGCC**"); and
- Board Conflicts Committee ("**BCC**").

The BRiC assists the Board by providing oversight of the Macquarie Bank Group's risk management framework and advising the Board on the Macquarie Bank Group's risk appetite, risk culture and risk management strategy.

The BAC assists the Board with its oversight of the quality and integrity of the accounting, auditing and financial reporting of the Macquarie Bank Group. The BAC also reviews the adequacy of the Banking Group's control framework for financial regulatory reporting to prudential regulators and monitors the internal financial control environment.

The BRC makes recommendations to the Board that promote appropriate remuneration policies and practices for the Banking Group. The BRC reviews Human Resources-related reports and consults with the BRiC, BGCC and BAC to ensure risk outcomes are appropriately reflected in remuneration outcomes.

The BGCC assists the Board by monitoring corporate governance, regulatory, legal, compliance and financial crime risk matters for the Macquarie Bank Group, including reviewing and monitoring compliance with the Group's Conduct Risk Management Framework and its implementation.

The BCC assists the Board by considering and making recommendations regarding matters or decisions where the interests of MBL or a member of the Group potentially or actually conflict with those of Macquarie or any Macquarie subsidiary other than a member of the Banking Group and those matters or decisions are material to the Banking Group.

Director Independence

The MBL Board Charter requires that the Chair of MBL, each Bank-only Non-Executive Director (a Non-Executive Director who is not also on the MGL Board nor a director of a MGL subsidiary, other than a subsidiary of the Macquarie Bank Group) and a majority of the Board must be independent Directors. The Board believes that independence is evidenced by an ability to constructively challenge and independently contribute to the work of the Board. It is also the policy of the Board of MBL that a majority of the members of each MBL Board Committee should be independent Directors, that the BAC will comprise only of independent Directors and that each MBL Board Committee be chaired by an independent Director.

A Voting Director ("**Director**") will be considered independent if they are free of any interests, positions or relationships that could materially interfere with the Director's capacity to bring independent judgement on matters before the Board and act in the best interests of MBL.

The independence of each Non-Executive Director ("**NED**") is considered prior to appointment and then considered annually by the BGCC and confirmed by the Board of MBL. As part of the review process, each NED is provided with a copy of the Macquarie Bank Policy on Director Independence and asked to declare whether they have any interests, positions or relationships that could materially interfere with the Director's capacity to act in the best interests of MBL ("**Declaration**"). Each NED is also asked to provide information regarding relationships with MGL, including relationships of close personal ties with MBL, for review by the BGCC.

In considering the independence of Directors, the BGCC and the Board will have regard to whether or not the Director:

1. is, or has been employed in an executive capacity by MGL or another member of the Macquarie Group and there has not been a period of at least three years between ceasing such employment and serving on the Board;

2. receives performance-based remuneration (including options or performance rights) from, or participates in an employee incentive scheme of MGL or MBL;

3. is, or has been within the last three years, in a material business or contractual relationship (e.g. as a supplier, professional adviser, consultant or customer), other than as a Director, with MGL or another member of the Macquarie Group, or is an officer of, or otherwise associated with, someone with such a relationship;

4. is, represents, or is or has been within the last three years an officer or employee of, or professional adviser to, a substantial shareholder of MGL;

5. is, or has within the last three years, been affiliated with or employed by a present or former external auditor of MGL, MBL or another member of the Macquarie Group;

6. has close personal ties with any person who falls within any of the categories described above; or

7. has been a Director of MBL for such a period that their independence from management and substantial shareholders may have been compromised.

In each case, the materiality of the interest, position or relationship needs to be assessed by the MBL Board to determine whether it might interfere, or might reasonably be seen to interfere, with the Director's capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of MBL as a whole rather than in the interests of an individual security holder or other party. Materiality thresholds are determined by the MBL Board.

MBL's ten NEDs, being Jillian R Broadbent, Philip M Coffey, Michelle A Hinchliffe, Susan J Lloyd-Hurwitz, Mike Roche, Rebecca J McGrath, Ian M Saines, Glenn R Stevens, Wayne S Byres and David JK Whiteing, are each considered to be independent.

Dealing with potential conflicts of interest

MBL recognises that conflicts of interest or potential conflicts of interest may arise from time to time for its Directors. MBL has in place procedures to identify and monitor for such conflicts and to adopt appropriate measures where these arise. The Board has protocols for its members for declaring and dealing with potential conflicts of interest that include:

- Board members declaring their interests required under the Corporations Act 2001 (Cth), the ASX Listing Rules and general law requirements;

- Board members with a material personal interest in a matter before the Board not receiving the relevant Board paper and not being present at the Board meeting during the consideration of the matter and subsequent vote, unless the Board (excluding the relevant Board member) resolves otherwise; and

- as a general rule, Board members with other conflicts not involving a material personal interest in a matter before the Board should not receive the relevant Board paper and not be present at the Board meeting during discussion of the matter.

As at the date of this Base Prospectus, and having regard to the above criteria, requirements and procedures utilised by MBL to detect and manage conflicts of interest and to restrict participation where a conflict arises, there are:

- no actual conflicts of interest; and

- no potential conflicts of interest, other than in respect of any dealings between MBL and any of the companies listed above under "Principal Outside Activities" which may arise in the future and will be managed in accordance with the above requirements and procedures,

between duties owed to MBL and dischargeable by members of its Board of Voting Directors listed above and their private interests and/or other duties.

As noted above, all Directors are required to disclose any conflict or potential conflict of interest on an ongoing basis. In respect of conflicts or potential conflicts of interest that may arise in the future, MBL will manage those conflicts in accordance with the Corporations Act, any other applicable law and the other requirements and procedures referred to above.

Offering and Sale

No action has been or will be taken by the Issuer that would permit a public offering of any Warrants or possession or distribution of any offering material in relation to any Warrants in any jurisdiction where action for that purpose is required. No offers, sales, re-offers, re-sales or deliveries of any Warrants, or distribution of any this Base Prospectus, any Final Terms, circular, advertisement or other offering material relating to any Warrants, may be made in or from any country or jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations and which will not impose any obligation on the Issuer and/or any Manager or Purchaser.

1 General

This Base Prospectus has not been, and will not be, lodged with ASIC and is not a ‘prospectus’ or other ‘disclosure document’ for the purposes of the Corporations Act.

Except for registration of this Base Prospectus by the Luxembourg Stock Exchange, no action has been taken in any country or jurisdiction that would permit a public offering of any of the Warrants, or possession or distribution of this Base Prospectus, any Final Terms, circular, advertisement or other offering material relating to any Warrants, in any country or jurisdiction where action for that purpose is required.

Persons into whose hands this Base Prospectus comes are required by the Issuer to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Warrants or have in their possession or distribute such offering material and to obtain any consent, approval or permission required by them for the purchase, offer, sale or delivery by them of any Warrants under the law and regulations in force in any country or jurisdiction to which they are subject or in which they make such purchases, offers, sales or deliveries, in all cases at their own expense, and neither the Issuer nor any Manager shall have responsibility therefor. In accordance with the above, any Warrants purchased by any person which it wishes to offer for sale or resale may not be offered in any country or jurisdiction in circumstances which would result in the Issuer being obliged to register any further prospectus or corresponding document relating to the Warrants in such country or jurisdiction.

In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Warrants in Australia, the United States of America, the European Economic Area, the United Kingdom, Hong Kong, Singapore, Japan, Korea, India, Canada, People’s Republic of China, Malaysia and Taiwan as set out below.

No money market instruments having a maturity at issue of less than 12 months will be offered to the public or admitted to trading under this Base Prospectus.

2 Australia

No prospectus or other disclosure document (as defined in the Corporations Act) in relation to the Programme or any Warrant has been, or will be, lodged with ASIC. Neither this Base Prospectus, nor any other prospectus or disclosure document in respect of the Programme is a 'prospectus' or other 'disclosure document' for the purposes of the Corporations Act.

Each Manager of an issue of Warrants, and each further Manager appointed under the Programme, will be required to represent and agree, and will be deemed to have represented and agreed, that, unless the relevant Final Terms otherwise provides, it:

(a) (i) has not (directly or indirectly) offered, and will not offer for issue or sale and (ii) has not invited and will not invite applications, for issue or offer to purchase any Warrants (in each case) in, to or from Australia (including an offer or invitation which is received by a person in Australia); and

(b) has not distributed or published, and will not distribute or publish, the Base Prospectus or any other offering material or advertisement relating to any Warrants in Australia,

unless (i) the aggregate consideration payable by each offeree is at least A$500,000 (or its equivalent in other currencies and, in either case, disregarding moneys lent by the Issuer, the offeror or any associated person of the offeror or issuer) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or Part 7.9 of the Corporations Act, (ii) such action complies with all applicable laws, regulations and directives in Australia (including, without limitation, the licensing requirements set out in Chapter 7 of the Corporations Act), (iii) the offer or invitation is not made to a person who is a "retail client" for the purposes of section 761G of the Corporations Act, and (iv) such action does not require any document to be lodged with ASIC.

3 United States

No Warrants of any series have been, or will be, registered under the United States Securities Act of 1933, as amended ("**Securities Act**"). Trading in the Warrants has not been, and will not be, approved on an exchange or board of trade or otherwise by the United States Commodity Futures Trading Commission under the United States Commodity Exchange Act. No Warrants of any series, or interests therein, may at any time be offered, sold, resold, traded or delivered, directly or indirectly, in or into the United States of America (including the states and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction ("**United States**") or directly or indirectly offered, sold, resold, traded or delivered to, or for the account or benefit of, any person ("**U.S. person**") who is (i) an individual who is a citizen or resident of the United States, (ii) a corporation, partnership or other entity organised in or under the laws of the United States or any political subdivision thereof or which has its principal place of business in the United States, (iii) any estate or trust, the income of which is subject to United States federal income taxation regardless of the source of its income, (iv) any trust if a court within the United States is able to exercise primary supervision over the administration of the trust and if one or more United States trustees have the authority to control all substantial decisions of the trust, (v) a pension plan for the employees, officers or principals of a corporation, partnership or other entity described in (ii) above, or (vi) any other "U.S. person" as such term may be defined in Regulation S under the Securities Act ("**Regulation S**") or, to the extent applicable, in regulations adopted under the United States Commodity Exchange Act of 1936. Consequently, any offer, sale, re-sale, trade or delivery made, directly or indirectly, into the United States or to, for the account or benefit of, a U.S. person will not be recognised, except for (a) an offering of the Warrant pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act, then within the United States, to "accredited investors" as defined in Rule 501(a) of Regulation D or "qualified institutional buyers" as defined in Rule 144A, each under the Securities Act, or otherwise pursuant to any other exemption, and (b) in countries outside the United States to persons that are not, and are not acting for the account or benefit of, U.S. persons in offshore transactions in accordance with Regulation S.

Each Manager of an issue of Warrants, and each further Manager appointed under the Programme, will be required to represent and agree, and will be deemed to have represented and agreed, that it will not at any time offer, sell, resell, trade or deliver, directly or indirectly, Warrants of such series in the United States or to, or for the account or benefit of, any U.S. person or to others for offer, sale, resale, trade or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any such U.S. person. Any person purchasing Warrants of any series must represent and agree with a Manager of such series or the seller of such Warrants that (i) it will not at any time offer, sell, resell, trade or deliver, directly or indirectly, any Warrants of such series so purchased in or into the United States or to, or for the account or benefit of, any U.S. person or to others for offer, sale, resale, trade or delivery, directly or indirectly, in or into the United States or to, or for the account or benefit of, any U.S. person, (ii) it is not purchasing any Warrants of such series for the account or benefit of any U.S. person and (iii) it will not make offers, sales, re-sales, trades or deliveries of any Warrants of such series (otherwise acquired), directly or indirectly, in or into the United States or to, or for the account or benefit of, any U.S. person.

Each Manager of an issue of Warrants, and each further Manager appointed under the Programme, will also be required to represent and agree and will be deemed to have represented and agreed, and any person purchasing Warrants of such series must represent and agree, to send each person who purchases any Warrants of such series from it a written confirmation (which shall include the definitions of "United States" and "U.S. persons" set forth herein) by acceptance of such confirmation stating that the Warrants have not been registered under the Securities Act, and stating that, such purchaser agrees that it will not at any time offer, sell, resell, trade or deliver Warrants, directly or indirectly, in or into the United States or to, or for the account or benefit of, any U.S. person. Any person exercising a Warrant will be required to represent that it is not a U.S. person nor is it acting for the account or benefit of any U.S person. See "Terms and Conditions of the Warrants, Condition 5 - Exercise Procedure".

4 European Economic Area

Each Manager of an issue of Warrants has represented and agreed, and each further Manager appointed under the Programme will be required to represent and agree, and will be deemed to have represented and agreed, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Warrants which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. Consequently no key information document required by the PRIIPs Regulation for offering or selling the Warrants or otherwise making them available to retail investors in the European Economic Area has been prepared and therefore offering or selling the Warrants or otherwise making them available to any retail investor in the European Economic Area may be unlawful under the PRIIPs Regulation.

For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:
   (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
   (ii) a customer within the meaning of the Insurance Distribution Directive, 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 the Prospectus Regulation (as amended and superseded); and

(b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Warrants to be offered so as to enable an investor to decide to purchase or subscribe the Warrants.

This European Economic Area selling restriction is in addition to any other selling restrictions set out in this Base Prospectus.

5 United Kingdom

Each Manager of an issue of Warrants, and each further Manager appointed under the Programme, will be required to represent and agree, and will be deemed to have represented and agreed, that:

(a) in respect of Warrants having a maturity of less than one year: (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and (ii) it has not offered or sold and will not offer or sell any Warrants other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Warrants would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

(b) it has complied with, and will comply with, all applicable provisions of the FSMA in respect of anything done in relation to any Warrants in, from or otherwise involving the United Kingdom; and

(c) it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Warrants in circumstances in which section 21(1) of the FSMA does or where applicable would not, if the Issuer was not an authorised person, not apply to the Issuer.

Each Manager of an issue of Warrants has represented and agreed, and each further Manager appointed under the Programme will be required to represent and agree, and will be deemed to have represented and agreed, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Warrants which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor to any retail investor in the UK. Consequently, no key information document required by the UK PRIIPs Regulation for offering or selling the Warrants or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Warrants or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

  (i) a retail client, as defined in point (8) of the EUWA; or
  (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive), 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 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments as it forms part of domestic law by virtue of the EUWA; or
  (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and

(b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Warrants to be offered so as to enable an investor to decide to purchase or subscribe for the Warrants.

6 Hong Kong

Each Manager of an issue of Warrants acknowledges and agrees that the Warrants have not been authorised by the Hong Kong Securities and Futures Commission.

Each Manager of an issue of Warrants, and each further Manager appointed under the Programme will be required to represent and agree, and will be deemed to have represented and agreed, that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Warrants other than (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Warrants, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Warrants which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

7 Singapore

The Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Each Manager or Purchaser of an issue of Warrants, and each further Manager appointed under the Programme will be required to represent, warrant and agree, and will be deemed to have represented, warranted and agreed, that the Warrants may not be offered or sold or made the subject of an invitation for subscription or purchase nor may the Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase of any Warrants be circulated or distributed, whether directly or indirectly, to the public or any member of the public in Singapore other than:

(a) to an institutional investor pursuant to Section 274 of the Securities and Futures Act 2001, as amended ("**SFA**");

(b) to a relevant person (as defined in section 275(2) of the SFA) pursuant to Section 275(1) of the SFA or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA; or

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

Each Manager or Purchaser of an issue of Warrants, and each further Manager appointed under the Programme, will be required to further represent, warrant and agree, and will be deemed to have represented, warranted and agreed to notify (whether through the distribution of this Base Prospectus or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any Warrants or otherwise) each of the following relevant persons specified in Section 275 of the SFA which has subscribed or purchased Warrants from and through that Manager, namely a person who is:

(1) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(2) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

that securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within 6 months after that corporation or that trust has acquired the Warrants pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor, or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

8 Japan

No Warrants of any Series have been or will be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (the "**Financial Instruments and Exchange Act**") and, accordingly, each Manager of an issue of Warrants, and each further Manager appointed under the Programme, will be required to represent and agree that it has not offered or sold and will not offer or sell any Warrants, directly or indirectly in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan including any corporation or other entity organised under the laws of Japan), or to others for re-offering or re-sale directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and ministerial guidelines of Japan.

9 Korea

No Warrants of any Series have been or will be registered under the Financial Investment Services and Capital Markets Act of the Republic of Korea ("**Korea**").

Each Manager of an issue of Warrants, and each further Manager appointed under the Programme, will be required to represent and agree, and will be deemed to have represented and agreed, that Warrants have not been and will not be offered, delivered or sold directly or indirectly or offered, delivered or sold to any person for re-offering or resale directly or indirectly, in Korea or to any resident of Korea except as otherwise permitted under applicable Korean laws and regulations. Each Manager of an issue of Warrants has undertaken, and each further Manager appointed under the Programme will be required to undertake to ensure that any purchaser of the Warrants that is in Korea or is a resident of Korea that it is purchasing such Warrants as principal and pursuant to the applicable laws and regulations of Korea.

10 India

Each Manager of an issue of Warrants acknowledges and agrees that Security Warrants where the underlying constitutes twenty percentage or more Indian securities will not be offered. The Warrants are not being offered to the Indian public for sale or subscription but are being privately placed with a limited number of sophisticated private and institutional investors. The Warrants are not registered and/or approved by the Securities and Exchange Board of India, The Reserve Bank of India or any other governmental/regulatory authority in India. This prospectus is not and should not be deemed to be a 'prospectus' as defined under the provisions of the Companies Act, 2013 (18 of 2013) and the same shall not be filed with any regulatory authority in India. Pursuant to the Foreign Exchange Management Act, 1999 and the regulations issued there under, any investor resident in India may be required to obtain prior special permission of the Reserve Bank of India before making investments outside of India, including any investments mentioned in this Base Prospectus. The Issuer has neither obtained any approval from the Reserve Bank of India or any other regulatory authority in India nor does it intend to do so and hence any eligible investor who is resident of India will be entirely responsible for determining its eligibility to invest in the Warrants.

11 Canada

The Warrants are not and will not be qualified for sale by a prospectus under the securities laws of any province or territory of Canada. This Base Prospectus is not, and under no circumstances is to be construed as, an advertisement or a public offering of the Warrants in Canada. Any offer or sale of the Warrants in any province or territory of Canada will only be made on a private placement basis, under an exemption from the requirement to prepare and file a prospectus with the relevant securities regulatory authorities. The Warrants will be subject to statutory hold periods in most Canadian jurisdictions. Any resale of the notes in Canada is restricted and must be made under applicable securities laws, which may vary depending on the relevant jurisdiction, and which may require resales to be made under available statutory exemptions or under a discretionary exemption granted by the applicable Canadian securities regulatory authority. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. Each purchaser of the Warrants, Manager of an issue of Warrants, and each further Manager appointed under the Programme, will be required to represent and agree, and will be deemed to have represented and agreed, that:

(a) the Warrants have not been qualified for distribution by a prospectus under the securities laws of any province or territory of Canada;

(b) it has not offered, sold, delivered, resold or transferred and will not offer, sell, deliver, resell or transfer any Warrants, directly or indirectly, in any province or territory of Canada or to or for the benefit of any resident of Canada, other than in compliance with the applicable securities laws of any province or territory of Canada; and

(c) it has not and will not distribute or deliver the Base Prospectus or any Final Terms, advertisement or other offering material relating to the Warrants in Canada, other than in compliance with the applicable securities laws of any province or territory of Canada.

12 People’s Republic of China

This Base Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, any Warrants in the People's Republic of China (excluding Hong Kong, Macau and Taiwan) (“**PRC**”) to any person to whom it is unlawful to make the offer or solicitation in the PRC.

The Warrants may not be offered, sold or delivered, or offered, sold or delivered to any person for reoffering or resale or redelivery, in any such case directly or indirectly (i) by means of any advertisement, invitation, document or activity which is directed at, or the contents of which are likely to be accessed or read by, the public in the PRC, or (ii) to any person within the PRC other than in full compliance with the relevant laws and regulations of the PRC, including but not limited to the PRC Securities Law, the Company Law and/or The Provisional Administrative Measures on Derivatives Business of Financial Institutions (as amended). Neither this Base Prospectus nor any material or information contained or incorporated by reference herein relating to the Programme or any advertisement or other offering material, in each case which have not been and will not be submitted to or approved/verified by or registered with the China Securities Regulatory Commission or other relevant governmental authorities in the PRC, may be supplied to the public in the PRC or used in connection with any offer for the subscription, purchase or sale of the Warrants other than in compliance with all applicable laws and regulations in the PRC.

PRC investors are responsible for obtaining all relevant government regulatory approvals/licences, verification and/or registrations themselves, including, but not limited to, those which may be required by the China Securities Regulatory Commission, the State Administration of Foreign Exchange and/or the China Banking Regulatory Commission, and complying with all relevant PRC laws and regulations, including, but not limited to, all relevant foreign exchange regulations and/or securities investment regulations.

The Issuer does not represent that this Base Prospectus may be lawfully distributed, or that Warrants may be lawfully offered, in compliance with any applicable registration or other requirements in PRC, or pursuant to an exemption available thereunder, or assume any responsibility for facilitation any such distribution of offering. In particular no action has been taken by the Issuer which would permit a public offering of any Warrants or distribution of this document in the PRC. Accordingly, the Warrants are not being offered or sold within the PRC by means of this Base Prospectus or any other document.

13 Malaysia

No proposal has been made, or will be made, to the Securities Commission of Malaysia for the approval of the issue or sale of the Warrants in Malaysia. Accordingly, each purchaser or subscriber of the Warrants will be deemed to represent and agree that it has not offered, sold, transferred or disposed, and will not offer, sell, transfer or dispose of, any Warrants, nor has it made, or will it make, this Base Prospectus or any other document or material the subject of an offer or invitation for subscription or purchase of any Warrants, whether directly or indirectly, to any person in Malaysia other than pursuant to an offer or invitation as specified in Schedule 6 of the Capital Markets and Services Act 2007 or as prescribed by the Minister of Finance under paragraph 229 (1) of the Capital Markets and Services Act 2007 and subject to the observance of all applicable laws and regulations in any jurisdiction (including Malaysia).

14 Taiwan

The Warrants have not been, and will not be, registered with the Financial Supervisory Commission of Taiwan, the Republic of China ("**Taiwan**") pursuant to applicable securities laws and regulations. No person or entity in Taiwan is authorised to distribute or otherwise intermediate the offering of the Warrants or the provision of information relating to the Programme, including, but not limited to, this Base Prospectus. The Warrants may be made available for purchase outside Taiwan by investors residing in Taiwan (either directly or through properly licensed Taiwan intermediaries acting on behalf of such investors), but may not be issued, offered or sold in Taiwan.

15 Changes to these selling restrictions

These selling restrictions may be changed by the Issuer including following a change, in or clarification of, a relevant law, regulation, directive, request or guideline having the force of law or compliance with which is in accordance with the practice of responsible financial institutions in the country or jurisdiction concerned or any change in or introduction of any of them or in their interpretation or administration. Any change will be set out in a supplement to this Base Prospectus.

Persons in whose hands this Base Prospectus comes are required by the Issuer and the Managers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell, transfer or deliver Warrants or have in their possession or distribute such offering material and to obtain any consent, approval or permission required by them for the purchase, offer, sale, transfer or delivery by them of any Warrants under the law and regulations in force in any country or jurisdiction to which they are subject or in which they make such purchases, offers, sales, transfers or deliveries, in all cases at their own expense, and neither the Issuer Bank nor any Manager shall have responsibility therefore. In accordance with the above, any Warrant purchased by any person which it wishes to offer for sale or resale may not be offered in any country or jurisdiction in circumstances which would result in either Issuer being obliged to register this Base Prospectus or any further prospectus or corresponding document relating to the Warrants in such country or jurisdiction.

Taxation

General

Purchasers of Warrants may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase in addition to the issue price of each Warrant.

TRANSACTIONS INVOLVING WARRANTS MAY HAVE TAX CONSEQUENCES FOR POTENTIAL PURCHASERS WHICH MAY DEPEND, AMONGST OTHER THINGS, UPON THE STATUS OF THE POTENTIAL PURCHASER AND LAWS RELATING TO TRANSFER AND REGISTRATION TAXES. POTENTIAL PURCHASERS WHO ARE IN ANY DOUBT ABOUT THE TAX POSITION OF ANY ASPECT OF TRANSACTIONS INVOLVING WARRANTS SHOULD CONSULT THEIR OWN TAX ADVISERS.

Condition 11 ("Expenses and Taxation") on page 73 of this Base Prospectus should be considered carefully by all potential purchasers of any Warrants.

Australian withholding taxes

Prospective Warrantholders should be aware that the final terms of issue of any Series of Warrants will affect the Australian tax treatment of that Series of Warrants.

This summary is a general guide and should be treated with appropriate caution. Prospective Warrantholders should consult their professional advisers on the tax implications of an investment in the Warrants for their particular circumstances.

The Warrants may be issued by the Issuer acting through its Head Office in Sydney ("**MBL Head Office**") or through any of its branches outside of Australia as specified in the relevant Final Terms or as agreed with the relevant Manager ("**MBL Foreign Branch**"). There may be different Australian withholding tax consequences depending upon whether the Warrants are issued by MBL Head Office or by an MBL Foreign Branch.

(i) **Introduction**

The following is a summary of the Australian withholding taxes that could be relevant in relation to the issue, transfer and settlement of the Warrants. This summary is not exhaustive and does not deal with:

- any other Australian tax aspects of acquiring, holding or disposing of the Warrants (including Australian income taxes);
- the position of certain classes of Warrantholders; or
- the Australian tax aspects of acquiring, holding or disposing of the relevant Reference Assets if the Warrants are Physical Delivery Warrants.

The Income Tax Assessment Act 1936 of Australia ("**Australian Tax Act**") characterises securities as either "debt interests" (for all entities) or "equity interests" (for companies) including for the purposes of Australian interest withholding tax imposed under Division 11A of Part III of the Australian Tax Act ("**IWT**") and dividend withholding tax ("**DWT**"). IWT is payable at a rate of 10 per cent. of the gross amount of interest paid by MBL to a non-resident of Australia (other than a non-resident acting at or through a permanent establishment in Australia) or an Australian resident acting at or through a permanent establishment outside Australia unless an exemption is available or the payments of interest on the Warrants are wholly incurred by MBL in carrying on a business in a country outside Australia through a permanent establishment of MBL in that country. For these purposes, interest is defined in section 128A(1AB) of the Australian Tax Act to include amounts in the nature of, or in substitution for, interest and certain other amounts.

(ii) Australian interest withholding tax

Payments made in respect of Warrants issued by MBL Head Office which are not "interest" for the purposes Division 11A of Part III to the Australian Tax Act, may be made without any withholding or deduction for or on account of Australian IWT. For these purposes, "interest" includes any amount in the nature of, or in substitution for, interest and certain other amounts.

Unless an exemption applies or the payments of interest on the Warrants are wholly incurred by MBL in carrying on a business in a country outside Australia through a permanent establishment of MBL in that country, "interest" paid by MBL in relation to the Warrants to a non-resident of Australia (other than a non-resident acting at or through a permanent establishment in Australia) or a resident acting at or through a permanent establishment outside Australia will be subject to IWT.

An exemption from Australian IWT is available in respect of Warrants issued by MBL if those Warrants are characterised as "debentures" and are not characterised as "equity interests" for the purposes of the Australian Tax Act and the requirements of section 128F of the Australian Tax Act are satisfied. Where "interest" is payable, MBL intends to issue Warrants which will be characterised as "debentures" and are not "equity interests" for these purposes and which will satisfy the requirements of section 128F of the Australian Tax Act.

The requirements that must be satisfied for an exemption from IWT in section 128F to apply in respect of the Warrants are as follows:

(i) MBL is a company as defined in section 128F(9) of the Australian Tax Act and is a resident of Australia when it issues those Warrants and when interest is paid;

(ii) those Warrants are issued in a manner which satisfies the public offer test. There are five principal methods of satisfying the public offer test, the purpose of which is to ensure that lenders in capital markets are aware that MBL is offering those Warrants for issue. In summary, the five methods are:

  (a) offers to 10 or more unrelated financiers or securities dealers or entities that carry on the business of investing in securities;

  (b) offers to 100 or more investors of a certain type;

  (c) offers of listed Warrants;

  (d) offers as a result of negotiations initiated via publicly available information sources; and

(e) offers to a dealer, manager or underwriter who offers to sell those Warrants within 30 days by one of the preceding methods;

(iii) MBL does not know, or have reasonable grounds to suspect, at the time of issue, that those Warrants or interests in those Warrants were being, or would later be, acquired, directly or indirectly, by an "associate" of MBL, except as permitted by section 128F(5) of the Australian Tax Act; and

(iv) at the time of the payment of interest, MBL does not know, or have reasonable grounds to suspect, that the payee is an "associate" of MBL, except as permitted by section 128F(6) of the Australian Tax Act.

Interest withholding tax exemptions under certain double tax conventions

The Australian government has signed double tax conventions ("**Double Tax Treaties**") with a number of countries (each a "**Specified Country**"), under which an exemption from IWT is available in certain circumstances. In broad terms, the Double Tax Treaties effectively prevent IWT applying to interest derived by:

- the government of the relevant Specified Country and certain governmental authorities and agencies in the Specified Country; and
- a "financial institution" which is a resident of a "Specified Country" and which is unrelated to and dealing wholly independently with MBL. The term "financial institution" refers to either a bank or any other form of enterprise which substantially derives its profits by carrying on a business of raising and providing finance. (However, interest paid under a back-to-back loan or an economically equivalent arrangement will not qualify for this exemption.)

The availability of relief under a Double Tax Treaty may be limited by Australia's adoption of the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting in circumstances where a holder of a Warrant has an insufficient connection with the relevant jurisdiction. Prospective holders of Warrants should obtain their own independent tax advice as to whether any of the exemptions under the relevant Double Tax Treaties may apply to their particular circumstances.

(iii) **Australian dividend withholding tax**

Australia may impose DWT at a rate of up to 30% on unfranked distributions (which may be reduced under an applicable double tax convention) paid in respect of equity interests held in an Australian company. However, to the extent that a Warrantholder does not hold an equity interest (and, therefore, receive any distributions), there should be no DWT imposed on any amounts received in respect of the Warrants.

(iv) **Tax File Number ("TFN") and Australian Business Number ("ABN")**

The Warrants should not be characterised as an "investment" to which Part VA of the Australian Tax Act applies. Therefore, the Warrants should be unaffected by the TFN quotation rules and there is no need for an investor to quote their TFN in connection with the acquisition of the Warrants.

However, in the case of Physical Delivery Warrants where a Warrantholder takes delivery of a Reference Asset at Settlement, an investor may be requested by the relevant investee company or entity for the provision of their TFN (or, in certain circumstances, their ABN). Whilst an investor is not required to provide their TFN (or ABN) to the relevant investee company or entity, investors that do not provide their TFN, or, in certain circumstances, their ABN, or other exemption details, may have tax withheld from dividends, interest and other income payments at the highest marginal tax rate in Australia plus the Medicare Levy (in aggregate, currently 47%).

(v) **Supply withholding taxes**

The Warrants should not be subject to any "supply withholding tax" imposed under section 12-190 of Schedule 1 to the Taxation Administration Act 1953 (Cth) of Australia ("**Taxation Administration Act**").

(vi) **Goods and services tax ("GST")**

None of the issue or receipt of the Warrants, the payments on the Warrants by Macquarie nor the redemption of Warrants will give rise to any GST liability in Australia. In the event that there is physical delivery of securities on redemption, no GST liability will arise in Australia.

(vii) **Stamp duty**

No stamp duty will be payable in Australia on the issue, transfer or redemption of the Warrants. In relation to physically settled Warrants, a stamp duty liability could arise in Australia, but no such duty should arise if the securities being transferred on physical settlement are listed on the Australian Stock Exchange or other exchange that is a member of the World Federation of Exchanges, and the securities being transferred do not represent a shareholding or unit-holding of 90% or more in the entity whose securities are being transferred.

(viii) **Additional withholdings from certain payments to non-Australian residents**

The Governor-General may make regulations requiring withholding from certain payments to non-Australian residents (other than payments of interest or other amounts which are already subject to the current IWT rules or specifically exempt from those rules). Regulations may only be made if the responsible Minister is satisfied the specified payments are of a kind that could reasonably relate to assessable income of foreign residents. The possible application of any future regulations to the proceeds of any sale of the Warrants will need to be monitored.

(ix) **Garnishee directions by the Commissioner of Taxation ("Commissioner")**

The Commissioner may give a direction under section 255 of the Australian Tax Act or section 260-5 of Schedule 1 of the Taxation Administration Act (or any other analogous provision under another statute) requiring the Issuer to deduct from any payment to any other entity (including any Warrantholder) any amount in respect of tax payable by that other entity. If the Issuer is served with such a direction in respect of a Warrantholder, then the Issuer will comply with that direction and, accordingly, will make any deduction or withholding in connection with that direction.

For example, in broad terms, if an amount was owing by the Issuer to a Warrantholder and that Warrantholder had an outstanding Australian tax-related liability owing to the Commissioner, the Commissioner may issue a notice to the Issuer requiring the Issuer to pay the Commissioner instead the amount owing to the Warrantholder.

(x) Issuer required to make a withholding or deduction on account of taxes

As set out in more detail in Condition 11 of this Base Prospectus, all payments made by the Issuer in respect of the Warrants will be made net of any withholding or deduction on account of taxes.

Whether or not the relevant withholding or deduction will be required to be made by the Issuer, the Guarantor or another entity on behalf of the Issuer (for example, the Paying Agent) will depend on the nature of the particular withholding or deduction, the character of the relevant payment and the Final Terms for that Series of Warrants.

United Kingdom Taxation

*The following is a summary of the Issuer's understanding of certain aspects of the United Kingdom withholding tax, stamp duty and stamp duty reserve tax positions relating to the Warrants and is based on current law and published HM Revenue and Customs ("**HMRC**") practice. Some aspects do not apply to certain classes of person (such as dealers and persons connected with the Issuer) to whom special rules may apply. The United Kingdom tax treatment of prospective Warrantholders depends on their individual circumstances and on the precise terms of any given Warrants and may be subject to change in the future. Prospective Warrantholders who may be subject to tax in a jurisdiction other than the United Kingdom or who may be unsure as to their tax position should seek their own professional advice.*

(i) Withholding taxes

1. *Annual payments*

Payments made on the Warrants by way of coupon which are treated as annual payments may be made without deduction of or withholding on account of United Kingdom income tax if those payments do not have a United Kingdom source.

If any such payments have a United Kingdom source then an amount may be required to be withheld on account of United Kingdom income tax at the basic rate (currently 20%).

2. *Manufactured payments*

An amount may be required to be withheld from payments on the Warrants which are "manufactured payments" and are made by the Issuer in the course of a trade carried on through a branch or agency in the United Kingdom.

To be a "manufactured payment" the payment must be made under arrangements which relate to the transfer of securities (for example, Warrants which provide for Physical Delivery) and the payment must be representative of a dividend or of interest payable on those securities. A "manufactured payment" will only be subject to withholding if: those securities are issued by a company UK real estate investment trust or by the principal company of a group UK real estate investment trust or the payment is representative of interest on securities issued by the government, a local authority or any other public authority of the United Kingdom or on securities (other than shares) issued by a company or other body which is resident in the United Kingdom.

3. *Interest*

For the purposes of this paragraph, references to "interest" are to payments which constitute interest for United Kingdom tax purposes and this may differ from any other meaning given to that term under any other law or under the terms and conditions of the Warrants. It is possible, depending on the precise terms of the Warrant in question, that payments made on a Warrant by way of coupon or on exercise could constitute interest for these purposes.

Payments on the Warrants which constitute interest may be made without deduction of or withholding on account of United Kingdom income tax if those payments do not have a United Kingdom source.

If any payments on the Warrants constitute interest and have a United Kingdom source, the Issuer, provided that it continues to be a bank within the meaning of section 991 of the Income Tax Act 2007, and provided that any such payments are made in the ordinary course of its business within the meaning of section 878 of that Act, will be entitled to make such payments without withholding or deduction for or on account of United Kingdom income tax.

Payments on the Warrants which constitute United Kingdom source interest may also be made without deduction of or withholding on account of United Kingdom income tax provided that the Warrants are and continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007 or are admitted to trading on a multilateral facility operated by a regulated recognised stock exchange within the meaning of Section 987 Income Tax Act 2007. The Luxembourg Stock Exchange is a recognised stock exchange. The Warrants will be "listed on a recognised stock exchange" for this purpose if they are admitted to trading on an exchange designated as a recognised stock exchange by an order made by the Commissioners for HMRC and either they are included in the United Kingdom official list (within the meaning of Part 6 of the Financial Services and Markets Act 2000) or they are officially listed, in accordance with provisions corresponding to those generally applicable in EEA states, in a country outside the United Kingdom in which there is a recognised stock exchange. The Issuer's understanding of current HMRC practice is that securities which are officially listed and admitted to trading on the Main Market or the Euro MTF Market of the Luxembourg Stock Exchange may be regarded as "listed on a recognised stock exchange" for these purposes. Provided, therefore, that the Warrants are and remain so listed, interest on the Warrants which has a United Kingdom source will be payable without withholding or deduction on account of United Kingdom tax.

In other cases, an amount must generally be withheld from payments of interest on the Warrants that has a United Kingdom source on account of United Kingdom income tax at the basic rate (currently 20%).

4. *Derivative contracts*

All payments on a Warrant may be made without deduction of or withholding on account of United Kingdom income tax (and so paragraphs 1 to 3 above do not apply to such payments) if the Warrant is issued by the Issuer as part of a trade to the extent carried on in the United Kingdom through a United Kingdom permanent establishment, and the profits and losses arising from the Warrant are calculated in accordance with Part 7 of the Corporation Tax Act 2009 ("derivative contracts").

5. *Other matters*

Where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Warrantholder, HMRC can issue a notice to the Issuer to pay interest to the Warrantholder without deduction of tax (or for payments to be made with tax deducted at the rate provided for in the relevant double tax treaty).

6. *Further United Kingdom Income Tax Issues*

Payments on the Warrants that constitute United Kingdom source income for tax purposes may, as such, be subject to income tax by direct assessment even where paid without withholding.

However, payments which are either interest or annual payments (but not miscellaneous income) with a United Kingdom source received without deduction or withholding on account of United Kingdom tax will not be chargeable to United Kingdom tax in the hands of a Warrantholder (other than certain trustees) who is not resident for tax purposes in the United Kingdom unless that Warrantholder carries on a trade, profession or vocation in the United Kingdom. There are exemptions for payments received by certain categories of agent (such as some brokers and investment managers). The provisions of an applicable double taxation treaty may also be relevant for such Warrantholders.

(ii) Stamp Duty and Stamp Duty Reserve Tax (SDRT)

1. Issue

In relation to Warrants which provide for Physical Delivery and which for SDRT purposes constitute agreements to transfer an Entitlement, a charge may arise on issue unless the Entitlement to be delivered on settlement is not or are not "chargeable securities". In general terms, Entitlements which:

(a) are not interests in unit trust schemes;

(b) are issued by a body corporate incorporated outside of the United Kingdom;

(c) are not registered in a register kept in the United Kingdom; and

(d) do not give its holder the right to subscribe for, or otherwise acquire, a security (or an interest in, or right arising out of, a security) registered in a register kept in the United Kingdom, are not “chargeable securities”.

A Global Warrant or any instrument granting a Global Warrant may be subject to United Kingdom stamp duty if it is executed in the United Kingdom or if it relates to any property situate, or to any matter or thing done or to be done, in the United Kingdom. Prospective purchasers of Warrants may wish to note, however, that, in the context of retail covered warrants listed on the London Stock Exchange, HMRC has indicated that no charge to stamp duty will arise on the grant of such warrants if cash-settled. It is not clear whether or not HMRC would be prepared to take such a view in relation to Warrants generally and in particular in relation to Warrants which provide for Physical Delivery. Even if an instrument is subject to United Kingdom stamp duty, there may be no practical necessity to pay that stamp duty, as United Kingdom stamp duty is not an assessable tax. However, an instrument which is not duly stamped cannot be used for certain purposes in the United Kingdom; for example it will be inadmissible in evidence in civil proceedings in a United Kingdom court.

2. *Transfer*

Stamp duty is chargeable on written instruments, and if transfers of Warrants are effected through a clearing system otherwise than by way of written instrument then generally no stamp duty should arise in respect of such a transfer. If a written instrument is used in respect of a transfer by way of sale, then any such instrument which is executed in the United Kingdom or which (if not executed in the United Kingdom) relates to any matter or thing done or to be done in the United Kingdom may be subject to stamp duty. Stamp duty would be charged at 0.5 per cent. of the sale consideration. If the consideration paid for a transfer of such Warrants is £1,000 or less and the instrument transferring the Warrants includes an appropriate certificate the stamp duty payable will be reduced to nil.

SDRT at 0.5% may be payable in relation to any agreement to transfer Warrants that provide for Physical Delivery either mandatorily or at the option of the Warrantholder, or otherwise give the Warrantholder the right to acquire stock, shares or loan capital (or interests in or rights arising out of stock, shares or loan capital) which stock, shares or loan capital:

(a) are registered in a register kept in the United Kingdom by or on behalf of the body corporate by which they are issued or raised, unless they are "exempt loan capital" (that is they are exempt under section 79 of the Finance Act 1986); or

(b) in the case of shares, are paired with shares issued by a body corporate incorporated in the United Kingdom.

3. *Exercise and redemption*

Stamp duty and SDRT may also be payable on a settlement of the Warrants that involves the delivery of an asset other than cash.

United States Taxation

Foreign Account Tax Compliance Act

Legislation commonly referred to as “FATCA” generally imposes withholding tax of 30 percent on payments to certain non-U.S. entities (including financial intermediaries) with respect to certain financial instruments, unless various U.S. information reporting and due diligence requirements have been satisfied. An intergovernmental agreement between the United States and the non–U.S. entities’ jurisdiction may modify these requirements.

Pursuant to U.S. Treasury Regulations, this legislation generally will apply to (1) Warrants that pay U.S. source interest or other U.S source “fixed or determinable annual or periodic” (“**FDAP**”); income and (2) Warrants issued from 2018 through 2026 that are “delta-one” and could be treated as paying dividend equivalents pursuant to Section 871 (m) of the Internal Revenue Code (see detailed discussions below). Withholding (if applicable) will apply to payments of interest and FDAP income.

Macquarie Bank is classified as a “foreign financial institution” (“**FFI**”) and expects that compliance with FATCA will require substantial investment in documentation and reporting framework. In the absence of compliance with FATCA, Macquarie Bank could be exposed to a withholding tax which would reduce the cash available to be paid by Macquarie Bank. In addition, under FATCA, Macquarie Bank or other financial institutions through which payments on the Warrants are made or through which an investor owns its Warrants may be required to withhold amounts on the Warrants if (i) there is a "non-participating" non-U.S. financial institution in the payment chain or (ii) the Warrants are treated as "financial accounts" for purposes of FATCA and the investor does not provide certain information, which may include the name, address and taxpayer identification number with respect to direct and certain indirect U.S. investors.

The Australian and the U.S. Governments signed an IGA ("**IGA**") in respect of FATCA on 28 April 2014. Under the IGA, Australian FFIs will generally be able to be treated as "deemed compliant" with FATCA. Depending on the nature of the relevant FFI, FATCA Withholding may not be required from payments made with respect to the Warrants other than in certain prescribed circumstances. However, under the IGA, an FFI may be required to provide the Australian Taxation Office with information on financial accounts (for example, the Warrants) held by U.S. persons or persons who should otherwise be treated as holding a “United States Account” of Macquarie Bank and on payments made to non-participating FFIs. Consequently, Warrantholders may be requested to provide certain information and certifications to Macquarie Bank and to any other financial institution through which payments on the Warrants are made in order for Macquarie Bank and other such financial institutions to comply with their FATCA obligations.

Macquarie Bank expects to be treated as a Reporting FI pursuant to the IGA and does not anticipate being obliged to deduct any withholding on account of FATCA (“**FATCA Withholding**”) on payments it makes. Macquarie Bank also expects that any branch through which it issues Warrants will be treated as a Reporting FI pursuant to an IGA. There can be no assurance, however, that Macquarie Bank, or any branch through which it issues Warrants, will be treated as a Reporting FI or that it would in the future not be required to deduct FATCA Withholding from payments it makes.

If withholding applies to the Warrants, Macquarie Bank will not be required to pay any additional amounts with respect to amounts withheld. Prospective purchasers should consult their tax advisers regarding FATCA, including the availability of certain refunds or credits.

Whilst the Warrants are in global form and held within the clearing systems, in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by the clearing systems. However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA), provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer's obligations under the Warrants are discharged once it has paid the common depositary or common safekeeper for the clearing systems (as bearer or registered holder of the Warrants) and the Issuer has therefore no responsibility for any amount thereafter transmitted through hands of the clearing systems and custodians or intermediaries.

If an amount in respect of FATCA Withholding were to be deducted or withheld any payments made in respect of the Warrants, neither Macquarie Bank nor any paying agent nor any other person would, pursuant to the conditions of the Warrants, be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive less payments than expected.

Section 871(m): "U.S. Dividend Equivalent Withholding"

Section 871(m) of the Internal Revenue Code and the Treasury Regulations thereunder (Section 871(m)) impose a 30 per cent. (or lower treaty rate) withholding tax on "dividend equivalents" paid or deemed paid to non U.S. Warrantholders with respect to certain financial instruments linked to U.S. equities ("**U.S. Underlying Equities**") or indices that include U.S. Underlying Equities. Section 871(m) generally applies to "specified equity linked instruments" ("**Specified ELIs**"), which are financial instruments that substantially replicate the economic performance of one or more U.S. Underlying Equities, as determined based on tests set forth in the applicable Treasury Regulations and discussed further below. Section 871(m) provides certain exceptions to this withholding regime, in particular for instruments linked to certain broad-based indices that meet requirements set forth in the applicable Treasury Regulations ("**Qualified Indices**") as well as securities that track such indices ("**Qualified Index Securities**"). Although the Section 871(m) regime was effective as of 2017, the regulations and IRS Notice 2024-44 phase in the application of Section 871(m) as follows: For financial instruments issued from 2018 through 2026, Section 871(m) will generally apply only to financial instruments that have a "delta" of one.

After 2026, Section 871(m) will apply, if, either (i) the "delta" of the relevant financial instrument is at least 0.80, if it is a "simple" contract, or (ii) the financial instrument meets a "substantial equivalence" test, if it is a "complex" contract.

Delta is generally defined as the ratio of the change in the fair market value of a financial instrument to a small change in the fair market value of the number of shares of the U.S. Underlying Equity. The "substantial equivalence" test measures whether a complex contract tracks its "initial hedge" (shares of the U.S. Underlying Equity that would fully hedge the contract) more closely than would a "benchmark" simple contract with a delta of 0.80.

The calculations are generally made at the “calculation date,” which is the earlier of (i) the time of pricing of the Warrant, i.e., when all material terms have been agreed on, and (ii) the issuance of the Warrant. However, if the time of pricing is more than 14 calendar days before the issuance of the Warrant, the calculation date is the date of the issuance of the Warrant. Under these rules, information regarding the Issuer’s final determinations for purposes of Section 871(m) may be available only after a non-U.S. Warrantholder agrees to acquire a Warrant. As a result, a non-U.S. Warrantholder should acquire such a Warrant only if it is willing to accept the risk that the Warrant is treated as a Specified ELI subject to withholding under Section 871(m).

If the terms of a Warrant are subject to a "significant modification" (for example, upon an Issuer substitution) the Warrant generally will be treated as reissued for this purpose at the time of the significant modification, in which case the Warrants could become Specified ELIs at that time.

If a Warrant is a Specified ELI, withholding in respect of dividend equivalents will, depending on the applicable withholding agent’s circumstances, generally be required either (i) on the underlying dividend payment date or (ii) when cash payments are made on the Warrant or upon the date of maturity, lapse or other disposition by the non-U.S. Warrantholder of the Warrant, or possibly upon certain other events. Depending on the circumstances, the applicable withholding agent may withhold the required amounts from coupon or other payments on the Warrant, from proceeds of the retirement or other disposition of the Warrant, or from other cash or property of the non-U.S. Warrantholder held by the withholding agent.

The application of Section 871(m) to a Warrant may be affected if a non-U.S. Warrantholder enters into another transaction in connection with the acquisition of the Warrant. For example, if a non-U.S. Warrantholder enters into other transactions relating to a U.S. Underlying Equity, the non-U.S. Warrantholder could be subject to withholding tax or income tax liability under Section 871(m) even if the relevant Warrants are not Specified ELIs subject to Section 871(m) as a general matter. Non-U.S. Warrantholders should consult their tax advisers regarding the application of Section 871(m) in their particular circumstances.

The U.S. federal income tax discussion set forth above is included for general information only and may not be applicable depending upon a Warrantholder's particular situation. Warrantholders should consult their tax advisers with respect to the tax consequences to them of the ownership and disposition of the Warrants, including the tax consequences under state, local, non-U.S. and other tax laws and the possible effects of changes in federal or other tax.

Common Reporting Standard

The OECD Common Reporting Standard for Automatic Exchange of Financial Account Information (“**CRS**”) requires certain financial institutions to report information regarding certain accounts (which may include the Warrants) to their local tax authority and follow related due diligence procedures. Warrantholders may be requested to provide certain information and certifications to ensure compliance with the CRS. A jurisdiction that has signed a CRS Competent Authority Agreement may provide this information to other jurisdictions that have signed the CRS Competent Authority Agreement.

Use of Proceeds

The net proceeds realised from the issuance of Warrants under the Programme will be used by Macquarie Bank for the Group's general corporate purposes.

General Information

Authorisation

1 Macquarie has obtained all necessary consents, approvals and authorisations in Australia in connection with the issue and performance of the Warrants. The establishment of the Programme and the issue of Warrants under it were duly authorised by Macquarie Bank on 22 February 2000 and the update of the Programme has been duly authorised by board delegated committees of Macquarie, most recently on 8 November 2024.

Credit Ratings

2 As at the date of this document, Macquarie Bank Limited has long-term credit ratings as shown in the table below. Current credit ratings may be obtained at www.macquarie.com.

	Long-Term rating
Fitch Ratings	A+

Source: *www.macquarie.com* as at date of this document.

Fitch Ratings Limited is registered as credit rating agencies in accordance with Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (as amended); as such it is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (www.esma.europa.eu/page/List-registered-and-certified-CRAs) in accordance with such Regulation.

Independent auditor

3 The independent auditor of Macquarie Bank in Australia is PwC Australia.

Other issuance under the Programme

4 If Macquarie Bank wishes to issue Warrants to be listed on the Luxembourg Stock Exchange in a form not contemplated by this Base Prospectus, it will issue a replacement Base Prospectus describing the form (and terms and conditions) of such Warrants.

Documents available

5 For so long as any Warrants shall be outstanding or the Programme remains in effect, copies of the following documents may be inspected during normal business hours at, and copies of documents (c), (d) and (e) are available free of charge from, the specified office of the Principal Warrant Agent in London and the Warrant Agent for the time being in Luxembourg and/or from the principal administrative office of Macquarie Bank:

(a) the constitution of Macquarie Bank (which is also available on the internet site: www.macquarie.com/au/en/investors/other-securities/macquarie-bank-limited-warrant-programme.html);

(b) the Warrant Agreement (which contains the form of the Global Warrant);

(c) the 2024 annual report of Macquarie Bank which includes the audited annual financial statements of Macquarie Bank consolidated with its subsidiaries for the financial year ended 31 March 2024 and the independent auditor's report in respect of such financial statements;

(d) the 2025 Interim Financial Report of Macquarie Bank which includes the unaudited financial statements of Macquarie Bank consolidated with its subsidiaries for the half year ended 30 September 2024 and the independent auditor's review report in respect of such financial statements;

(e) each Final Terms for Warrants that are listed on the Luxembourg Stock Exchange;

(f) a copy of this Base Prospectus together with any supplement to the Base Prospectus;

(g) in the case of a syndicated issue of listed Warrants, the syndication agreement (or equivalent document); and

(h) all reports, letters and other documents, balance sheets, valuations and statements by any expert any part of which is extracted or referred to in this Base Prospectus.

This Base Prospectus, the Final Terms issued for each issue of Warrants to be listed on the Luxembourg Stock Exchange and the other documents incorporated by reference as set out in this Base Prospectus (see "Documents Incorporated by Reference" on pages 44 to 47 inclusive of this Base Prospectus) will be published on the Luxembourg Stock Exchange's internet site www.luxse.com.

For the avoidance of doubt, the content of the websites referenced in this Base Prospectus does not form a part of this Base Prospectus and has not been scrutinised or approved by the Luxembourg Stock Exchange, except where that information has been incorporated by reference into this Base Prospectus.

Clearing

6 The Warrants have been accepted for clearance through Clearstream, Luxembourg and Euroclear. The appropriate Common Code and International Securities Identification Number for each issue of Warrants allocated by Clearstream, Luxembourg and Euroclear will be specified in the applicable Final Terms. If the Warrants of any series are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

Australian approvals

7 No approvals are currently required under Australian law for or in connection with the issue of Warrants by Macquarie Bank or for, or in connection with, the performance and enforceability of such Warrants. However, the Banking (Foreign Exchange) Regulations and other regulations in Australia prohibit payments, transactions and dealings with assets or named individuals or entities subject to international sanctions or associated with terrorism.

Post issuance information

8 Macquarie Bank does not intend to provide any post-issuance information in relation to any assets underlying an issue of Warrants constituting derivative securities.

Yield

9 In relation to any Warrant, an indication of the yield in respect of such Warrant, if applicable, will be specified in the applicable Final Terms. The yield is calculated as at the Issue Date of the Warrant on the basis of the relevant Issue Price. The yield indicated will be calculated as the yield to maturity as at the Issue Date of the Warrant and will not be an indication of future yield.

Directory

ISSUER

Macquarie Bank Limited
Level 1, 1 Elizabeth Street
Sydney NSW 2000
Australia
Telephone: +61 2 8232 3573
Attention: Head of Legal (Commodities and Global Markets)

PRINCIPAL WARRANT AGENT

Deutsche Bank AG, London Branch
Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom
Telephone: +44 (020) 7545 8000
Attention: Trust & Securities Services

LUXEMBOURG WARRANT AGENT

Deutsche Bank Luxembourg S.A.
2 Boulevard Konrad Adenauer
L-1115 Luxembourg

LUXEMBOURG LISTING AGENT

Deutsche Bank Luxembourg S.A.
2 Boulevard Konrad Adenauer
L-1115 Luxembourg

REGISTRAR

Deutsche Bank Luxembourg S.A.
2, Boulevard Konrad Adenauer
L-1115 Luxembourg

AUDITORS to the Issuer

PricewaterhouseCoopers
One International Towers Sydney
Watermans Quay
Barangaroo NSW 2000
Australia