

Macquarie Group Limited

ABN 94 122 169 279

Macquarie Bank Limited

ABN 46 008 583 542

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ASX/Media Release

MACQUARIE GROUP AND MACQUARIE BANK CLEANSING NOTICE – SUBORDINATED NOTES

SYDNEY, 13 August 2025 - Attached is a notice lodged by each of Macquarie Group Limited (“MGL”) and Macquarie Bank Limited (“MBL”) in respect of the issue of \$US1 billion of subordinated notes by MBL.

The notice is given by MGL and MBL under section 708A(12H)(e) of the *Corporations Act 2001* (Cth) (as inserted by ASIC Corporations (Regulatory Capital Securities) Instrument 2016/71).

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This document has been authorised for release to the ASX by Sam Dobson, Head of Investor Relations.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO U.S. PERSONS

IMPORTANT NOTICE

NOTHING IN THIS DOCUMENT CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION. THE PRIMARY OFFER AND DISTRIBUTION OF THE SUBORDINATED NOTES HAS CLOSED.

THE OFFER AND SALE OF THE SUBORDINATED NOTES AND THE MGL ORDINARY SHARES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "U.S. SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. THE SUBORDINATED NOTES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, TO ANY U.S. PERSON (AS DEFINED IN REGULATIONS UNDER THE U.S. SECURITIES ACT) (A "U.S. PERSON") OR TO ANY PERSON ACTING FOR THE ACCOUNT OR BENEFIT OF A U.S. PERSON EXCEPT IN A TRANSACTION EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. ACCORDINGLY, THE SUBORDINATED NOTES MAY ONLY BE OFFERED AND SOLD (I) IN THE UNITED STATES "QUALIFIED INSTITUTIONAL BUYERS" (AS DEFINED IN RULE 144A UNDER THE U.S. SECURITIES ACT) IN RELIANCE ON RULE 144A UNDER THE U.S. SECURITIES ACT AND (II) OUTSIDE THE UNITED STATES TO PERSONS THAT ARE NOT A U.S. PERSON AND ARE NOT ACTING FOR THE ACCOUNT OR BENEFIT OF A U.S. PERSON IN "OFFSHORE TRANSACTIONS" (AS DEFINED IN REGULATIONS UNDER THE U.S. SECURITIES ACT) IN RELIANCE ON REGULATIONS UNDER THE U.S. SECURITIES ACT.

THIS DOCUMENT IS GIVEN TO ASX JOINTLY BY MACQUARIE BANK LIMITED ("WE", "US", "OUR", THE "BANK" OR "MBL") AND MACQUARIE GROUP LIMITED ("MGL") IN ACCORDANCE WITH THE REQUIREMENTS OF ASIC CORPORATIONS (REGULATORY CAPITAL SECURITIES) INSTRUMENT 2016/71, WHICH PROVIDES RELIEF SO THAT MGL ORDINARY SHARES ISSUED ON EXCHANGE OF THE SUBORDINATED NOTES MAY BE ON-SOLD TO RETAIL INVESTORS WITHOUT FURTHER DISCLOSURE IF A NOTICE CONTAINING DISCLOSURE REQUIRED BY SECTION 708A(12I) OF THE AUSTRALIAN CORPORATIONS ACT (AS INSERTED BY ASIC CORPORATIONS (REGULATORY CAPITAL SECURITIES) INSTRUMENT 2016/71) IS RELEASED IN CONNECTION WITH THE ISSUE OF THE SUBORDINATED NOTES.



MACQUARIE
BANK

Macquarie Bank Limited

(ABN 46 008 583 542)

Notice under section 708A(12H)(e) of the Corporations Act 2001 (Cth)
("Australian Corporations Act")

US\$1,000,000,000

5.642% FIXED RATE SUBORDINATED NOTES DUE AUGUST 13, 2036, SERIES A

(SUBJECT TO EXCHANGE UPON A NON-VIABILITY EVENT FOR FULLY PAID ORDINARY SHARES OF MACQUARIE GROUP LIMITED (ABN 94 122 169 279) WITH A FALL BACK TO WRITE-OFF)

("Subordinated Notes")

under the

US\$25,000,000,000 U.S. Medium Term Note Program

EFFECT OF THE SUBORDINATED NOTES ON THE BANK AND MGL

The Subordinated Notes will be debt obligations of the Bank and are intended to constitute Tier 2 Capital of the Bank. The aggregate principal amount of the Subordinated Notes to be issued is US\$1,000,000,000. The effect of the issue on the Bank and the MGL Group will be to increase the total liabilities of MBL and Tier 2 Capital by that amount.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

MGL is a “disclosing entity” for the purposes of the Australian Corporations Act and is subject to regular reporting and disclosure obligations under the Australian Corporations Act and the ASX Listing Rules.

Copies of documents regarding MGL lodged with ASIC may be obtained from, or inspected at, an ASIC office. Documents regarding MGL released to the ASX disclosure platform are available from the ASX website at www.asx.com.au and at macquarie.com.

In addition, copies of:

- MGL’s annual report most recently lodged with ASIC (being MGL’s 2025 Annual Report, which includes the most recent audited consolidated financial statements of MGL and its subsidiaries for the financial year ended 31 March 2025); and
- any other notice lodged with ASX under the continuous disclosure provisions of the listing rules of ASX and the Australian Corporations Act given by MGL after the lodgment of MGL’s 2025 Annual Report with ASIC and before lodgment of this document with ASX,

may be obtained from MGL free of charge at its registered office at Level 1, 1 Elizabeth Street, Sydney, New South Wales, Australia. These materials are also available electronically on the website of ASX, at www.asx.com.au.

CERTAIN DEFINITIONS

In this document, unless otherwise specified or the context otherwise requires:

- “*ABN*” means Australian Business Number;
- “*ADI*” means an institution that is an authorised deposit-taking institution under the Australian Banking Act and regulated as such by APRA;
- “*APRA*” means the Australian Prudential Regulation Authority and its successors;
- “*ASIC*” means the Australian Securities and Investments Commission and its successors;
- “*ASX*” means ASX Limited (ABN 98 008 624 691) or the Australian Securities Exchange (as the context requires);
- “*ASX Listing Rules*” means the listing rules of the ASX as amended, varied or waived (whether in respect of MGL or generally) from time to time;
- “*Australian Banking Act*” means the Banking Act 1959 of Australia;
- “*Australian Corporations Act*” means the Corporations Act 2001 of Australia;
- “*Australian FSTR Act*” means the Financial Sector (Transfer and Restructure) Act 1999 of Australia;
- “*Australian Reserve Bank Act*” means the Reserve Bank Act 1959 of Australia;
- “*A\$*” or “*\$*” means the Australian dollar and “*US\$*” means the U.S. dollar;
- “*Bank*” and “*MBL*” each means Macquarie Bank Limited (ABN 46 008 583 542) (an ADI) and includes its predecessors and successors, and “*we*”, “*our*”, “*us*” and “*MBL Group*” each means MBL and its controlled entities;

- “*Banking Group*” or “*Bank Group*” means Banking Holdco and the group of existing and future subsidiaries of that intermediate subsidiary, including the Bank, that constitutes the Banking Group as described herein;
- “*Banking Holdco*” means Macquarie B.H. Pty Ltd (ABN 86 124 071 432), the intermediate holding company established as a subsidiary of MGL and as the immediate parent of MBL as part of the Restructure;
- “*business day*” means: a Monday, Tuesday, Wednesday, Thursday and Friday that (i) is not a day on which banking institutions in The City of New York or the City of Sydney, Australia generally are authorized or obligated by law, regulation or executive order to close, and (ii) solely with respect to any payment or other action to be made or taken at any place of payment outside The City of New York, is a Monday, Tuesday, Wednesday, Thursday or Friday that is not a day on which banking institutions in such place of payment generally are authorized or obligated by law, regulation or executive order to close;
- “*CHESS*” means the Clearing House Electronic Subregister System operated by ASX Settlement Pty Limited (ABN 49 008 504 532) or any system that replaces it relevant to MGL Ordinary Shares;
- “*Commonwealth*” and “*Australia*” each means the Commonwealth of Australia;
- “*controlled entities*” means those entities (including special purpose entities) over which another party has the power to govern, directly or indirectly, decision making in relation to financial and operating policies, so as to require that entity to conform with such controlling party’s objectives;
- “*Equal Ranking Obligations*” has the meaning given in this document under the heading “Description of the rights and liabilities attaching to Subordinated Notes — Status and Subordination of Subordinated Notes”;
- “*Exchange*” means, in respect of a Subordinated Note or portion thereof and a Non-Viability Date, the transfer of that Subordinated Note or portion thereof in connection with the allotment and issue of MGL Ordinary Shares, in accordance with the terms described herein, and the performance of the Related Exchange Steps; and “*Exchanged*” and “*Exchanging*” have corresponding meanings;
- “*financial statements*” means our and/or MGL’s historical financial statements, as the context requires;
- “*Junior Ranking Obligations*” has the meaning given in this document under the heading “Description of the rights and liabilities attaching to Subordinated Notes — Status and Subordination of Subordinated Notes”;
- “*Loss Absorption*” means any exchange for or conversion into ordinary shares or writing-off in respect of any Relevant Securities in accordance with their terms or by operation of law on the occurrence of a Non-Viability Event (including an Exchange or Write-Off of Subordinated Notes);
- “*MGL*” means Macquarie Group Limited (ABN 94 122 169 279), the authorized NOHC for the Banking Group and the Non-Banking Group, and includes its predecessors and its successors, as more fully described herein;
- “*MGL Group*” means MGL and its controlled entities, including MBL Group;
- “*MGL Ordinary Share*” means a fully paid ordinary share in the capital of MGL;
- “*MGL’s 2024 Fiscal Year Management Discussion and Analysis Report*” means MGL’s Management Discussion and Analysis Report dated May 3, 2024, which includes a comparative discussion and analysis of MGL’s results of operations and financial condition for the fiscal year ended March 31, 2024 compared to the fiscal year ended March 31, 2023, along with other balance

sheet, capital and liquidity disclosures as at or for the fiscal year ended March 31, 2024, and which is available on ASX's website at www.asx.com.au;

- “MGL’s 2025 Annual Report” means MGL’s 2025 annual report, which is incorporated by reference in the Offering Memorandum and which is available on ASX’s website at www.asx.com.au;
- “MGL’s 2025 Fiscal Year Management Discussion and Analysis Report” means MGL’s Management Discussion and Analysis Report dated May 9, 2025, which includes a comparative discussion and analysis of MGL’s results of operations and financial condition for the fiscal year ended March 31, 2025 compared to the fiscal year ended March 31, 2024, along with other balance sheet, capital and liquidity disclosures as at or for the fiscal year ended March 31, 2025, and which is available on ASX’s website at www.asx.com.au;
- “NOHC” means an authorized non-operating holding company of an ADI;
- “Non-Banking Group” means MGL, Macquarie Financial Limited and its subsidiaries and Macquarie Asset Management Holdings Pty Ltd and its subsidiaries;
- “Non-Viability Date” means the date (whether or not a business day) on which a Non-Viability Event occurs;
- “Non-Viability Event” means when APRA: (i) issues a written notice to us that it is necessary that Relevant Securities (including Subordinated Notes) be subject to Loss Absorption because, without such Loss Absorption, APRA considers that we would become non-viable; or (ii) notifies us in writing that it has determined that, without a public sector injection of capital or equivalent support, we would become non-viable;
- “RBA” means the Reserve Bank of Australia;
- “Regulatory Capital” has the meaning given in this document under the heading “Description of the rights and liabilities attaching to Subordinated Notes — Redemption of Subordinated Notes under certain circumstances”;
- “Regulatory Event” has the meaning given in this document under the heading “Description of the rights and liabilities attaching to Subordinated Notes — Redemption of Subordinated Notes under certain circumstances”;
- “Related Body Corporate” has the meaning given in the Australian Corporations Act;
- “Relevant Securities” means the Relevant Tier 1 Securities and the Relevant Tier 2 Securities;
- “Relevant Tier 1 Security” means a security forming part of the Tier 1 Capital of MBL that is capable of being subject to Loss Absorption where a Non-Viability Event occurs;
- “Relevant Tier 2 Security” has the meaning given in this document under the heading “Description of the rights and liabilities attaching to Subordinated Notes — Status and Subordination of Subordinated Notes”;
- “Restructure” means the reorganization of MBL Group that was completed on November 19, 2007 that resulted in the establishment of MGL as the ultimate holding company of MBL and the transfer by MBL Group of certain businesses, subsidiaries and assets, primarily the Macquarie Capital operating group, to the Non-Banking Group;
- “Senior Creditors” has the meaning given in this document under the heading “Description of the rights and liabilities attaching to Subordinated Notes — Status and Subordination of Subordinated Notes”;

- “*Shareholders*” means the holders of MGL Ordinary Shares;
- “*Tax Event*” has the meaning given in this document under the heading “Description of the rights and liabilities attaching to Subordinated Notes — Redemption of Subordinated Notes under certain circumstances”; and
- “*Written-Off*” means that, in respect of a Subordinated Note or portion thereof, the rights of the relevant holder of that Subordinated Note or portion thereof (including to payment of interest with respect to such principal amount, both in the future and as accrued but unpaid and to be issued with MGL Ordinary Shares) in relation to that Subordinated Note or portion thereof are immediately and irrevocably terminated for no consideration with effect on and from the Non-Viability Date, and “*Write-Off*” and “*Writing-Off*” have corresponding meanings.

DESCRIPTIONS OF THE SUBORDINATED NOTES & MGL ORDINARY SHARES

This notice includes:

- in Schedule 1, a description of the commercial particulars of the Subordinated Notes, extracted from the pricing supplement for the Subordinated Notes dated 5 August 2025;
- in Schedule 2, a description of the rights and liabilities attaching to the Subordinated Notes, based on material in the Offering Memorandum dated 23 May 2025 relating to offers and sales of Subordinated Notes (subject to Exchange upon a Non-Viability Event for fully paid ordinary shares of MGL with a fall back to Write-Off) under the Bank’s US\$25,000,000,000 U.S. Medium Term Note Program (the “**Offering Memorandum**”); and
- in Schedule 3, a description of the rights and liabilities attaching to the MGL Ordinary Shares, based on material in the Offering Memorandum.

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SCHEDULE 1 - DESCRIPTION OF THE COMMERCIAL PARTICULARS OF THE SUBORDINATED NOTES

The following is extracted from the pricing supplement for the Subordinated Notes dated 5 August 2025.

Initial Outstanding Principal Amount:	US\$1,000,000,000
Type of Note:	Rule 144A Global Note or Regulation S Global Note
Term:	11 years
Issue Date:	August 13, 2025 (T+6)
Trade Date:	August 5, 2025
Stated Maturity Date:	August 13, 2036 (subject to Exchange upon a Non-Viability Event for fully paid ordinary shares of MGL with a fall back to Write-Off, as described in the Offering Memorandum)
Maturity Amount:	100.000% of Principal Amount on the Stated Maturity Date
Clean-up Call:	Not applicable
Clean-up Call Threshold:	Not applicable
Issuer Call:	Applicable
Optional Call Date:	August 13, 2035
Redemption:	Redemption at the option of the Issuer at 100.000% of the aggregate principal amount to be redeemed (together with interest accrued on such principal amount to but excluding the date fixed for redemption) on the Optional Call Date or following the occurrence of a Regulatory Event or a Tax Event. Redemption is subject to prior approval by the Australian Prudential Regulation Authority. Please refer to the information under the heading "Description of the Subordinated Notes — Redemption of Subordinated Notes under certain circumstances" in the Offering Memorandum.
Redemption Amount:	Redeemable in whole or in part on the Optional Call Date and redeemable in whole but not in part following the occurrence of a Regulatory Event or a Tax Event.
Repayment:	Repayment at Stated Maturity Date.
Ranking:	Subordinated
Interest/Payment Basis:	Fixed Rate/Fixed Rate Subordinated Note
Fixed Rate Subordinated Notes (bullet):	Not applicable
Fixed Rate/Fixed Rate Subordinated Notes (callable):	
Interest Rate:	Initial Interest Rate applicable from and including the Issue Date to but excluding the Optional Call Date and the Reset

	Interest Rate applicable on and after the Optional Call Date to but excluding the Stated Maturity Date.
Initial Interest Rate	5.642% per annum
Reset Interest Rate	1-Year U.S. Treasury Rate plus 1.450% per annum.
	For the purpose of determining the Reset Interest Rate:
	(i) the “ <u>1 -Year U.S. Treasury Rate</u> ” will be an interest rate per annum, expressed as a percentage, equal to the yield to maturity on actively traded U.S. Treasury securities, adjusted to constant maturity, for 1 -year maturities appearing under the caption “Treasury constant maturities” in the most recent H.15;
	(ii) “ <u>H.15</u> ” means the daily statistical release designated as such, or any successor publication, published by the Board of Governors of the United States Federal Reserve System that establishes yield on actively traded U.S. Treasury securities under the caption “Treasury constant maturities”, or any successor site or publication that establishes yield on actively traded U.S. Treasury securities;
	(iii) “ <u>most recent H.15</u> ” means the H.15 which includes a yield to maturity for U.S. Treasury securities with a maturity of 1 year published closest in time but prior to the Reset Determination Date;
	(iv) “ <u>Reset Business Day</u> ” means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Sydney, Australia, New York, New York and London, United Kingdom; and
	(v) “ <u>Reset Determination Date</u> ” means the second Reset Business Day immediately preceding the Optional Call Date.
Interest Payment Period:	Semi-annually
Regular Record Date(s):	The fifteenth day (whether or not a Business Day) preceding the related Interest Payment Date
Interest Payment Dates:	Semi-annually, in arrears, on February 13 and August 13 of each year, commencing on February 13, 2026 and ending on the Stated Maturity Date or any earlier redemption date
Fixed Rate/Floating Rate Subordinated Note:	Not applicable
Floating Rate Subordinated Notes:	Not applicable
Floating Rate/Fixed Rate Subordinated Note:	Not applicable
General Provisions:	
Business Day Convention:	Following Business Day Convention
Business Days:	New York, Sydney
Day Count Convention:	30/360, unadjusted
Issue Price (%):	100.000%
Issue Price (\$):	US\$1,000,000,000
Commission:	0.400% Upfront

Net Proceeds to the Issuer:	US\$996,000,000
Joint Lead Managers:	Citigroup Global Markets Inc., Goldman Sachs & Co. LLC, HSBC Securities (USA) Inc., Macquarie Capital (USA) Inc., Morgan Stanley & Co. LLC, Wells Fargo Securities, LLC
Paying Agent, Transfer Agent and Registrar:	The Bank of New York Mellon
Calculation Agent:	Not applicable
Additional Paying Agent:	Not applicable
Redenomination, renominialization and reconventioning provisions:	Not applicable
Listing:	None
Denominations:	US\$200,000 minimum denomination and any integral multiples of US\$1,000 thereafter.
Covenant Defeasance:	Not applicable
CUSIP:	556079 AG6 – Rule 144A Global Note Q568A9 ST5 – Regulation S Global Note
ISIN:	US556079AG66 – Rule 144A Global Note USQ568A9ST52 – Regulation S Global Note
Additional Selling Restrictions:	See Offering Memorandum
Stabilizing Manager:	Not applicable
Depository (if other than DTC):	Not applicable
Prohibition on Sale to EEA Retail Investors:	Applicable
Prohibition on Sale to UK Retail Investors:	Applicable
Issuer Written Communications:	Term Sheet dated August 5, 2025, in the form attached as Annex C to the Terms Agreement
Other terms:	Time of Sale: 2:55 p.m., New York time, on August 5, 2025

SCHEDULE 2 - DESCRIPTION OF THE RIGHTS AND LIABILITIES ATTACHING TO SUBORDINATED NOTES

The following is an extract from the section entitled “Description of the Subordinated Notes” of the Offering Memorandum.

In this section, references to the “Bank”, “we”, “us”, “our” and similar references are to MBL only and not to MBL Group or MGL Group.

The Subordinated Notes will be our unsecured, direct, subordinated and general obligations and, in our Winding-Up, subject to a Write-Off, will rank behind the claims of all Senior Creditors, equally with Equal Ranking Obligations and ahead of Junior Ranking Obligations, as further described below under “— How the Subordinated Notes rank against other debt” and “— Status and Subordination of Subordinated Notes”.

If a Non-Viability Event occurs prior to the maturity or redemption of outstanding Subordinated Notes, the principal amount (or a portion thereof) of some or all of such Subordinated Notes will immediately be Exchanged for MGL Ordinary Shares, whereupon the rights of the relevant holders of such Subordinated Notes in respect of the principal amount (or the portion thereof Exchanged) will be (with effect from the Non-Viability Date) immediately and irrevocably terminated in respect of amount Exchanged. Accordingly, references to the “**principal amount**” of any series of Subordinated Notes or outstanding Subordinated Notes in the aggregate in this document shall be deemed to refer to such principal amount as it may be reduced due to Exchange or Write-Off. A Non-Viability Event occurs when APRA either (i) issues a written notice to MBL that it is necessary that Relevant Securities (including the outstanding Subordinated Notes) be subject to Loss Absorption because, without such Loss Absorption, APRA considers that MBL would become non-viable, or (ii) notifies MBL in writing that it has determined that, without a public sector injection of capital or equivalent support, MBL would become non-viable. If a Non-Viability Event described in item (ii) above occurs, MBL will be required to Exchange all of the principal amount of the outstanding Subordinated Notes for MGL Ordinary Shares. If not all outstanding Subordinated Notes are required to be Exchanged, Relevant Tier 1 Securities shall first be subject to Loss Absorption. If the amount of our Relevant Tier 1 Securities is not sufficient to satisfy APRA’s capital requirements, some or all of our Relevant Tier 2 Securities, including the Subordinated Notes, will then be subject to Exchange or Write-Off. See “— Exchange of Subordinated Notes on Non-Viability of MBL with a fall back to Write-Off” below. As at March 31, 2025, we had approximately A\$2.50 billion of outstanding Relevant Tier 1 Securities and A\$10.06 billion of outstanding Relevant Tier 2 Securities. MBL has no obligation to issue or maintain on issue any Relevant Tier 1 Securities or Relevant Tier 2 Securities. If, for any reason, an Exchange has not occurred within 5 business days of the Non-Viability Date, then Exchange will not occur and each Subordinated Note, or portion thereof, that would otherwise have been Exchanged, will be Written-Off. See “— Exchange of Subordinated Notes on Non-Viability of MBL with a fall back to Write-Off” below.

The outstanding Subordinated Notes may, with the prior written approval of APRA and the satisfaction of certain conditions regarding the replacement of the Subordinated Notes with Regulatory Capital and maintenance of acceptable capital requirements, be redeemed at the option of the Bank, in whole (but not in part), following the occurrence of a Regulatory Event or a Tax Event (in each case, as defined under the heading “— Redemption of Subordinated Notes under certain circumstances” below).

If the applicable pricing supplement specifies that an issuer call is applicable, the outstanding Subordinated Notes may, with the prior written approval of APRA and the satisfaction of certain conditions regarding the replacement of the Subordinated Notes with Regulatory Capital and maintenance of acceptable capital requirements, be redeemed at the option of the Bank, in whole or in part, on the Optional Call Date(s) as specified in the applicable pricing supplement. The first Optional Call Date will be no earlier than the fifth anniversary of the issue date.

If the applicable pricing supplement specifies that the Subordinated Notes of that series are subject to a clean-up call, the outstanding Subordinated Notes of such series may, with the prior written approval of APRA and the satisfaction of certain conditions regarding the replacement of the Subordinated Notes with Regulatory Capital and maintenance of acceptable capital requirements, be redeemed at the option

of the Bank, in whole (but not in part), if, prior to the date notice of such redemption is given, less than 25% (or such other percentage as may be specified in the applicable Pricing Supplement as being the Clean-up Call Threshold) of the initial aggregate principal amount of Subordinated Notes of such series remains outstanding, provided, however, the Bank may only redeem the Subordinated Notes pursuant to a clean-up call on or after the fifth anniversary of the issue date.

The Subordinated Notes will be issued only in fully registered form and in denominations of US\$200,000 and integral multiples of US\$1,000 in excess thereof. The Securities will be issued fully paid.

The Subordinated Notes will be issued under the Fiscal Agency Agreement

The Fiscal Agency Agreement and its associated documents, including the Subordinated Notes and the applicable pricing supplement, contain the full legal text of the matters described in this section entitled "Description of the Subordinated Notes". This section is a summary only and does not describe every aspect of the Fiscal Agency Agreement and the Subordinated Notes. For example, in this section and the applicable pricing supplement, we use terms that have been given special meaning in the Fiscal Agency Agreement, but we describe the meaning of only the more important of those terms.

The Fiscal Agency Agreement and the Subordinated Notes are governed by New York law, except as to authorization and execution by us and the subordination, Exchange and Write-Off provisions, which are governed by the laws of the State of New South Wales, Australia and the Commonwealth of Australia.

A copy of the Fiscal Agency Agreement (which includes the form of Subordinated Notes) is available for inspection during normal business hours at the office of the Fiscal Agent.

The Fiscal Agent performs administrative duties for us such as sending interest payments and notices to holders.

See "— Our relationship with the Fiscal Agent" below for more information about the Fiscal Agent.

We may issue other debt securities

The Fiscal Agency Agreement and the Subordinated Notes do not limit our ability to incur other indebtedness or to issue other securities. Also, we are not subject to financial or similar restrictions by the terms of the Subordinated Notes or the Fiscal Agency Agreement.

The Fiscal Agency Agreement does not limit the aggregate amount of debt securities that we may issue, nor does it limit the number of series or the aggregate amount of any particular series that we may issue.

We intend to issue Subordinated Notes, Senior Medium-Term Notes, Series A and Subordinated Medium-Term Notes, Series A from time to time, initially in an amount having the aggregate offering price specified on the cover of this document. However, we may issue additional Subordinated Notes, Senior Medium-Term Notes, Series A and Subordinated Medium-Term Notes, Series A in amounts that exceed the amount on the cover at any time, without your consent and without notifying you.

How the Subordinated Notes rank against other debt

The Subordinated Notes will not be secured by any of our property or assets. Thus, by owning a Subordinated Note, you are one of our unsecured creditors.

The Subordinated Notes are subordinated to all of our existing and future debt and other liabilities, other than Equal Ranking Obligations and Junior Ranking Obligations. See “— Status and Subordination of Subordinated Notes” and “— Default, remedies and waiver of default” below for additional information on how subordination limits the ability of holders of Subordinated Notes to receive payment or pursue other rights if we default or have certain other financial difficulties. The Subordinated Notes rank, in a Winding-Up of MBL, behind the claims of all Senior Creditors (which includes MBL’s depositors, MBL’s general unsubordinated creditors (including trade creditors) and obligations of MBL that are preferred by mandatory provisions of law, including under the Australian Banking Act and Australian Reserve Bank Act as described further below), equally with Equal Ranking Obligations and ahead of Junior Ranking Obligations (as further described below under “— Status and Subordination of Subordinated Notes”).

MBL is an ADI under the Australian Banking Act. The Australian 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 Subordinated Notes). These specified liabilities include certain obligations of the ADI to APRA in respect of amounts payable by APRA to holders of protected accounts, other liabilities of the ADI in Australia in relation to protected accounts, debts to the RBA and certain other debts to APRA. 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.

In addition, under section 16 of the Australian Banking Act, certain other debts of MBL due to APRA shall, in a Winding-Up of MBL, have, subject to section 13A(3) of the Australian Banking Act, priority over all other unsecured debts of MBL.

Further, under section 86 of the Australian Reserve Bank Act, debts due by MBL to the RBA shall in a Winding-Up of MBL, have, subject to section 13A(3) of the Australian Banking Act, priority over all other debts of MBL.

The Subordinated Notes will not constitute deposit liabilities or protected accounts of MBL in Australia for the purposes of the Australian Banking Act and are not insured or guaranteed by the United States Federal Deposit Insurance Corporation or any government, governmental agency or compensation scheme of the United States, Australia or any other jurisdiction or by any other party.

Except for a claim made on MBL in accordance with the terms of the Subordinated Notes, a holder of Subordinated Notes has no claim on MBL, MGL or any other member of the MGL Group for payment of any amount or the performance of any obligation in respect of any Subordinated Notes held by that holder.

Except as expressly provided in the terms of the Subordinated Notes, no holder of a Subordinated Note has:

- (i) any claim against MBL, MGL or any other member of the MGL Group;
- (ii) any right to:
 - (a) subscribe for securities, or to participate in any bonus issues of securities, of MBL, MGL or any other member of the MGL Group; or
 - (b) to otherwise participate in the profits or property of MBL, MGL or any other member of the MGL Group, except by receiving payments as set out in the terms of the Subordinated Notes.

Nothing in the terms of the Subordinated Notes limits the ability of MBL, MGL or any member of the MGL Group, in its absolute discretion from time to time, from:

- For personal use only
- (i) issuing shares or other securities of any kind, whether ranking equally with, in priority to or junior to, or having different rights from the Subordinated Notes; or
 - (ii) redeeming, converting, buying back, returning or distributing capital in respect of any share capital or any other securities of any kind, whether ranking behind, equally with, or in priority to the Subordinated Notes.

The liabilities that are preferred by law to the claim of a holder in respect of a Subordinated Note will be substantial and the terms and conditions of the Subordinated Notes do not limit the amount of such liabilities which may be incurred or assumed by MBL from time to time.

Status and Subordination of Subordinated Notes

The Subordinated Notes will be our unsecured, direct, subordinated and general obligations.

The Subordinated Notes will be Exchanged for MGL Ordinary Shares when APRA either (a) issues a written notice to MBL that it is necessary that Relevant Securities (including the Subordinated Notes) be subject to Loss Absorption because, without such Loss Absorption, APRA considers that MBL would become non-viable, or (b) notifies MBL in writing that it has determined that without a public sector injection of capital or equivalent support, MBL would become non-viable. See “— Exchange of Subordinated Notes on Non-Viability of MBL with a fall back to Write-Off” below.

The rights and claims of the holders of Subordinated Notes are, in a Winding-Up of MBL, expressly subject to the conditions, and subordinated on the basis set out below.

Prior to the commencement of a Winding-Up of the Bank

Prior to the commencement of a Winding-Up of the Bank:

- (i) our obligations to make payments of the principal amount, redemption price, interest or other amounts in respect of outstanding Subordinated Notes and all other amounts owing in relation to such Subordinated Notes are conditional upon us being solvent at the time the payments and other amounts owing fall due; and
- (ii) no payment of principal amount, redemption price, interest or any other amount shall be made in respect of the Subordinated Notes, except to the extent that we may make such payment and still be solvent immediately thereafter.

Any amount not paid as a consequence of these conditions remains a debt owing to the holder by us until it is paid and shall be payable on the first date on which the payment can be made in compliance with these conditions. Any such failure to pay will not be considered an Event of Default for the purposes of the relevant Subordinated Notes.

For the purposes of this section, we will be considered solvent if we are able to pay our debts as they fall due.

In our Winding-Up, the rights of the holders of outstanding Subordinated Notes against us to recover any sum payable in respect of the Subordinated Notes:

- (i) shall be subordinate and junior in right of payment to our obligations to Senior Creditors, to the extent that all claims in respect of such obligations to Senior Creditors shall be entitled to be paid in full before any payment shall be paid on account of any sums payable in respect of such Subordinated Note; and
- (ii) shall rank *pari passu* and ratably (as to its due proportion only) with our other subordinated creditors in respect of Equal Ranking Obligations, including any additional Subordinated Notes we may issue; and

- (iii) shall be senior and rank ahead in right of payment to our obligations in respect of Junior Ranking Obligations.

“Equal Ranking Obligations” means any instrument that ranks in our Winding-Up as the most junior claim in our Winding-Up ranking senior to Junior Ranking Obligations and includes any other instrument issued as a Relevant Tier 2 Security or that ranks or is expressed to rank equally with the Subordinated Notes or any of our other Relevant Tier 2 Securities.

“Issuer Level 1 Group” means MBL and such other entities included from time to time in the calculation of MBL’s capital ratios on a Level 1 basis (or its equivalent, in either case, as defined by APRA from time to time).

“Issuer Level 2 Group” means MBL and such other entities included from time to time in the calculation of MBL’s capital ratios on a Level 2 basis (or its equivalent, in either case, as defined by APRA from time to time).

“Junior Ranking Obligations” means any instrument, present and future, issued by us that is issued as Tier 1 Capital (whether or not constituting Tier 1 Capital at the issue date of a series of Subordinated Notes or at the time of commencement of any Winding-Up of MBL) or that ranks or is expressed to rank equally with MBL’s Tier 1 Capital, and includes shares (other than a share issued as Tier 2 Capital) and any claims in respect of a shareholding, including the claims described in sections 563AA and 563A of the Australian Corporations Act.

“Level 1” and **“Level 2”** each has the meaning determined for that term (or its equivalent) by APRA from time to time.

“Relevant Tier 2 Security” means Subordinated Notes and any other security forming part of the Tier 2 Capital of MBL that is capable of being subject to Loss Absorption where a Non-Viability Event occurs.

“Senior Creditors” means all of our creditors (present and future), including our depositors and general unsubordinated creditors, whose claims:

- (1) are admitted in MBL’s Winding-Up; and
- (2) are not in respect of:
 - (A) an Equal Ranking Obligation; or
 - (B) a Junior Ranking Obligation.

“Tier 1 Capital” and **“Tier 2 Capital”** each has the meaning determined for that term (or its equivalent) by APRA from time to time.

“Winding-Up” means, with respect to an entity, the winding-up, liquidation, termination or dissolution of the entity, but does not include any winding-up, liquidation, termination or dissolution for the purposes of a consolidation, amalgamation, merger or reconstruction (the terms of which have been approved by the shareholders of the entity or by a court of competent jurisdiction) under which the continuing or resulting entity effectively assumes the entire obligations of the entity in respect of the Subordinated Notes.

In our Winding-Up, holders shall only be entitled to prove for any sums payable in respect of the Subordinated Notes as a debt that is subject to and contingent upon prior payment in full of the Senior Creditors. By their purchase of or by holding interests in Subordinated Notes, the holders of the Subordinated Notes will be taken to have waived to the fullest extent permitted by law any right to prove in any such Winding-Up as creditors ranking for payment in any other manner.

Neither we nor a holder of Subordinated Notes shall be entitled to:

- (i) set-off or net against any amounts owing in respect of Subordinated Notes held by such holder, any amount held by the holder to our credit whether in any account, in cash or otherwise, nor any of our deposits, advances or debts, or any other amount owing by the holder of Subordinated Notes to us on any account whatsoever; or
- (ii) effect any reduction of the amount due to such holder in respect of Subordinated Notes by merger of accounts or lien or the exercise of any other rights the effect of which is or may be to reduce the amount due in respect of such Subordinated Notes.

Any payment, whether voluntary or in any other circumstances received by a holder of Subordinated Notes from or on our account (including by way of credit, set-off by operation of law or otherwise) or from any liquidator, receiver, manager or statutory manager in breach of the terms hereof, will be held by relevant holder of the Subordinated Notes in trust for and to the order of the Senior Creditors. Such trust shall be for a term expiring on the earlier of the date on which all Senior Creditors have been paid in full or eighty years from the date of the issue of the relevant Subordinated Notes.

The Subordinated Notes are also subordinated by operation of mandatory provisions of law pursuant to the Australian Corporations Act, the Australian Banking Act and the Australian Reserve Bank Act. See “— How the Subordinated Notes rank against other debt” above for further information.

We expect that from time to time we will incur additional indebtedness and other obligations that will constitute claims of our Senior Creditors. The Subordinated Notes do not limit the amount of our obligations that can rank ahead of the Subordinated Notes which we may incur or assume in the future.

Each holder, by its purchase or holding of an interest in Subordinated Notes, shall be taken to have irrevocably acknowledged and agreed that:

- the subordination provisions of the form of Subordinated Notes constitute a debt subordination for the purposes of section 563C of the Australian Corporations Act;
- MBL’s obligations in respect of the Subordinated Notes are subordinated in the manner provided in the subordination provisions of the Subordinated Notes; and
- the debt subordination effected by the subordination provisions of the Subordinated Notes is not affected by any act or omission of MBL or a Senior Creditor which might otherwise affect it at law or in equity.

Principal amount, stated maturity and maturity date

The principal amount of a Subordinated Note means the principal amount payable at its stated maturity, subject to such principal amount being reduced due to Exchange or Write-Off. The term “stated maturity”, with respect to any Subordinated Note, means the day on which the principal amount of that Subordinated Note is scheduled to become due, subject to Exchange, Write-Off or early redemption. The day on which the principal actually becomes due, whether at the stated maturity or earlier, is called the maturity date of the principal.

We also use the terms “stated maturity” and “maturity date” to refer to the days when other payments become due. For example, we may refer to a regular interest payment date when an installment of interest is scheduled to become due as the “stated maturity” of that installment.

When we refer to the “stated maturity” or the “maturity date” of a Subordinated Note without specifying a particular payment, we mean the stated maturity or maturity date, as the case may be, of the principal.

Currency of Subordinated Notes

Amounts that become due and payable on your Subordinated Note in cash will be payable in U.S. dollars.

Types of Subordinated Notes

Fixed Rate Subordinated Notes

Subordinated Notes of this type (“Fixed Rate Subordinated Notes”) will bear interest at a fixed rate described in the applicable pricing supplement.

Each Fixed Rate Subordinated Note will bear interest from its issue date or from the most recent date to which interest on the Subordinated Note has been paid or made available for payment. Interest will accrue on the principal of a Fixed Rate Subordinated Note at the fixed yearly rate stated in the applicable pricing supplement, until the principal is paid or made available for payment or the Subordinated Note is Exchanged, Written-Off or redeemed upon the occurrence of a Tax Event or a Regulatory Event, or, if applicable, in whole or in part, on the Optional Call Date, or, if applicable, in whole (but not in part), pursuant to a clean-up call. Each payment of interest due on an interest payment date or the maturity date will include interest accrued from and including the last date to which interest has been paid, or made available for payment, or from the issue date of a Subordinated Note if none has been paid or made available for payment, to but excluding the interest payment date or the maturity date. Unless otherwise specified in the applicable pricing supplement, we will compute interest on Fixed Rate Subordinated Notes on the basis of a 360-day year of twelve 30-day months or, if specified in the applicable pricing supplement, on the basis of a 365-day or a 365/366-day year. We will pay interest on each interest payment date and at the maturity date as described below under “— Payment mechanics for Subordinated Notes”.

Floating Rate Subordinated Notes

Subordinated Notes of this type (“Floating Rate Subordinated Notes”) will bear interest at rates that are determined by reference to an interest rate formula. In some cases, the rates may also be adjusted by adding or subtracting a Spread. The various interest rate formulas and these other features are described below under “— Interest rates— Floating Rate Subordinated Notes”. If your Subordinated Notes are Floating Rate Subordinated Notes, the formula and any adjustments that apply to the interest rate will be specified in the applicable pricing supplement.

Each Floating Rate Subordinated Note will bear interest from its issue date or from the most recent date to which interest on the Subordinated Note has been paid or made available for payment. Interest will accrue on the principal of a Floating Rate Subordinated Note at the yearly rate determined according to the interest rate formula stated in the applicable pricing supplement, until the principal is paid or made available for payment or until it is converted or exchanged. We will compute interest on Floating Rate Subordinated Notes as described below under “— Interest rates — Floating Rate Subordinated Notes— Calculation of Interest”. We will pay interest on each interest payment date and at the maturity date as described below under “— Payment mechanics for Subordinated Notes”.

Additional information about Base Rates. The process of compiling certain Base Rates where rate participants provide market data is under review. Any changes to how Base Rates are compiled may result in a sudden or prolonged increase or decrease in the reported rate, which could have an adverse impact on the level of interest payments and the value of any Subordinated Notes that reference the relevant rate.

Information in the pricing supplement

The applicable pricing supplement will describe one or more of the following terms of your Subordinated Note:

- the title of your Subordinated Note;

- stated maturity;
- the price at which we originally issue your Subordinated Notes, expressed as a percentage of the principal amount and the issue date;
- whether your Subordinated Notes are Fixed Rate Subordinated Notes or Floating Rate Subordinated Notes, or any combination of the foregoing;
- if your Subordinated Notes are Fixed Rate Subordinated Notes, the yearly rate at which your Subordinated Notes will bear interest and the interest payment dates, if different from those stated below under “— Interest rates — Fixed Rate Subordinated Notes”;
- if your Subordinated Notes are Floating Rate Subordinated Notes, the interest rate basis, which may be one of the five Base Rates described in “— Interest rates — Floating Rate Subordinated Notes” below; any applicable index maturity or Spread; the interest reset, determination, calculation and payment dates; the day count used to calculate interest payments for any period; and the Calculation Agent, all of which we describe under “— Interest rates — Floating Rate Subordinated Notes” below and the conditions, if any, under which they may convert into or be exchangeable for Fixed Rate Subordinated Notes;
- if your Subordinated Notes are subject to an issuer call and/or a clean-up call, in addition to a redemption of Subordinated Notes following the occurrence of a Regulatory Event or a Tax Event, the circumstances under which Subordinated Notes may be redeemed at our option before the stated maturity date, including the Optional Call Date(s), repayment date(s) and redemption price(s);
- the authorized denominations, if other than denominations of US\$200,000 and multiples of US\$1,000;
- the depository for your Subordinated Notes, if other than DTC, and any circumstances under which the holder may request Subordinated Notes in non-global form, if we choose not to issue your Subordinated Notes in book-entry form only;
- the name of each offering agent;
- the discount or commission to be received by the offering agent or agents;
- the net proceeds to the Bank;
- the names and duties of any co-agents, depositaries, Paying Agents, transfer agents, exchange agents or registrars for your Subordinated Notes; and
- any other terms of your Subordinated Notes, which could be different from those described in this document.

Form of Subordinated Notes

We will issue each Subordinated Note in global — *i.e.*, book-entry — form only, unless we specify otherwise in the applicable pricing supplement. Subordinated Notes in book-entry form will be represented by a global security registered in the name of a depository, which will be the holder of all the Subordinated Notes represented by the global security. Those who own beneficial interests in a global note will do so through participants in the Depository’s securities clearance system, and the rights of these indirect owners will be governed solely by the applicable procedures of the Depository and its participants.

In addition, we will generally issue each Subordinated Note in registered form, without coupons, unless we specify otherwise in the applicable pricing supplement.

Interest rates

This subsection describes the different kinds of interest rates that may apply to your Subordinated Note, if it bears interest.

Fixed Rate Subordinated Notes

Interest on Fixed Rate Subordinated Notes will be payable annually or semi-annually on the date or dates specified in the applicable pricing supplement and at the maturity date. Any payment of principal and interest for Fixed Rate Subordinated Notes required to be made on an interest payment date that is not a business day (as defined below) will be postponed to the next succeeding business day as if made on the date that payment was due, and no interest will accrue on that payment for the period from and after the interest payment date to the date of that payment on the next succeeding business day. For each Fixed Rate Subordinated Note that bears interest, interest will accrue, and we will compute and pay accrued interest, as described under “— Fixed Rate Subordinated Notes” above and “— Payment mechanics for Subordinated Notes” below.

Unless otherwise specified in the applicable Subordinated Note and any applicable pricing supplement, each Fixed Rate Subordinated Note will be issued as described below. Each Fixed Rate Subordinated Note and any applicable pricing supplement will specify certain terms with respect to which each Fixed Rate Subordinated Note is being delivered, including: whether such Fixed Rate Subordinated Note is a “Regular Fixed Rate Subordinated Note” or a “Fixed Rate/Fixed Rate Subordinated Note”, interest rate, reset interest rate, if applicable, interest payment period and dates and record dates.

The interest rate borne by the Fixed Rate Subordinated Notes will be determined as follows:

- unless such Fixed Rate Subordinated Note is designated as a “Fixed Rate/Fixed Rate Subordinated Note” or as having an addendum attached or having “other/additional provisions” apply, in each case relating to a different interest rate formula, such Fixed Rate Subordinated Note will be designated as a “Regular Fixed Rate Subordinated Note” and, except as described below or as specified in the applicable Subordinated Note and in any applicable pricing supplement, will bear interest from and including the issue date to but excluding the stated maturity date at the fixed interest rate specified in the applicable Fixed Rate Subordinated Note;
- if such Fixed Rate Subordinated Note is designated as a “Fixed Rate/Fixed Rate Subordinated Note”, then, except as described below or as specified in the applicable Subordinated Note and any applicable pricing supplement, such Fixed Rate Subordinated Note will bear interest from and including the issue date to but excluding the Optional Call Date at the initial interest rate specified in the applicable Fixed Rate Subordinated Note, and will bear interest from and including the Optional Call Date to but excluding the stated maturity date at the reset interest rate specified in the applicable Fixed Rate Subordinated Note.

Floating Rate Subordinated Notes

In this subsection, we use several specialized terms relating to the manner in which floating interest rates are calculated. These terms appear in bold, italicized type the first time they appear, and we define these terms in “— Special Rate Calculation Terms” at the end of this subsection.

For each Floating Rate Subordinated Note, interest will accrue, and we will compute and pay accrued interest, as described under “— Types of Subordinated Notes— Floating Rate Subordinated Notes” above and “— Payment mechanics for Subordinated Notes” below. In addition, the following will apply to Floating Rate Subordinated Notes.

Base Rates. We currently expect to issue Floating Rate Subordinated Notes that bear interest at rates based on one or more of the following “Base Rates”:

- Prime Rate;
- SOFR;
- Treasury Rate;
- CMT Rate; and/or
- Federal Funds Rate.

We describe each of the Base Rates in further detail below in this subsection.

If you purchase Floating Rate Subordinated Notes, the applicable pricing supplement will specify the type of Base Rate that applies to your Subordinated Notes.

Unless otherwise specified in the applicable Subordinated Note and any applicable pricing supplement, each Floating Rate Subordinated Note will be issued as described below. Each Floating Rate Subordinated Note and any applicable pricing supplement will specify certain terms with respect to which each Floating Rate Subordinated Note is being delivered, including: whether such Floating Rate Subordinated Note is a “Regular Floating Rate Subordinated Note”, a “Floating Rate/Fixed Rate Subordinated Note” or a “Fixed Rate/Floating Rate Subordinated Note”, the fixed rate commencement date, if applicable, fixed interest rate, if applicable, Base Rate, initial interest rate, if any, initial Interest Reset Date, if applicable, interest reset period and dates, if applicable, interest period and dates, record dates, Index Maturity and Spread, if any, as such terms are defined below. If the applicable Base Rate is the CMT Rate, the applicable Subordinated Note and any applicable pricing supplement will also specify the Designated CMT Refinitiv Page, as such term is defined below.

The interest rate borne by the Floating Rate Subordinated Notes will be determined as follows:

- unless such Floating Rate Subordinated Note is designated as a “Floating Rate/Fixed Rate Subordinated Note” or a “Fixed Rate/Floating Rate Subordinated Note”, or as having an addendum attached or having “other/additional provisions” apply, in each case relating to a different interest rate formula, such Floating Rate Subordinated Note will be designated as a “Regular Floating Rate Subordinated Note” and, except as described below or as specified in the applicable Subordinated Note and in any applicable pricing supplement, will bear interest at the rate determined by reference to the applicable Base Rate plus or minus the applicable Spread, if any, specified in such Subordinated Note or applicable pricing supplement. Commencing on the first Interest Reset Date (as defined below) occurring after the issue date (the “*initial Interest Reset Date*”), the rate at which interest on such Regular Floating Rate Subordinated Note will be payable will be reset as at each Interest Reset Date; provided, however, that the interest rate in effect for the period, if any, from the issue date to the initial Interest Reset Date will be the initial interest rate;
- if such Floating Rate Subordinated Note is designated as a “Floating Rate/Fixed Rate Subordinated Note”, then, except as described below or as specified in the applicable Subordinated Note and any applicable pricing supplement, such Floating Rate Subordinated Note will bear interest at the rate determined by reference to the applicable Base Rate plus or minus the applicable Spread, if any, specified in such Subordinated Note or applicable pricing supplement. Commencing on the initial Interest Reset Date, the rate at which interest on such Floating Rate/Fixed Rate Subordinated Note will be payable will be reset as of each Interest Reset Date; provided, however, that (y) the interest rate in effect for the period, if any, from and including the issue date to but excluding the initial Interest Reset Date will be the initial interest rate and (z) the interest rate in effect for the period from and including the date specified in the applicable pricing supplement (the “*Fixed Rate Commencement Date*”) to but excluding the stated maturity date will be the fixed interest rate, if such rate is specified in the

applicable Subordinated Note and any applicable pricing supplement or, if no such fixed interest rate is specified, the interest rate in effect thereon on the business day immediately preceding the Fixed Rate Commencement Date; and

- if such Floating Rate Subordinated Note is designated as a “Fixed Rate/Floating Rate Subordinated Note” then, except as described below or as specified in the applicable Subordinated Note and any applicable pricing supplement, such Fixed Rate Subordinated Note will bear interest at the fixed rate specified in such Subordinated Note and any applicable pricing supplement from and including the issue date to but excluding the date specified in the applicable pricing supplement (the “Floating Rate Commencement Date”) and the interest rate in effect for the period from and including the Floating Rate Commencement Date to but excluding the stated maturity date will be the rate determined by reference to the applicable Base Rate plus or minus the applicable Spread, if any, specified in such Subordinated Note or applicable pricing supplement. Commencing on the first Interest Reset Date after such Floating Rate Commencement Date, the rate at which interest will be payable will be reset as of each Interest Reset Date.

Notwithstanding the previous paragraph, the interest rate borne by SOFR Subordinated Notes will be calculated as described below under “SOFR Subordinated Notes” and the relevant Special Rate Calculation Terms.

Initial Base Rate. For Floating Rate Subordinated Notes, the Base Rate in effect from and including the issue date to but excluding the first Interest Reset Date will be the Initial Base Rate. We will specify the Initial Base Rate in the applicable pricing supplement.

Spread. In some cases, the Base Rate for a series of Floating Rate Subordinated Notes may be adjusted by adding or subtracting a specified number of basis points, called the “Spread”, with one basis point being 0.01%.

If you purchase Floating Rate Subordinated Notes, the applicable pricing supplement will specify whether a Spread will apply to your Subordinated Notes and, if so, the amount of the Spread.

Maximum and Minimum Rates. The interest rate on Floating Rate Subordinated Notes will in no event be higher than the maximum rate permitted by New York law, as it may be modified by United States federal law of general application. Under current New York law, the maximum rate of interest, with some exceptions, for any loan in an amount less than US\$250,000 is 16% and for any loan in the amount of US\$250,000 or more but less than US\$2,500,000 is 25% per year on a simple interest basis. These limits do not apply to loans of US\$2,500,000 or more. Additionally, the interest rate on Floating Rate Subordinated Notes will in no event be lower than zero.

The rest of this subsection describes how the interest rate and the interest payment dates will be determined, and how interest will be calculated, on Floating Rate Subordinated Notes.

Interest Reset Dates. The rate of interest on Floating Rate Subordinated Notes, other than SOFR Subordinated Notes, will be reset by the Calculation Agent daily, weekly, monthly, quarterly, semi-annually, annually or at some other interval specified in the applicable pricing supplement. The date on which the interest rate resets and the reset rate becomes effective is called the Interest Reset Date. Except as otherwise specified in the applicable pricing supplement, the Interest Reset Date will be as follows:

- for Floating Rate Subordinated Notes that reset daily, each business day;
- for Floating Rate Subordinated Notes that reset weekly and are not Treasury Rate Subordinated Notes, the Wednesday of each week;

- for Treasury Rate Subordinated Notes that reset weekly, the Tuesday of each week, except as otherwise described in the next to last paragraph under “— Interest Determination Dates” below;
- for Floating Rate Subordinated Notes that reset monthly, the third Wednesday of each month;
- for Floating Rate Subordinated Notes that reset quarterly, the third Wednesday of March, June, September and December of each year;
- for Floating Rate Subordinated Notes that reset semi-annually, the third Wednesday of each of two months of each year as specified in the applicable pricing supplement; and
- for Floating Rate Subordinated Notes that reset annually, the third Wednesday of one month of each year as specified in the applicable pricing supplement.

For Floating Rate Subordinated Notes other than SOFR Subordinated Notes, the interest rate in effect on any particular day will be the interest rate determined with respect to the latest Interest Reset Date that occurs on or before that day. There are several exceptions, however, to the reset provisions described above.

The Base Rate in effect from and including the issue date to but excluding the first Interest Reset Date will be the Initial Base Rate. For Floating Rate Subordinated Notes that reset daily or weekly, the Base Rate in effect for each day following the second business day before an interest payment date to, but excluding, the interest payment date, and for each day following the second business day before the maturity date to, but excluding, the maturity date, will be the Base Rate in effect on that second business day.

If any Interest Reset Date for a Floating Rate Subordinated Note would otherwise be a day that is not a business day, the Interest Reset Date will be postponed to the next day that is a business day.

Interest Determination Dates. The interest rate that takes effect on an Interest Reset Date will be determined by the Calculation Agent by reference to a particular date called an Interest Determination Date for Floating Rate Subordinated Notes other than SOFR Subordinated Notes. Except as otherwise specified in the applicable pricing supplement:

- for all such Floating Rate Subordinated Notes other than Treasury Rate Subordinated Notes, the Interest Determination Date relating to a particular Interest Reset Date will be the second business day before the Interest Reset Date; and
- for Treasury Rate Subordinated Notes, the Interest Determination Date relating to a particular Interest Reset Date, which we refer to as a Treasury Interest Determination Date, will be the day of the week on which the Interest Reset Date falls on which treasury bills — *i.e.*, direct obligations of the United States government — would normally be auctioned. Treasury bills are usually sold at auction on the Monday of each week, unless that day is a legal holiday, in which case the auction is usually held on the following Tuesday, except that the auction may be held on the preceding Friday. If, as the result of a legal holiday an auction is held on the preceding Friday, that Friday will be the Treasury Interest Determination Date relating to the Interest Reset Date occurring in the next succeeding week. If the auction is held on a day that would otherwise be an Interest Reset Date, then the Interest Reset Date will instead be the first business day following the auction date.

The “*Interest Determination Date*” pertaining to Floating Rate Subordinated Notes the interest rate of which is determined by reference to two or more Base Rates will be the most recent business day, which is at least two business days prior to the applicable Interest Reset Date for such Floating Rate Subordinated Notes on which each Base Rate is determinable. Each Base Rate will be determined as of such date, and the applicable interest rate will take effect on the applicable Interest Reset Date.

Interest Calculation Dates. As described above, the interest rate that takes effect on a particular Interest Reset Date will be determined by reference to the corresponding Interest Determination Date. Except for SOFR Subordinated Notes, however, the determination of the rate will actually be made on a day no later than the corresponding interest calculation date. The interest calculation date will be the earlier of the following:

- the tenth calendar day after the Interest Determination Date or, if that tenth calendar day is not a business day, the next succeeding business day; and
- the business day immediately preceding the interest payment date or the maturity date, whichever is the day on which the next payment of interest will be due.

The Calculation Agent need not wait until the relevant interest calculation date to determine the interest rate if the rate information it needs to make the determination is available from the relevant sources sooner.

Interest Payment Dates. The interest payment dates for Floating Rate Subordinated Notes will depend on when the interest rate is reset and, unless we specify otherwise in the applicable pricing supplement, will be as follows:

- for Floating Rate Subordinated Notes that reset daily, weekly or monthly, the third Wednesday of each month or the third Wednesday of March, June, September and December of each year, as specified in the applicable pricing supplement;
- for Floating Rate Subordinated Notes that reset quarterly, the third Wednesday of March, June, September and December of each year;
- for Floating Rate Subordinated Notes that reset semi-annually, the third Wednesday of the two months of each year specified in the applicable pricing supplement; or
- for Floating Rate Subordinated Notes that reset annually, the third Wednesday of the month specified in the applicable pricing supplement.

Regardless of these rules, if Subordinated Notes are originally issued after the Regular Record Date and before the date that would otherwise be the first interest payment date, the first interest payment date will be the date that would otherwise be the second interest payment date. We have defined the term “Regular Record Date” under “— Payment mechanics for Subordinated Notes” below.

If any interest payment date other than the maturity date for any Floating Rate Subordinated Notes would otherwise be a day that is not a business day, that interest payment date will be postponed to the next succeeding business day, except that in the case of a SOFR Subordinated Note where that business day falls in the next succeeding calendar month, that interest payment date will be the immediately preceding business day. If the maturity date of a Floating Rate Subordinated Note falls on a day that is not a business day, the required payment of principal and interest will be made on the next succeeding business day as if made on the date that payment was due, and no interest will accrue on that payment for the period from and after the maturity date to the date of that payment on the next succeeding business day.

Calculation of Interest. Calculations relating to Floating Rate Subordinated Notes will be made by the “Calculation Agent”, an institution that we appoint as our agent for this purpose. That institution may include any affiliate of ours. The Bank of New York Mellon acts as our Calculation Agent for any Floating Rate Subordinated Notes. The pricing supplement for a series of Floating Rate Subordinated Notes will name the institution that we have appointed to act as the Calculation Agent for those Subordinated Notes as of their issue date, if other than The Bank of New York Mellon. We may appoint a different institution to serve as Calculation Agent from time to time after the issue date of your Subordinated Note without your consent. We will provide notice, or cause notice to be provided, to you in the event a new Calculation Agent is appointed.

For each Floating Rate Subordinated Note, the Calculation Agent will determine, on or before the corresponding interest calculation or determination date, the interest rate that takes effect on each Interest Reset Date. In addition, the Calculation Agent will calculate the amount of interest that has accrued during each interest period — *i.e.*, the period from and including the issue date, or the last date to which interest has been paid or made available for payment, to but excluding the payment date (or, in the case of the final interest period, the maturity date or, if we elect to redeem Subordinated Notes on the redemption date, the redemption date). For each interest period, the Calculation Agent will calculate the amount of accrued interest by multiplying the face or other specified amount of the Floating Rate Subordinated Note by an accrued interest factor for the interest period. This factor will equal the sum of the interest factors calculated for each day during the interest period. Unless otherwise specified in a supplement hereto or an applicable pricing supplement, the interest factor for each day will be calculated by dividing the interest rate, expressed as a decimal, applicable to that day by the following:

- 360 in the case of Prime Rate Subordinated Notes, SOFR Subordinated Notes and Federal Funds Rate Subordinated Notes; or
- the actual number of days in the year in the case of Treasury Rate Subordinated Notes and CMT Rate Subordinated Notes, and will be made without any liability on the part of the Calculation Agent.

Notwithstanding the previous paragraph, interest accrued on SOFR Subordinated Notes will be calculated as described below.

Unless otherwise specified in the applicable pricing supplement, the interest factor for Floating Rate Subordinated Notes whose interest rate is calculated by reference to two or more Base Rates will be calculated in each period in the same manner as if only one of the applicable Base Rates applied as specified in the applicable Subordinated Note and any applicable pricing supplement.

Upon the request of the holder of Floating Rate Subordinated Notes, the Calculation Agent will provide for the interest rate then in effect and, if determined, the interest rate that will become effective on the next Interest Reset Date for the relevant Floating Rate Subordinated Notes. The Calculation Agent's determination of any interest rate, and its calculation of the amount of interest for any interest period, will be final and binding in the absence of manifest error, and will be made without any liability on the part of the Calculation Agent.

All percentages resulting from any calculation relating to a Subordinated Note will be rounded upward or downward, if necessary, to the nearest one hundred-thousandth of a percentage point, with five one millionths of a percentage point rounded upward, e.g., 9.876541% (or .09876541) being rounded down to 9.87654% (or .0987654) and 9.876545% (or .09876545) being rounded up to 9.87655% (or .0987655). All amounts used in or resulting from any calculation relating to Floating Rate Subordinated Notes will be rounded upward or downward, as appropriate, to the nearest cent, with one half cent being rounded upward.

In determining the Base Rate that applies to Floating Rate Subordinated Notes during a particular interest period, the Calculation Agent may obtain rate quotes from various banks or dealers active in the relevant market. Those reference banks and dealers may include the Calculation Agent itself and its affiliates, as well as any underwriter, dealer or agent participating in the distribution of the relevant Floating Rate Subordinated Notes and its affiliates, and they may include one of our affiliates.

Prime Rate Subordinated Notes. If you purchase Prime Rate Subordinated Notes, your Subordinated Notes will bear interest at a Base Rate equal to the Prime Rate as adjusted by the Spread, if any, specified in the applicable pricing supplement. The Prime Rate for each new interest period will be the rate, for the relevant Interest Determination Date, published in H.15 under the heading "Bank Prime Loan". If the Prime Rate cannot be determined as described above, the following procedures will apply.

Temporary Non-Publication of the Prime Rate. Subject to the provisions below, if the Prime Rate is not so published by the later of (i) 4:15 p.m., New York City time, on the relevant interest reset date and (ii)

the next New York business day, then the rate for that interest determination date will be the last provided or published level of the Prime Rate.

Index Cessation Event or Administrator/Benchmark Event. If an Index Cessation Event or an Administrator/Benchmark Event occurs with respect to the Prime Rate, then, from and including the Index Cessation Effective Date or the Administrator/Benchmark Event Date, as applicable, the Alternative Post-Nominated Index rate will apply to the Prime Rate Subordinated Notes. However, if by 5:00 p.m., New York City time, on the Cut-off Date, more than one Relevant Nominating Body formally designates, nominates or recommends an Alternative Post-Nominated Index and those designations, nominations or recommendations are not the same, then the Determining Person Nominated Replacement Index rate will apply to the Prime Rate Subordinated Notes.

In the event of a replacement of the Prime Rate by either the Alternative Post-Nominated Index rate or the Determining Person Nominated Replacement Index rate, the Calculation Agent shall (i) apply the Adjustment Spread (if applicable) to the Alternative Post-Nominated Index rate or the Determining Person Nominated Replacement Index rate, as applicable, and (ii) after taking into account such Adjustment Spread, make any other adjustments to the terms of the Subordinated Notes that are necessary to account for the effect on the Subordinated Notes of referencing the Alternative Post-Nominated Index rate or the Determining Person Nominated Replacement Index rate, as applicable.

SOFR Subordinated Notes. If you purchase SOFR Subordinated Notes, your Subordinated Notes will bear interest at a rate to be determined by the Calculation Agent using the formula described below. Unless otherwise specified in the applicable pricing supplement, SOFR will be determined in the following manner:

- If “SOFR Arithmetic Mean” is specified as the Base Rate in the applicable pricing supplement, the rate of interest for each interest period shall be the arithmetic mean of SOFR rates in effect for each U.S. Government Securities Business Day during the period, as adjusted by the Spread, if any, specified in the applicable pricing supplement, as calculated by the Calculation Agent on the relevant SOFR Rate Cut-Off Date, where the SOFR rate on the SOFR Rate Cut-Off Date shall be used for the U.S. Government Securities Business Days in the period from (and including) the SOFR Rate Cut-Off Date to (but excluding) the interest payment date.
- If “SOFR Delay Compound” is specified as the Base Rate in the applicable pricing supplement, the rate of interest for each interest period will, subject as provided below, be SOFR-DELAY-COMPOUND as adjusted by the Spread, if any, specified in the applicable pricing supplement.
- If “SOFR Index Compound” is specified as the Base Rate in the applicable pricing supplement, the rate of interest for each interest period will, subject as provided below, be SOFR-INDEX-COMPOUND as adjusted by the Spread, if any, specified in the applicable pricing supplement.
- If “SOFR Lockout Compound” is specified as the Base Rate in the applicable pricing supplement, the rate of interest for each interest period will, subject as provided below, be SOFR-LOCKOUT-COMPOUND as adjusted by the Spread, if any, specified in the applicable pricing supplement.
- If “SOFR Lookback Compound” is specified as the Base Rate in the applicable pricing supplement, the rate of interest for each interest period will, subject as provided below, be SOFR-LOOKBACK-COMPOUND as adjusted by the Spread, if any, specified in the applicable pricing supplement.
- If “SOFR Shift Compound” is specified as the Base Rate in the applicable pricing supplement, the rate of interest for each interest period will, subject as provided below, be SOFR-SHIFT-COMPOUND as adjusted by the Spread, if any, specified in the applicable pricing supplement.

If the Determining Person, after consulting with us, determines on or prior to the relevant Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date (each as defined below) have occurred with respect to the then current Benchmark, the Benchmark Replacement will replace the then current Benchmark for all purposes relating to the SOFR Subordinated Notes in respect of all determinations on such date and for all determinations on all subsequent dates.

In connection with the implementation of a Benchmark Replacement, the Determining Person, after consulting with us, will have the right to make Benchmark Replacement Conforming Changes from time to time.

If a Benchmark Transition Event and its related Benchmark Replacement Date have occurred, any determination, decision or election that may be made by the Determining Person, after consulting with us, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection: (i) will be conclusive and binding absent manifest error; (ii) will be made by the Determining Person, in its sole discretion; and (iii) notwithstanding anything to the contrary in the documentation relating to the SOFR Subordinated Notes, shall become effective without consent from the holders of the SOFR Subordinated Notes or any other party.

Treasury Rate Subordinated Notes. If you purchase Treasury Rate Subordinated Notes, your Subordinated Notes will bear interest at a Base Rate equal to the Treasury Rate as adjusted by the Spread, if any, specified in the applicable pricing supplement.

Unless the applicable pricing supplement specifies otherwise, "Treasury Rate" means the rate for the auction held on the Interest Determination Date of direct obligations of the United States (Treasury Bills) having the Index Maturity specified in the applicable pricing supplement as that rate appears on Refinitiv Page USAUCTION 10 or Refinitiv Page USAUCTION 11 under the heading "INVEST RATE".

If the Treasury Rate cannot be determined in the manner described in the prior paragraph, the following procedures will apply:

- If the rate described above does not appear on either page by 3:00 P.M., New York City time, on the relevant interest calculation date (unless the calculation is made earlier and the rate is available from that source at that time), the Treasury Rate will be the bond equivalent yield of the auction rate, for the relevant Interest Determination Date and for treasury bills of the kind described above, as announced by the U.S. Department of the Treasury.
- If the auction rate described in the prior paragraph is not so announced by 3:00 P.M., New York City time, on the relevant interest calculation date, or if no such auction is held for the relevant week, then the Treasury Rate will be the bond equivalent yield of the rate, for the relevant Interest Determination Date and for treasury bills having a remaining maturity closest to the specified index maturity, as published in H.15 under the heading "U.S. government securities/Treasury bills/secondary market" or another recognized electronic source used for the purpose of displaying the applicable rate.
- If the rate described in the prior paragraph does not appear in H.15 or another recognized electronic source by 3:00 P.M., New York City time, on the relevant interest calculation date (unless the calculation is made earlier and the rate is available from one of those sources at that time), the Treasury Rate will be the bond equivalent yield of the arithmetic mean of the following secondary market bid rates for the issue of treasury bills with a remaining maturity closest to the specified index maturity: the rates bid as of approximately 3:30 P.M., New York City time, on the relevant Interest Determination Date, by three primary United States government securities dealers in New York City selected by the Determining Person.

Index Cessation Event or Administrator/Benchmark Event. If an Index Cessation Event or an Administrator/Benchmark Event occurs with respect to the Treasury Rate, then, from and including the Index Cessation Effective Date or the Administrator/Benchmark Event Date, as applicable, the Alternative Post-Nominated Index rate will apply to the Treasury Rate Subordinated Notes. However, if

by 5:00 p.m., New York City time, on the Cut-off Date, more than one Relevant Nominating Body formally designates, nominates or recommends an Alternative Post-Nominated Index and those designations, nominations or recommendations are not the same, then the Determining Person Nominated Replacement Index rate will apply to the Treasury Rate Subordinated Notes.

In the event of a replacement of the Treasury Rate by either the Alternative Post-Nominated Index rate or the Determining Person Nominated Replacement Index rate, the Calculation Agent shall (i) apply the Adjustment Spread (if applicable) to the Alternative Post-Nominated Index rate or the Determining Person Nominated Replacement Index rate, as applicable, and (ii) after taking into account such Adjustment Spread, make any other adjustments to the terms of the Subordinated Notes that are necessary to account for the effect on the Subordinated Notes of referencing the Alternative Post-Nominated Index rate or the Determining Person Nominated Replacement Index rate, as applicable.

CMT Rate Subordinated Notes. If you purchase CMT Rate Subordinated Notes, your Subordinated Notes will bear interest at a Base Rate equal to the CMT Rate as adjusted by the Spread, if any, specified in the applicable pricing supplement.

The CMT Rate will be any of the following rates displayed on the Designated CMT Refinitiv Page under the heading "...Treasury Constant Maturities" for the designated CMT Index Maturity:

- if the Designated CMT Refinitiv Page is the Refinitiv Page FRBCMT, the rate for the relevant Interest Determination Date; or
- if the Designated CMT Refinitiv Page is the Refinitiv Page FEDCMT, the weekly or monthly average, as specified in the applicable pricing supplement, for the week that ends immediately before the week in which the relevant Interest Determination Date falls, or for the month that ends immediately before the month in which the relevant Interest Determination Date falls, as applicable.

If the CMT Rate cannot be determined by the Calculation Agent in this manner, the following procedures will apply:

- If the applicable rate described above is not displayed on the relevant Designated CMT Refinitiv Page by 3:00 P.M., New York City time, on the relevant interest calculation date (unless the calculation is made earlier and the rate is available from that source at that time), then the CMT Rate will be the applicable treasury constant maturity rate described above — *i.e.*, for the designated CMT Index Maturity and for either the relevant Interest Determination Date or the weekly or monthly average, as applicable — as published in H.15 under the heading "Treasury Constant Maturities".
- If the applicable rate described above does not appear in H.15 by 3:00 P.M., New York City time, on the relevant interest calculation date (unless the calculation is made earlier and the rate is available from one of those sources at that time), then the CMT Rate will be the Treasury constant maturity rate, or other U.S. Treasury Rate, for the designated CMT Index Maturity and with reference to the relevant Interest Determination Date, that:
 - is published by the Board of Governors of the Federal Reserve System, or the U.S. Department of the Treasury; and
 - is determined by the Determining Person to be comparable to the applicable rate formerly displayed on the Designated CMT Refinitiv Page and published in H.15.
- If the rate described in the prior paragraph does not appear by 3:00 P.M., New York City time, on the relevant interest calculation date (unless the calculation is made earlier and the rate is available from one of those sources at that time), then the CMT Rate will be the yield to maturity of the arithmetic mean of the following secondary market offered rates for the most recently issued Treasury Notes (as defined below) having an original maturity of approximately the designated CMT Index Maturity and a remaining term to maturity of not

less than the designated CMT Index Maturity minus one year, and in a representative amount: the offered rates, as of approximately 3:30 P.M., New York City time, on the relevant Interest Determination Date, of three primary United States government securities dealers in New York City selected by the Determining Person. In selecting these offered rates, the Determining Person will request quotations from five of these primary dealers and will disregard the highest quotation — or, if there is equality, one of the highest — and the lowest quotation — or, if there is equality, one of the lowest. “Treasury Notes” are direct, non-callable, fixed rate obligations of the United States government.

- If the Determining Person is unable to obtain three quotations of the kind described in the prior paragraph, the CMT Rate will be the yield to maturity of the arithmetic mean of the following secondary market offered rates for Treasury Notes with an original maturity longer than the designated CMT Index Maturity, with a remaining term to maturity closest to the designated CMT Index Maturity and in a representative amount: the offered rates, as of approximately 3:30 P.M., New York City time, on the relevant Interest Determination Date, of three primary United States government securities dealers in New York City selected by the Determining Person. In selecting these offered rates, the Determining Person will request quotations from five of these primary dealers and will disregard the highest quotation — or, if there is equality, one of the highest — and the lowest quotation — or, if there is equality, one of the lowest. If two Treasury Notes with an original maturity longer than the designated CMT Index Maturity have remaining terms to maturity that are equally close to the designated CMT Index Maturity, the Determining Person will obtain quotations for the Treasury Note with the shorter remaining term to maturity.
- If fewer than three quotations are provided as requested in the preceding paragraph, the rate for the relevant interest reset date will be calculated using the Determining Person Alternative Rate Determination.

Index Cessation Event or Administrator/Benchmark Event. If an Index Cessation Event or an Administrator/Benchmark Event occurs with respect to the CMT Rate, then, from and including the Index Cessation Effective Date or the Administrator/Benchmark Event Date, as applicable, the Alternative Post-Nominated Index rate will apply to the CMT Rate Subordinated Notes. However, if by 5:00 p.m., New York City time, on the Cut-off Date, more than one Relevant Nominating Body formally designates, nominates or recommends an Alternative Post-Nominated Index and those designations, nominations or recommendations are not the same, then the Determining Person Nominated Replacement Index rate will apply to the CMT Rate Subordinated Notes.

In the event of a replacement of the CMT Rate by either the Alternative Post-Nominated Index rate or the Determining Person Nominated Replacement Index rate, the Calculation Agent shall (i) apply the Adjustment Spread (if applicable) to the Alternative Post-Nominated Index rate or the Determining Person Nominated Replacement Index rate, as applicable, and (ii) after taking into account such Adjustment Spread, make any other adjustments to the terms of the Subordinated Notes that are necessary to account for the effect on the Subordinated Notes of referencing the Alternative Post-Nominated Index rate or the Determining Person Nominated Replacement Index rate, as applicable.

Federal Funds Rate Subordinated Notes. If you purchase Federal Funds Rate Subordinated Notes, your Subordinated Notes will bear interest at a Base Rate equal to the Federal Funds Rate and adjusted by the Spread, if any, specified in the applicable pricing supplement.

The Federal Funds Rate will be the rate for U.S. dollar federal funds for the relevant Interest Determination Date, as published in H.15 opposite the caption “Federal funds (effective)”, as that rate is displayed on Refinitiv Page FEDFUNDS1 under the heading “EFFECT”. If the Federal Funds Rate cannot be determined in this manner, the following procedures will apply.

Temporary Non-Publication of the Federal Funds Rate. Subject to the provisions below, if the Federal Funds Rate is not so published by the later of (i) 4:15 p.m., New York City time, on the relevant interest reset date and (ii) the next New York business day, then the rate for that interest determination date will be the last provided or published level of the Federal Funds Rate.

Index Cessation Event or Administrator/Benchmark Event. If an Index Cessation Event or an Administrator/Benchmark Event occurs with respect to the Federal Funds Rate, then, from and including the Index Cessation Effective Date or the Administrator/Benchmark Event Date, as applicable, the Alternative Post-Nominated Index rate will apply to the Federal Funds Rate Subordinated Notes. However, if by 5:00 p.m., New York City time, on the Cut-off Date, more than one Relevant Nominating Body formally designates, nominates or recommends an Alternative Post-Nominated Index and those designations, nominations or recommendations are not the same, then the Determining Person Nominated Replacement Index rate will apply to the Federal Funds Rate Subordinated Notes.

In the event of a replacement of the Federal Funds Rate by either the Alternative Post-Nominated Index rate or the Determining Person Nominated Replacement Index rate, the Calculation Agent shall (i) apply the Adjustment Spread (if applicable) to the Alternative Post-Nominated Index rate or the Determining Person Nominated Replacement Index rate, as applicable, and (ii) after taking into account such Adjustment Spread, make any other adjustments to the terms of the Subordinated Notes that are necessary to account for the effect on the Subordinated Notes of referencing the Alternative Post-Nominated Index rate or the Determining Person Nominated Replacement Index rate, as applicable.

Special Rate Calculation Terms. In this subsection entitled “— Interest rates”, we use several terms that have special meanings relevant to calculating floating interest rates. We describe these terms as follows:

“**Adjustment Spread**” means the adjustment, if any, determined by the Determining Person, after consulting with us, in its sole discretion, that is required in order to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value from (i) us to the holders of Subordinated Notes or (ii) the holders of Subordinated Notes to us, in each case, that would otherwise arise as a result of the replacement made pursuant to the application of the Determining Person Nominated Replacement Index or the Alternative Post-nominated Index. Any such adjustment may take account of, without limitation, any anticipated transfer of economic value as a result of any difference in the term structure or tenor of the Determining Person Nominated Replacement Index or the Alternative Post-nominated Index by comparison to the Applicable Benchmark. The Adjustment Spread may be positive, negative or zero or determined pursuant to a formula or methodology.

“**Administrator**” as used in the definition of “Index Cessation Event”, means the Board of Governors of the Federal Reserve System for each of the CMT Rate, the Prime Rate and the Treasury Rate, and the New York Federal Reserve for the Federal Funds Rate.

“**Administrator/Benchmark Event**” means the delivery of a notice by us to the holders of Subordinated Notes specifying, and citing Publicly Available Information that reasonably confirms, an event or circumstance that has the effect that we or the Calculation Agent are not, or will not be, permitted under any applicable law or regulation to use the Applicable Benchmark to perform our or its obligations under the terms of Subordinated Notes.

“**Administrator/Benchmark Event Date**” means, in respect of an Administrator/Benchmark Event, the date from which the Applicable Benchmark may no longer be used under any applicable law or regulation by us or the Calculation Agent or, if that date occurs before the original issue date of the Subordinated Notes, the original issue date.

“**Alternative Post-nominated Index**” means, in respect of an Applicable Benchmark, any index, benchmark or other price source that is formally designated, nominated or recommended by: (i) any Relevant Governmental Body; or (ii) the Administrator or sponsor of the Applicable Benchmark, provided that such index, benchmark or other price source is substantially the same as the Applicable Benchmark, in each case, to replace the Applicable Benchmark. If a replacement is designated, nominated or recommended under both clauses (i) and (ii) above, then the replacement under clause (i) above shall be the “Alternative Post-nominated Index.”

“**Applicable Benchmark**” means the Federal Funds Rate, the Prime Rate, the Treasury Rate or the CMT Rate, as applicable.

“Benchmark” means, initially, SOFR or SOFR Index, as applicable; provided that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to SOFR or SOFR Index, as applicable, or the then current Benchmark, then “Benchmark” means the applicable Benchmark Replacement.

“Benchmark Replacement” means the first alternative set forth in the order below that can be determined by the Determining Person, after consulting with us, as of the Benchmark Replacement Date:

- (a) the sum of: (i) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then current Benchmark and (ii) the Benchmark Replacement Adjustment;
- (b) the sum of: (i) the ISDA Fallback Rate and (ii) the Benchmark Replacement Adjustment; or
- (c) the sum of: (i) the alternate rate of interest that has been selected by the Determining Person, after consulting with us, as the replacement for the then current Benchmark giving due consideration to any industry-accepted rate of interest as a replacement for the then current Benchmark for U.S. dollar-denominated floating rate notes at such time and (ii) the Benchmark Replacement Adjustment.

“Benchmark Replacement Adjustment” means the first alternative set forth in the order below that can be determined by the Determining Person, after consulting with us, as of the Benchmark Replacement Date:

- (a) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;
- (b) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, then the ISDA Fallback Adjustment; or
- (c) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Determining Person, after consulting with us, giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate notes at such time.

“Benchmark Replacement Conforming Changes” means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the interest period, timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters (including changes to the fallback provisions)) that the Determining Person, after consulting with us, decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Determining Person, after consulting with us, decides that adoption of any portion of such market practice is not administratively feasible or if the Determining Person, after consulting with us, determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Determining Person, after consulting with us, determines is reasonably necessary).

“Benchmark Replacement Date” means the earliest to occur of the following events with respect to the then current Benchmark (including the daily published component used in the calculation thereof):

- (a) in the case of clause (a) or (b) of the definition of “Benchmark Transition Event”, the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or

- (b) in the case of clause (c) of the definition of “Benchmark Transition Event”, the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination.

“**Benchmark Transition Event**” means the occurrence of one or more of the following events with respect to the then current Benchmark (including any daily published component used in the calculation thereof):

- (a) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component);
- (b) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, that states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or
- (c) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative.

The term “**bond equivalent yield**” means a yield expressed as a percentage and calculated in accordance with the following formula:

$$\text{bond equivalent yield} = \frac{D \times N}{360 - (D \times M)} \times 100$$

where:

- “D” means the annual rate for treasury bills quoted on a bank discount basis and expressed as a decimal;
- “N” means 365 or 366, as the case may be; and
- “M” means the actual number of days in the applicable interest reset period.

“**Cut-off Date**” means fifteen business days following the Administrator/Benchmark Effective Date. However, if more than one Relevant Nominating Body formally designates, nominates or recommends an Alternative Post-nominated Index or a spread or methodology for calculating a spread and one or more of those Relevant Nominating Bodies does so on or after the day that is three business days before that date, then the Cut-off Date will instead be the second business day following the date that, but for this sentence, would have been the Cut-off Date.

The term “**designated CMT Index Maturity**” means the Index Maturity for a CMT Rate Subordinated Note and will be the original period to maturity of a U.S. Treasury security specified in the applicable pricing supplement. If no such original maturity period is so specified, the designated CMT Index Maturity will be 2 years.

The term “**Designated CMT Refinitiv Page**” means the Refinitiv Page specified in the applicable pricing supplement that displays treasury constant Maturities as reported in H.15. If no Refinitiv Page is so specified, then the applicable page will be Refinitiv Page FEDCMT. If Refinitiv Page FEDCMT applies but the applicable pricing supplement does not specify whether the weekly or monthly average applies, the weekly average will apply.

“**Determining Person**” means the issuer, an affiliate of the issuer, an alternative calculation agent (other than the Calculation Agent) or an independent financial institution appointed by the issuer.

“**Determining Person Alternative Rate Determination**” means that the Determining Person, after consulting with us, shall determine a commercially reasonable alternative for the Applicable Benchmark, taking into account all available information that in good faith the Determining Person considers relevant including a rate implemented by central counterparties and/or futures exchanges (if any), in each case with trading volumes in derivatives or futures referencing the Applicable Benchmark that the Determining Person considers sufficient for that rate to be a representative alternative rate.

“**Determining Person Nominated Replacement Index**” means, in respect of an Applicable Benchmark, the index, benchmark or other price source that the Determining Person, after consulting with us, determines to be a commercially reasonable alternative for the Applicable Benchmark.

“**H.15**” means “Selected Interest Rates (Daily) – H.15”, or any successor publication as published daily by the Board of Governors of the Federal Reserve System at <https://www.federalreserve.gov/releases/h15/>, or any successor site or publication.

The term “**Index Cessation Effective Date**” means, with respect to one or more Index Cessation Events, the first date on which the Applicable Benchmark would ordinarily have been published or provided and is no longer published or provided.

The term “**Index Cessation Event**” means, with respect to an Applicable Benchmark, (a) a public statement or publication of information by or on behalf of the Administrator of the Applicable Benchmark announcing that it has ceased or will cease to provide the Applicable Benchmark permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator or provider, as applicable, that will continue to provide the Applicable Benchmark; or (b) a public statement or publication of information by the regulatory supervisor for the Administrator of the Applicable Benchmark, the central bank for the currency of the Applicable Benchmark, an insolvency official with jurisdiction over the Administrator for the Applicable Benchmark, a resolution authority with jurisdiction over the Administrator for the Applicable Benchmark or a court or an entity with similar insolvency or resolution authority over the Administrator for the Applicable Benchmark, that states that the Administrator of the Applicable Benchmark has ceased or will cease to provide the Applicable Benchmark permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator or provider that will continue to provide the Applicable Benchmark.

The term “**Index Maturity**” means, with respect to a Floating Rate Subordinated Note, the period to maturity of the instrument or obligation on which the interest rate formula is based, as specified in the applicable pricing supplement.

“**ISDA Definitions**” means the 2021 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time.

“**ISDA Fallback Adjustment**” means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark for the applicable tenor.

“**ISDA Fallback Rate**” means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment.

“New York business day” means a day that is a Monday, Tuesday, Wednesday, Thursday or Friday and that is not a day on which banking institutions in The City of New York generally are authorized or obligated by law, regulation or executive order to close.

“New York Federal Reserve” means the Federal Reserve Bank of New York.

“New York Federal Reserve’s Website” means the website of the New York Federal Reserve, currently at <http://www.newyorkfed.org>, or any successor website of the New York Federal Reserve or the website of any successor administrator of SOFR.

The term **“Publicly Available Information”** means, in respect of an Administrator/Benchmark Event, one or both of the following: (a) information received from or published by (i) the Administrator or sponsor of the Applicable Benchmark or (ii) any national, regional or other supervisory or regulatory authority that is responsible for supervising the Administrator or sponsor of the Applicable Benchmark or regulating the Applicable Benchmark. However, where any information of the type described in (i) or (ii) is not publicly available, it shall only constitute Publicly Available Information if it can be made public without violating any law, regulation, agreement, understanding or other restriction regarding the confidentiality of that information; or (b) information published in a Specified Public Source (regardless of whether the reader or user thereof pays a fee to obtain that information).

“Reference Time” with respect to any determination of the Benchmark means (i) if the Benchmark is SOFR or SOFR Index, the relevant SOFR Determination Time, and (ii) if the Benchmark is neither SOFR nor SOFR Index, the time determined by the Determining Person, after consulting with us, after giving effect to the Benchmark Replacement Conforming Changes.

“Refinitiv Page” means the display on the Refinitiv Eikon Service, or any successor service, on the page or pages specified in this document or the applicable pricing supplement, or any replacement page or pages on that service.

“Refinitiv Page FEDFUNDS1” means the display on the Refinitiv Page designated as “FEDFUNDS1”.

“Refinitiv Page FEDCMT” means the display on the Refinitiv Page designated as “FEDCMT”.

“Refinitiv Page FRBCMT” means the display on the Refinitiv Page designated as “FRBCMT”.

“Refinitiv Page USAUCTION 10” means the display on the Refinitiv Page designated as “U.S. AUCTION 10”.

“Refinitiv Page USAUCTION 11” means the display on the Refinitiv Page designated as “U.S. AUCTION 11”.

“Refinitiv Page USPRIME1” means the display on the Refinitiv Page designated as “USPRIME1”.

If, when we use the terms Designated CMT Refinitiv Page, H.15, Refinitiv Page FEDFUNDS1, Refinitiv Page USAUCTION 10 or Refinitiv Page USAUCTION 11 we refer to a particular heading or headings on any of those pages, those references include any successor or replacement heading or headings as determined by the Calculation Agent.

“Relevant Governmental Body” means the Board of Governors of the Federal Reserve System and/or the New York Federal Reserve, or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System and/or the New York Federal Reserve or any successor thereto.

The term **“representative amount”** means an amount that, in the Determining Person’s judgment, is representative of a single transaction in the relevant market at the relevant time.

“SOFR” means, with respect to any U.S. Government Securities Business Day:

- (a) the Secured Overnight Financing Rate in respect of such U.S. Government Securities Business Day as published by the New York Federal Reserve, as the administrator of such rate (or a successor administrator), on the New York Federal Reserve's Website (or such successor administrator's website) on or about 3:00 P.M., New York City time, on the immediately following U.S. Government Securities Business Day (the "SOFR Determination Time"); or
- (b) if the Secured Overnight Financing Rate in respect of such U.S. Government Securities Business Day does not appear as specified in clause (a) above, unless both a Benchmark Transition Event and its related Benchmark Replacement Date have occurred, the Secured Overnight Financing Rate in respect of the first preceding U.S. Government Securities Business Day for which such rate was published on the New York Federal Reserve's Website (or such successor administrator's website); or
- (c) if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred, the Benchmark Replacement.

"SOFR-DELAY-COMPOUND" means, with respect to any Interest Accrual Period, the rate of return of a daily compounded interest investment calculated by the Calculation Agent on each Interest Payment Determination Date, as follows:

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{SOFR_i \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

where:

- "d" means the number of calendar days in the relevant Interest Accrual Period;
- "d₀", for any Interest Accrual Period, means the number of U.S. Government Securities Business Days in the relevant Interest Accrual Period;
- "i" means a series of whole numbers from one to d₀, each representing the relevant U.S. Government Securities Business Days in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant Interest Accrual Period;
- "Interest Accrual Period" means each quarterly period, or such other period as specified in the applicable pricing supplement, from, and including, an Interest Accrual Period End Date (or, in the case of the first Interest Accrual Period, the issue date) to, but excluding, the next Interest Accrual Period End Date (or, in the case of the final Interest Accrual Period, the maturity date or, if we elect to redeem the Subordinated Notes on any earlier redemption date, the redemption date);
- "Interest Accrual Period End Dates" means the dates specified in the applicable pricing supplement, ending on the maturity date or, if we elect to redeem the Subordinated Notes on any earlier redemption date, the redemption date;
- "Interest Payment Date" means the second business day, or such other business day as specified in the applicable pricing supplement, following each Interest Accrual Period End Date; provided that the Interest Payment Date with respect to the final Interest Accrual Period will be the maturity date or, if we elect to redeem the Subordinated Notes on any earlier redemption date, the redemption date;
- "Interest Payment Determination Date" means the Interest Accrual Period End Date at the end of each Interest Accrual Period; provided that the Interest Payment Determination Date with respect to the final Interest Accrual Period will be the SOFR Rate Cut-Off Date;

- “ n_i ”, for any U.S. Government Securities Business Day “ i ” in the relevant Interest Accrual Period, is the number of calendar days from, and including, such U.S. Government Securities Business Day “ i ” to, but excluding, the following U.S. Government Securities Business Day (“ $i+1$ ”); and
- “SOFR _{i} ” means, for any U.S. Government Securities Business Day “ i ” in the relevant Interest Accrual Period, SOFR in respect of that day “ i ”; provided that, for purposes of calculating compounded SOFR with respect to the final Interest Accrual Period, the level of SOFR for each U.S. Government Securities Business Day in the period from and including the SOFR Rate Cut-Off Date to, but excluding, the maturity date or any earlier redemption date, as applicable, shall be the level of SOFR in respect of such SOFR Rate Cut-Off Date.

“**SOFR Index**” means, with respect to any U.S. Government Securities Business Day:

- (a) the value as published by the New York Federal Reserve, as the administrator of such index (or a successor administrator), on the New York Federal Reserve’s Website (or such successor administrator’s website) on or about 3:00 P.M., New York City time, on such U.S. Government Securities Business Day (the “SOFR Determination Time”); or
- (b) if such value in respect of such U.S. Government Securities Business Day does not appear as specified in clause (a) above, unless both a Benchmark Transition Event and its related Benchmark Replacement Date have occurred, SOFR-INDEX-COMPOUND shall be the rate determined pursuant to the SOFR Index Unavailable Provision; or
- (c) if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred, the Benchmark Replacement.

“**SOFR Index Unavailable Provision**” means if a SOFR Index_{Start} or SOFR Index_{End} is not published on the associated SOFR Index Determination Date and a Benchmark Transition Event and its related Benchmark Replacement Date have not occurred with respect to SOFR Index, SOFR-INDEX-COMPOUND means, for the applicable interest period for which SOFR Index is not available, the rate of return on a daily compounded interest investment calculated in accordance with the formula for “SOFR Averages”, and definitions required for such formula, published on the New York Federal Reserve’s Website. For the purposes of this provision, references in the SOFR Averages compounding formula and related definitions to “calculation period” shall be replaced with “Observation Period” and the words “that is, 30-, 90-, or 180- calendar days” shall be removed. If the daily SOFR (“**SOFR _{i}** ”) does not so appear for any day, “ i ” in the Observation Period, SOFR _{i} for such day “ i ” shall be SOFR published in respect of the first preceding U.S. Government Securities Business Day for which SOFR was published on the New York Federal Reserve’s Website.

“**SOFR-INDEX-COMPOUND**” means, with respect to any interest period, the rate calculated by the Calculation Agent on each SOFR Index Determination Date, as follows:

$$\left(\frac{\text{SOFR Index}_{\text{End}}}{\text{SOFR Index}_{\text{Start}}} - 1 \right) \times \left(\frac{360}{d_c} \right)$$

where:

- “ d_c ” means the number of calendar days from and including the SOFR Index_{Start} date to but excluding the SOFR Index_{End} date;
- “ p ” means in relation to any interest period, the number of U.S. Government Securities Business Days specified in the applicable pricing supplement;
- “SOFR Index_{End}” means the SOFR Index value on the day which is “ p ” U.S. Government Securities Business Days preceding the interest payment date relating to the relevant interest period (each, a “**SOFR Index Determination Date**”); and

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- “SOFR Index_{Start}” means the SOFR Index value on the day which is “p” U.S. Government Securities Business Days preceding the first date of the relevant interest period (each, a “**SOFR Index Determination Date**”).

“**SOFR-LOOKBACK-COMPOUND**” means, with respect to any interest period, the rate of return of a daily compounded interest investment calculated by the Calculation Agent on each Interest Determination Date, as follows:

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{\text{SOFR}_{i-p\text{USGSBD}} \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

where:

- “d” means the number of calendar days in the relevant interest period;
- “d₀”, for any interest period, means the number of U.S. Government Securities Business Days in the relevant interest period;
- “i” means a series of whole numbers from one to d₀, each representing the relevant U.S. Government Securities Business Days in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant interest period;
- “Interest Determination Date” means, in respect of each interest period, the date “p” U.S. Government Securities Business Days before each interest payment date;
- “n_i” for any U.S. Government Securities Business Day “i” in the relevant interest period means the number of calendar days from, and including, such U.S. Government Securities Business Day “i” to, but excluding, the following U.S. Government Securities Business Day (“i+1”);
- “p” means the number of U.S. Government Securities Business Days specified in the applicable pricing supplement; and

“**SOFR_{i-pUSGSBD}**” means, for any U.S. Government Securities Business Day “i” in the relevant interest period, the SOFR in respect of the U.S. Government Securities Business Day falling “p” U.S. Government Securities Business Days prior to that day “i”.

“**SOFR-LOCKOUT-COMPOUND**” means, with respect to any interest period, the rate of return of a daily compounded interest investment calculated by the Calculation Agent on each SOFR Rate Cut-Off Date, as follows:

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{\text{SOFR}_i \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

where:

- “d” means the number of calendar days in the relevant interest period;
- “d₀”, for any interest period, means the number of U.S. Government Securities Business Days in the relevant interest period;
- “i” means a series of whole numbers from one to d₀, each representing the relevant U.S. Government Securities Business Days in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant interest period;

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- “n_i” for any U.S. Government Securities Business Day “i” in the relevant interest period means the number of calendar days from, and including, such U.S. Government Securities Business Day “i” to, but excluding, the following U.S. Government Securities Business Day (“i+1”);
- “SOFR_i” means, for any U.S. Government Securities Business Day “i” that is a SOFR Interest Reset Date, SOFR in respect of such SOFR Interest Reset Date; provided, however, that the SOFR with respect to each SOFR Interest Reset Date in the period from and including, the SOFR Rate Cut-Off Date to, but excluding, the corresponding interest payment date of an interest period, will be the SOFR with respect to the SOFR Rate Cut-Off Date for such interest period; and
- “SOFR Interest Reset Date” means each U.S. Government Securities Business Day in the relevant interest period.

“**SOFR Rate Cut-Off Date**” means the date that is the second U.S. Government Securities Business Day prior to the interest payment date in respect of the relevant interest period or such other date specified in the applicable pricing supplement.

“**SOFR-SHIFT-COMPOUND**” means, with respect to any interest period, the rate of return of a daily compounded interest investment calculated by the Calculation Agent on each Interest Determination Date, as follows:

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{\text{SOFR}_i \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

where:

- “d” means the number of calendar days in the relevant Observation Period;
- “d₀”, for any Observation Period, means the number of U.S. Government Securities Business Days in the relevant Observation Period;
- “i” means a series of whole numbers from one to d₀, each representing the relevant U.S. Government Securities Business Days in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant Observation Period;
- “Interest Determination Date” means, in respect of each interest period, the date “p” U.S. Government Securities Business Days before each interest payment date;
- “n_i” for any U.S. Government Securities Business Day “i” in the relevant Observation Period means the number of calendar days from, and including, such U.S. Government Securities Business Day “i” to, but excluding, the following U.S. Government Securities Business Day (“i+1”);
- “SOFR_i” means, for any U.S. Government Securities Business Day “i” in the relevant Observation Period, SOFR in respect of that day “i”;
- “Observation Period” means, in respect of each interest period, the period from, and including, the date “p” U.S. Government Securities Business Days preceding the first date in such interest period to, but excluding, the date “p” U.S. Government Securities Business Days preceding the interest payment date for such interest period; and
- “p” means the number of U.S. Government Securities Business Days specified in the applicable pricing supplement.

The term “**Specified Public Source**” means each of Bloomberg, Refinitiv, Dow Jones Newswires, The Wall Street Journal, The New York Times, the Financial Times and, in each case, any successor publications, the main source(s) of business news in the country in which the Administrator or the sponsor of the Applicable Benchmark is incorporated or organized and any other internationally recognized published or electronically displayed news sources.

“**Unadjusted Benchmark Replacement**” means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

“**U.S. Government Securities Business Day**” or “**USGSBD**” means any day except for a Saturday, Sunday or a day on which Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

Payment of Additional Amounts

We will pay all amounts that we are required to pay on the Subordinated Notes without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or other governmental charges imposed or levied by or on behalf of Australia, the United States, or (in each case) any political subdivision or taxing authority thereof or therein. This obligation will not apply, however, if those taxes, duties, assessments or other governmental charges are required by Australia, the United States, or (in each case) any such subdivision or taxing authority to be withheld or deducted. If that were to occur, we will pay additional amounts of, or in respect of, the principal of, and any interest on, the affected Subordinated Notes (“additional amounts”) that are necessary so that the net amounts paid to the holders of those Subordinated Notes, after deduction or withholding, will equal the amounts of principal and any interest that we would have had to pay on those Subordinated Notes if the deduction or withholding had not been required except that no additional amounts are payable in relation to any payment in respect of the Subordinated Notes:

- (a) in the case of a deduction or withholding relating to taxes, duties, assessments or other governmental charges imposed, levied or required by or on behalf of Australia or any political subdivision or taxing authority thereof or therein:
 - (i) to, or to a third party on behalf of, a holder of the Subordinated Notes who is liable for such taxes in respect of such Subordinated Notes by reason of its having some connection with Australia other than the mere holding of an interest in such Subordinated Note or receipt of principal or interest in respect thereof or could have lawfully avoided (but not so avoided) such liability by providing or procuring that any third party provides the holder of the Subordinated Notes a Tax File Number (“TFN”) and/or (if applicable) Australian Business Number (“ABN”) or evidence that the holder of the Subordinated Notes is not required to provide a TFN and/or ABN to us;
 - (ii) to, or to a third party on behalf of, a holder of the Subordinated Notes who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the Subordinated Notes are presented for payment;
 - (iii) presented for payment more than 30 days after the date payment became due on that Subordinated Note and was provided for, whichever is later, except to the extent that a holder of Subordinated Notes would have been entitled to the additional amounts on presenting the Subordinated Note for payment on any day during that 30 day period;
 - (iv) to, or to a third party on behalf of, a holder of the Subordinated Notes who is liable for the taxes in respect of the Subordinated Notes by reason of the holder of the Subordinated Note being an “associate” of the Bank for the purposes of Section 128F(9) of the Income Tax Assessment Act 1936 of Australia, as amended (the “Australian Tax Act”);

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- (v) where such withholding or deduction is required to be made pursuant to a notice or direction issued by the Commissioner of Taxation under section 255 of the Australian Tax Act of Australia or section 260-5 of Schedule 1 of the Taxation Administration Act 1953 of Australia or any similar law;
- (b) in the case of a deduction or withholding relating to taxes, duties, assessment or other governmental charges imposed, levied or required by or on behalf of the United States or any political subdivision or taxing authority thereof or therein:
- (i) where the holder or beneficial owner of the Subordinated Notes (or any person acting on behalf of such holder or beneficial owner) is liable for such taxes or duties in respect of such Subordinated Note by reason of his having some connection with the United States other than the mere holding of such Subordinated Note;
 - (ii) where such withholding or deduction is on account of an estate, inheritance, gift, sales, transfer or personal property tax or any similar tax, assessment, or governmental charge;
 - (iii) where such withholding or deduction would not have been imposed but for a failure of a beneficial owner or any intermediary to provide a valid IRS Form W-8 or W-9 (or successor form) with any applicable attachments;
 - (iv) in respect of any tax, assessment or other governmental charge imposed as a result of a person's actual or constructive holding of 10% or more of the total combined voting power of all classes of stock of the issuer entitled to vote; as the result of the receipt of interest by a bank on an extension of credit made pursuant to a loan agreement entered into in the ordinary course of its trade or business; or where such Holder is a controlled foreign corporation related, directly or indirectly, to the issuer through stock ownership; or
 - (v) if the Subordinated Notes are recharacterized as equity for U.S. federal income tax purposes;
- (c) in such other circumstances as may be specified in the applicable pricing supplement and the Subordinated Note; or
- (d) presented for payment by or on behalf of a holder of any such Subordinated Note who would have been able to avoid such withholding or deduction by presenting the relevant Subordinated Note to another Paying Agent in a Member State of the European Union.

Additional amounts will also not be paid on any payment of the principal of, or any interest on, any Subordinated Note to any holder who is a fiduciary or partnership or other than the sole beneficial owner of such payment to the extent that payment would, under the laws of Australia or the United States or any political subdivision or taxing authority of Australia or the United States, be treated as being derived or received for tax purposes by a beneficiary or settlor of that fiduciary or a member of that partnership or a beneficial owner who would not have been entitled to those additional amounts had it been the actual holder of the affected Subordinated Note.

In addition, any amounts to be paid on the Subordinated Notes will be paid, and any MGL Ordinary Shares to be delivered as a result of an Exchange of such Subordinated Notes will be delivered, net of any deduction, withholding, interest or penalty imposed or required pursuant to Sections 1471 through 1474 of the Code, any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code (a "FATCA Withholding"), and no additional amounts will be required to be paid and no additional MGL Ordinary Shares will be required to be delivered on account of any such FATCA Withholding. Each holder shall be deemed to authorize the Bank and MGL to remit, or otherwise deal with, any amounts and MGL Ordinary Shares comprising a FATCA Withholding and report information in accordance with applicable requirements connected therewith.

For the avoidance of doubt, no additional amounts will be paid in respect of any U.S. federal withholding that may be imposed on the Subordinated Notes if the Subordinated Notes are recharacterized as equity for U.S. federal income tax purposes.

Whenever we refer in this document, or any applicable pricing supplement, in any context, to the payment of the principal of, or any interest on, any Subordinated Note or the net proceeds received on the sale or Exchange of any Subordinated Note, we mean to include the payment of additional amounts to the extent that, in that context, additional amounts are, were or would be payable.

Any additional amounts payable on Subordinated Notes will be subordinated in right of payment, see “— Status and Subordination of Subordinated Notes” below.

Redemption of Subordinated Notes under certain circumstances

Unless a supplement hereto or an applicable pricing supplement provides otherwise, the Subordinated Notes may, with the approval of APRA and the satisfaction of certain conditions, see “— Approval of APRA” below, and provided that the relevant Subordinated Notes are not otherwise required to be Exchanged or Written-Off, be redeemed at our option, in whole but not in part, following the occurrence of a Regulatory Event or a Tax Event (in each case, as defined below), or, in whole or in part, on the Optional Call Date(s), or, in whole (but not in part), pursuant to a clean-up call. No Subordinated Note or portion thereof can, or will, be Exchanged at the option of a holder of such Subordinated Note.

Unless a supplement hereto or an applicable pricing supplement provides otherwise, any such redemption will be made at a redemption price equal to 100% of the principal amount of the Subordinated Notes to be redeemed, together with interest accrued on such principal amount to but excluding the date fixed for redemption.

If we choose to redeem any Subordinated Notes following a Tax Event or a Regulatory Event or by exercising a clean-up call, then immediately prior to the giving of any notice of redemption for such Subordinated Notes pursuant to this section, we will deliver to the Fiscal Agent a certificate (signed by our chief executive or financial officer or treasurer) stating that we are entitled to effect such redemption and setting forth in reasonable detail a statement of facts showing that the conditions precedent to our right to so redeem the Subordinated Notes have occurred.

If we exercise an option to redeem the Subordinated Notes, we will provide relevant holders with not less than 30 nor more than 60 days' notice. Notices to redeem any Subordinated Notes shall be given by us in writing and for so long as such Subordinated Notes are held in a clearing system, given to each holder in accordance with the rules and regulations of that clearing system relating to the delivery of notices, or mailed to their last addresses appearing on the register of such series of Subordinated Notes. Notices to redeem any Subordinated Notes shall specify the date fixed for redemption, the redemption price, the place or places of payment and that payment will be made upon presentation and surrender of the Subordinated Notes to be redeemed, that interest accrued to the date fixed for redemption (unless such date is an interest payment date) will be paid as specified in said notice, and that on and after said date interest thereon will cease to accrue (or portion thereof in the case of a partial redemption). If the redemption follows the occurrence of a Regulatory Event or Tax Event, such notice shall also state that the conditions precedent to such redemption have occurred and state that we have elected to exercise our option to redeem such Subordinated Notes in accordance with their terms.

If we have provided a notice of redemption in the manner described above, the principal amount of the Subordinated Notes called for redemption shall become due on the date fixed for redemption and upon presentation and surrender of such Subordinated Notes at the place or places specified in such notice or at a place of payment, and the principal amount of the Subordinated Notes called for redemption shall be redeemed by us at the places and in the manner therein specified and at the applicable redemption price, together with accrued interest (unless the redemption date is an interest payment date) to but excluding the redemption date. On and after the redemption date, unless we default in payment of the redemption price, interest shall cease to accrue on the principal amount of the Subordinated Notes or portions thereof called for redemption. Notwithstanding the foregoing, to the extent that all or any part of the principal amount of a Subordinated Note is subject to Exchange or Write-Off as described under

“— Exchange of Subordinated Notes on Non-Viability of MBL with a fall back to Write-Off”, we will not be entitled to redeem that Subordinated Note pursuant to a notice of redemption given in the manner described in above, and any such notice will not result in that Subordinated Note becoming due and payable.

If we exercise an option to redeem the Subordinated Notes in part, we will issue a new Subordinated Note upon presentation and surrender of the Subordinated Notes in principal amount equal to the unredeemed portion of the original Subordinated Note in the name of the holder thereof upon cancellation of the original Subordinated Note.

Approval of APRA

We cannot make any redemption or repurchase any Subordinated Notes before the stated maturity date for any reason without obtaining the prior written approval of APRA.

We cannot elect to redeem or repurchase the Subordinated Notes before the stated maturity date unless either:

- (i) the Subordinated Notes to be redeemed or repurchased are replaced (concurrently with the redemption or repurchase or beforehand) with Tier 1 Capital or Tier 2 Capital (“Regulatory Capital”), and the replacement or repurchase of those Subordinated Notes is done under conditions that are sustainable for the income capacity of the “Issuer Level 1 Group” and the “Issuer Level 2 Group”, or
- (ii) we obtain confirmation from APRA that APRA is satisfied that the capital positions of the “Issuer Level 1 Group” and the “Issuer Level 2 Group” are sufficient after such Subordinated Notes are redeemed or repurchased.

Prospective purchasers of Subordinated Notes should not expect that APRA’s approval will be given for any redemption or repurchase of Subordinated Notes.

Redemption for taxation reasons

Subject to the conditions set forth under “— Approval of APRA” above, and provided that the relevant Subordinated Notes are not otherwise required to be Exchanged or Written-Off, unless a supplement hereto or on applicable pricing supplement provides otherwise, we may elect to redeem the affected Subordinated Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Subordinated Notes to be redeemed, together with interest accrued on such principal amount to but excluding the date fixed for redemption, upon the occurrence of any of the following (a “Tax Event”):

- there is a change in or any amendment to the laws or regulations of Australia, or of any political subdivision or taxing authority of or in Australia, that affects taxation; or
- there is a change or amendment in an official application or interpretation of those laws or regulations

in each case, which change becomes effective on or after the issue date of any particular series of Subordinated Notes and was not expected by MBL as at the issue date of a Subordinated Note; and

- subject to certain conditions described below, such a change or amendment causes us to become obligated to pay any additional amounts, see “— Payment of Additional Amounts”, or
- as a result of such change or amendment, payment of interest in respect of the Subordinated Notes is not, or will not within 12 months of that change or amendment be, allowed as a deduction for Australian income tax purposes.

Before we can redeem the affected Subordinated Notes, we must:

- give the holders of those Subordinated Notes at least 30 and not more than 60 days' written notice of our intention to redeem those Subordinated Notes (and, at the time that notice is given, the obligation to pay those additional amounts or inability to deduct interest must remain in effect); and
- deliver to the holders of those Subordinated Notes a legal opinion of our counsel confirming that the conditions that must be satisfied for redemption have occurred.

If, however, within 60 days of us becoming liable to pay any additional amounts on the Subordinated Notes, we can eliminate the risk that we will have to pay those additional amounts by filing a form, making an election or taking some similar reasonable measure that in our sole judgment will not be adverse to us and will involve no material cost to us, a Tax Event will be taken not to have occurred.

Redemption for regulatory reasons

Subject to the conditions set forth under “— Approval of APRA” above, and provided that the relevant Subordinated Notes are not otherwise required to be Exchanged or Written-Off, unless a supplement hereto or an applicable pricing supplement provides otherwise, we may elect to redeem the Subordinated Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Subordinated Notes to be redeemed, together with interest accrued on such principal amount to but excluding the date fixed for redemption, upon the occurrence of any of the following (a “Regulatory Event”):

- a law or regulation applicable in the Commonwealth of Australia or any State or Territory of Australia or any directive, order, standard, requirement, guideline or statement of APRA (whether or not having the force of law) that applies to MBL, MGL or any other member of the MGL Group (a “Regulation”) is introduced, amended, clarified or changed or its application changed; or
- an announcement is made that a Regulation will be introduced, amended, clarified or changed or its application changed; or
- a decision is made by any court or other authority interpreting, applying or administering any Regulation,

in each case, which event occurs or is effective on or after the date we originally issued the Subordinated Notes and was not expected by us as at such date (each such event a “Change in Law”) and we determine that, as a result of that Change in Law:

- any of the Subordinated Notes are not eligible for inclusion as Tier 2 Capital of the Issuer Level 1 Group or the Issuer Level 2 Group; or
- that additional requirements (including regulatory, capital, financial, operational or administrative requirements) in connection with the Subordinated Notes would be imposed on us, MGL or any other member of the MGL Group which we determine, in our absolute discretion, might have a material adverse effect on MBL, MGL or any other member of the MGL Group or otherwise be unacceptable; or
- that to have any of the Subordinated Notes outstanding would be unlawful or impractical or that MBL, MGL or any other member of the MGL Group would be exposed to a more than *de minimis* increase in its costs in connection with such Subordinated Notes.

Issuer call

If the applicable pricing supplement specifies that an issuer call is applicable, we may also redeem all (or, subject to any minimum redemption amount or higher redemption amount set forth in the applicable

pricing supplement, some) of the Subordinated Notes on the Optional Call Date(s), as specified in the applicable pricing supplement. The first Optional Call Date will be no earlier than the fifth anniversary of the applicable issue date. The applicable redemption price(s), Optional Call Date(s) and repayment date(s) will be specified in the applicable pricing supplement.

Clean-up call

If the applicable pricing supplement specifies that the Subordinated Notes of that series are subject to a clean-up call, we may also redeem, in whole but not in part, such Subordinated Notes if, prior to the date notice of such redemption is given, less than 25% (or such other percentage as may be specified in the applicable Pricing Supplement as being the Clean-up Call Threshold) of the initial aggregate principal amount of Subordinated Notes of such series remains outstanding. The Bank may only exercise a clean-up call on or after the fifth anniversary of the applicable issue date. The applicable redemption price(s) will be specified in the applicable pricing supplement.

Repurchase of Subordinated Notes

Subject to APRA's prior written approval and applicable law, we or any of our Related Entities may purchase Subordinated Notes at any time, in any manner and at any price or consideration to which the relevant holder agrees. Such Subordinated Notes may, at the option of the acquirer, be held, resold or cancelled.

Exchange of Subordinated Notes on Non-Viability of MBL with a fall back to Write-Off

If a Non-Viability Event occurs, on the date on which such Non-Viability Event occurs (whether or not such date is a business day) (the "Non-Viability Date"), the aggregate principal amount of all outstanding Subordinated Notes will be immediately Exchanged for MGL Ordinary Shares in an amount equal (following or together with any Loss Absorption in respect of other Relevant Securities) to:

- the aggregate principal amount of Relevant Securities that APRA has notified us must be subject to Loss Absorption to satisfy APRA that we will not become non-viable; or
- if APRA has not so notified us, the aggregate principal amount of Subordinated Notes determined by us, in the manner described below, as would satisfy APRA that we will not become non-viable,

provided, however, that in the case of a Non-Viability Event where APRA notifies us in writing that it has determined that, without a public sector injection of capital or equivalent support, we would become non-viable, the aggregate principal amount of all Subordinated Notes shall be Exchanged in full.

No Subordinated Note or portion thereof can, or will, be Exchanged at the option of a holder thereof.

If a Non-Viability Event occurs and not all Subordinated Notes are required to be Exchanged, we will determine the aggregate principal amount of Subordinated Notes that must be Exchanged in accordance with the following:

- first, all Relevant Tier 1 Securities shall be subject to Loss Absorption; and
- second, if such Loss Absorption in respect of all Relevant Tier 1 Securities is not sufficient to satisfy the requirements described above, and provided that, as a result of that Loss Absorption, APRA has not withdrawn its determination in connection with the Non-Viability Event, we will Exchange for MGL Ordinary Shares an aggregate principal amount of Subordinated Notes and other Relevant Tier 2 Securities shall be subject to Loss Absorption, on an approximately proportionate basis (unless the terms of any such Relevant Tier 2 Security provide for any Loss Absorption to occur other than on a proportionate basis) or on such other basis as we consider fair and reasonable,

provided, however, that such determination must not impede or delay the immediate Exchange of the relevant principal amount of Subordinated Notes.

If a Non-Viability Event occurs, we will determine the Subordinated Notes or portions thereof as to which the Exchange is to take effect and in making that determination may make any decisions with respect to the identity of the holders of Subordinated Notes at that time as may be necessary or desirable to ensure Exchange occurs in an orderly manner, including disregarding any transfers of Subordinated Notes that have not been settled or registered at that time.

If only some Subordinated Notes are to be Exchanged, we will endeavor to treat holders of the Subordinated Notes on an approximately proportionate basis, but may discriminate to take account of the effect of marketable parcels, the need to round to whole numbers of MGL Ordinary Shares, and authorized denominations of any Subordinated Notes or other Relevant Securities remaining on issue and other similar considerations and the need to effect the Exchange immediately.

For the purposes of the foregoing, where the specified currency of the principal amount of Relevant Tier 2 Securities is not the same for all Relevant Tier 2 Securities, we may treat them as if converted into a single currency of our choice at such rate of exchange as we in good faith consider reasonable.

We must give notice of our determination of the Subordinated Notes or portions thereof as to which Exchange is to take effect (a "Non-Viability Notice") as soon as practicable to the Fiscal Agent and the holders of Subordinated Notes, that must specify:

- the Non-Viability Date;
- the aggregate principal amount of the Subordinated Notes that have been, or are to be, Exchanged; and
- the relevant number or principal amount of other Relevant Securities that have been, or are to be, subject to Loss Absorption.

Notwithstanding the above or any other term of the Subordinated Notes, if for any reason an Exchange has not occurred in respect of any Subordinated Note or any portion thereof within 5 business days of the Non-Viability Date, then such Exchange will not occur and each Subordinated Note or portion thereof that would otherwise be required to be Exchanged, will be Written-Off. We will give notice to holders of affected Subordinated Notes if an Exchange has not occurred (a "Write-Off Notice"), but failure to give such Write-Off Notice shall not prevent the occurrence of Write-Off in respect of the affected Subordinated Notes.

Nothing shall prevent, impede or delay any Exchange or Write-Off of Relevant Securities as described herein, including, without limitation, the following events:

- any failure or delay in any Loss Absorption in respect of any other Relevant Securities;
- any failure or delay in giving a Non-Viability Notice or Write-Off Notice;
- any failure or delay in quotation of the MGL Ordinary Shares that may be issued on or arising from an Exchange;
- any requirement to select or adjust the aggregate principal amount of Subordinated Notes to be Exchanged or Written-Off in accordance with the provisions described herein;
- any failure or delay by a holder of Subordinated Notes or any other party to comply with the provisions described herein;
- any obligation by us to treat holders of the Subordinated Notes proportionately or any right to make determinations or adjustments in accordance with the provisions described herein; and

- any notice of redemption of the Subordinated Notes given in the manner described in under “— Redemption of Subordinated Notes under certain circumstances”.

Each holder of Subordinated Notes, by its purchase or holding of an interest in any Subordinated Notes irrevocably acknowledges and agrees that:

- we intend that the Subordinated Notes constitute Tier 2 Capital and are able to absorb losses at the point of non-viability as described in APRA’s prudential standards and guidelines and that the Subordinated Notes are subject to Exchange or Write-Off as described herein, which is a fundamental term of the Subordinated Notes;
- Loss Absorption must occur immediately on the Non-Viability Date and that may result in disruption or failures in trading or dealings in the Subordinated Notes;
- no conditions or events will affect the operation of Exchange or Write-Off and such holder will not have any rights to vote in respect of any Subordinated Notes or portions thereof that are Exchanged or Written-Off;
- any failure or delay in the completion of any procedure, formality or other matter connected with the Exchange or Writing-Off of Subordinated Notes held by the holder shall not prevent, impede or delay the Exchange or Write-Off of such Subordinated Notes (which shall be deemed to have occurred immediately with effect on and from the Non-Viability Date, notwithstanding such failure or delay);
- subject to paragraph (10) below under “— Exchange Mechanics”, such holder consents to becoming a member of MGL and agrees to be bound by the constitution of MGL upon an Exchange;
- it agrees to the application of payments and issue of MGL Ordinary Shares in respect of its Subordinated Notes upon an Exchange, notwithstanding anything that might otherwise affect the Exchange including, without limitation:
- any change in the financial position of MBL, MGL or the MGL Group since the issue date of the Subordinated Notes it holds;
- any disruption to the market or potential market for the MGL Ordinary Shares or to capital markets generally;
- it being impossible or impracticable to list the MGL Ordinary Shares on the ASX; or
- it being impossible or impracticable to sell or otherwise dispose of the MGL Ordinary Shares;
- if an Exchange does not occur for any reason within 5 business days of the Non-Viability Date, each Subordinated Note or portion thereof subject to such Exchange will be Written-Off;
- it will provide MBL and MGL with:
 - its name and address (or the name and address of any person in whose name it directs the MGL Ordinary Shares to be issued) for entry into any register of title and receipt of any certificate or holding statement in respect of any MGL Ordinary Shares;
 - its security account details in CHESS or such other account to which the MGL Ordinary Shares may be credited; and

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- such information that MBL or MGL considers necessary or desirable, or to take any and all such action as is within the reasonable control of that holder, to give effect to an Exchange.

Neither MBL nor NGL has any duty to seek or obtain such information;

- it has no right to request an Exchange, redemption, or payment in respect of the Exchange, of a Subordinated Note or any portion thereof or to determine whether (or in what circumstances) the Subordinated Notes it holds are Exchanged or redeemed;
- it has no remedies on account of a failure by MGL or any Related Body Corporate:
 - (i) to make any payment in respect of an Exchange;
 - (ii) to issue MGL Ordinary Shares as required in respect of an Exchange other than (and subject always to where Write-Off applies) to seek specific performance of the obligation to issue the MGL Ordinary Shares; or
 - (iii) to perform any of the Related Exchange Steps;
- prior to an Exchange, the Subordinated Notes do not create or confer any voting rights in respect of any member of the MGL Group; and
- subject to applicable law, it is not entitled to be provided with copies of any notices of general meetings of MBL or MGL or any other documents (including annual reports and financial statements) sent by MBL or MGL to holders of ordinary shares or other securities (if any) in MBL or MGL.

Each holder of Subordinated Notes, by its purchase or holding of an interest in any Subordinated Notes irrevocably:

appoints each of MGL, MBL, any sale agent, their respective duly authorized officers and any liquidator, administrator, statutory manager or other similar official of MGL or MBL (each an "Appointed Person") severally to be the attorney of the holder and the agents of the holder, with the power in the name and on behalf of the holder to:

- (i) do all such acts and things (including, without limitation signing all documents, instruments or transfers or instructing CHES) as may, in the opinion of the Appointed Person, be necessary or desirable to be done in order to give effect to, record or perfect an Exchange or Write-Off (as applicable);
- (ii) do all other things which an Appointed Person reasonably believes to be necessary or desirable to give effect to the terms of the Subordinated Notes; and
- (iii) appoint in turn its own agent or delegate; and
- authorizes and directs MBL and/or the Fiscal Agent to make such entries in the register, including amendments and additions to the register, which MBL and/or the Fiscal Agent may consider necessary or desirable to record an Exchange or Write-Off (as applicable).

The power of attorney to be given by Subordinated Note holders in respect of the Subordinated Notes will be given for valuable consideration and to secure the performance by the Subordinated Note holder of the Subordinated Note holder's obligations under the Subordinated Notes, will be irrevocable and will survive and not be affected by the subsequent disability or incapacity of the Subordinated Note holder (or, if such Subordinated Note holder is an entity, by its dissolution or termination). An Appointed Person will have no liability in respect of any acts duly performed in accordance with the power of attorney thereby given.

For any Subordinated Note that is to be Exchanged or Written-Off only in part:

- (i) for the purposes of the transfer of that portion of that Subordinated Note to MGL, the principal amount of that Subordinated Note to be Exchanged and the principal amount of that Subordinated Note that is not to be Exchanged shall each be deemed to be a separate Subordinated Note with a denomination equal to the relevant principal amount;
- (ii) the amount of interest payable in respect of that Subordinated Note on each interest payment date falling after that Non-Viability Date will be reduced and calculated on the principal amount of that Subordinated Note as reduced on the date of the Exchange or Write-Off;
- (iii) the voting entitlement of the holder of that Subordinated Note in respect of that Subordinated Note will be adjusted and calculated on the principal amount of that Subordinated Note as so reduced on the date of the Exchange or Write-Off;
- (iv) the redemption price that may be payable on redemption of the Subordinated Note on and from that date of the Exchange or Write-Off will be adjusted and calculated on the principal amount of the Subordinated Note as so reduced on such date; and
- (v) in any case, such Subordinated Note will be surrendered with, if we or the Fiscal Agent so requires, due endorsement by, or written instrument of transfer in the form satisfactory to us and the Fiscal Agent duly executed by, the holder thereof or its attorney duly authorized in writing; additionally, we will execute, and the Fiscal Agent will authenticate and deliver to the registered holder of such Subordinated Note without service charge, a new Subordinated Note or Subordinated Notes of like form and tenor, of any aggregate principal amount equal to and in exchange for the non-Exchanged or non-Written-Off portion of the principal amount of the Subordinated Note so surrendered.

Where a Non-Viability Event takes effect, MBL must perform the obligations in respect of the relevant determination, immediately on the Non-Viability Date, whether or not such day is a business day.

In respect of its obligations under an Exchange, MGL has entered into the MGL Deed of Undertaking for the benefit of the holders of Subordinated Notes, pursuant to which it has irrevocably undertaken:

- to perform its obligations relating to an Exchange (including in connection with the issue and delivery of MGL Ordinary Shares) as provided under the Subordinated Notes (notwithstanding that it is not an obligor under the Subordinated Notes);
- to use all reasonable endeavors to procure quotation of the MGL Ordinary Shares issued or arising from an Exchange on the ASX. Each holder of the Subordinated Notes so Exchanged by its purchase or holding of an interest in any Subordinated Notes agrees not to trade MGL Ordinary Shares issued on an Exchange (except as permitted by the Australian Corporations Act, other applicable laws and the ASX Listing Rules) until MGL has taken such steps as are required by the Australian Corporations Act, other applicable laws and the ASX Listing Rules for MGL Ordinary Shares to be freely tradable without further disclosure or other action and agrees that MGL may impose a holding lock or refuse to register a transfer in respect of MGL Ordinary Shares until such time;
- to ensure that the MGL Ordinary Shares issued or arising from an Exchange will rank equally with all other fully paid MGL Ordinary Shares;
- from the applicable Non-Viability Date (subject to the provisions of the Subordinated Notes relating to Write-Off and that the Subordinated Notes do not create or confer any voting rights in respect of any member of the MGL Group prior to Exchange), to treat each holder of Subordinated Notes as the holder of the applicable Exchange Number of MGL Ordinary Shares and will take all such steps, including updating any register, required to record the Exchange; and

- to otherwise comply with the terms of the Subordinated Notes.

The MGL Deed of Undertaking is governed by the laws of the State of New South Wales, Australia and the Commonwealth of Australia.

Exchange Mechanics

(1) Exchange

On a Non-Viability Date, subject to where Write-Off applies, each of the events described in this paragraph (1) shall occur in respect of any Subordinated Note or portion thereof to be Exchanged.

- The rights of each holder of each relevant Subordinated Note or portion thereof (including to payment of interest) in relation to the principal amount of that Subordinated Note or portion thereof will be automatically and irrevocably transferred free from any Encumbrance to MGL or an Approved Nominee for an amount payable by MGL equal to the principal amount of the relevant Subordinated Note or portion thereof and MGL will apply that principal amount or portion thereof by way of payment for subscription for the MGL Ordinary Shares to be allotted and issued under paragraph 1(b). Each holder of a relevant Subordinated Note or any portion thereof is taken to have irrevocably directed that any amount payable under this paragraph 1(a) is to be applied as provided for in paragraph 1(b) and no such holder (or other person claiming through a holder) has any right to payment in any other way.
- MGL will allot and issue the Exchange Number of MGL Ordinary Shares to the holder of the Subordinated Note (or as they may direct) for a subscription price equal to the principal amount of that Subordinated Note or portion thereof. The "Exchange Number" will be calculated by MBL in accordance with the following formula:

$$\text{Exchange Number} = \frac{\text{Exchange Amount}}{(0.99 \times \text{Non-Viability Date VWAP})}$$

subject to the Exchange Number being no greater than the Maximum Exchange Number.

- The "**Maximum Exchange Number per US\$1,000**" will be calculated by MBL for each series of Subordinated Notes on the issue date of such series in accordance with the following formula:

$$\text{Maximum Exchange Number per US\$1,000} = \frac{\text{US\$1,000}}{\text{Exchange Floor Price}}$$

- The "**Maximum Exchange Number**" will be calculated by MBL on the Non-Viability Date in accordance with the following formula:

$$\text{Maximum Exchange Number} = \frac{(\text{Exchange Amount} \times \text{Maximum Exchange Number per US\$1,000})}{\text{US\$1,000}}$$

- If the total number of MGL Ordinary Shares to be allotted to a holder in respect of their aggregate holding of Subordinated Notes or portions thereof upon Exchange includes a fraction of an MGL Ordinary Share, that fraction of an MGL Ordinary Share will be disregarded.

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- (f) All rights to payment of interest or any other amount owing, both in the future and as accrued but unpaid as at the Non-Viability Date, in relation to such Subordinated Note or portion thereof transferred are immediately and irrevocably terminated for no other consideration.
- (g) As agreed between, among others, MGL and MBL under the implementation deed, dated May 23, 2025, MBL, MGL and their Related Bodies Corporate will deal with the Subordinated Notes or portions thereof being Exchanged so that fully paid ordinary shares in the capital of MBL are issued to, or as directed by, MGL or to a Related Body Corporate of MGL nominated by MGL (which is a holding company of MBL and which itself issues ordinary shares to, or as directed by, MGL), for an aggregate issue price equal to the aggregate Exchange Amount and the Subordinated Notes transferred to MGL or to an Approved Nominee in accordance with this paragraph 1 shall be redeemed and cancelled (the “**Related Exchange Steps**”).

(2) Adjustments to VWAP

For the purposes of calculating VWAP under the terms of the Subordinated Notes:

- (a) where, on some or all of the ASX Trading Days in the relevant VWAP Period, MGL Ordinary Shares have been quoted on the ASX as cum dividend or cum any other distribution or entitlement and Subordinated Notes or portions thereof will be Exchanged for MGL Ordinary Shares after the date those MGL Ordinary Shares no longer carry that dividend or any other distribution or entitlement, then the VWAP on the ASX Trading Days on which those MGL Ordinary Shares have been quoted cum dividend or cum any other distribution or entitlement shall be reduced by an amount (“**Cum Value**”) equal to:
- (i) (in case of a dividend or other distribution), the amount of that dividend or other distribution including, if the dividend or other distribution is franked, the amount that would be included in the assessable income of a recipient of the dividend or other distribution who is both a resident of Australia and a natural person under the Australian Tax Act and eligible to receive a franked distribution;
 - (ii) (in the case of any other entitlement that is not a dividend or other distribution under Section 2(a)(i) above that is traded on the ASX on any of those ASX Trading Days), the VWAP of all such entitlements sold on the ASX during the VWAP Period on the ASX Trading Days on which those entitlements were traded; or
 - (iii) (in the case of any other entitlement that is not traded on the ASX during the VWAP Period), the value of the entitlement as reasonably determined by MBL; and
- (b) where, on some or all of the ASX Trading Days in the VWAP Period, MGL Ordinary Shares have been quoted on the ASX as ex dividend or ex any other distribution or entitlement, and Subordinated Notes or portions thereof will be Exchanged for MGL Ordinary Shares that would be entitled to receive the relevant dividend or other distribution or entitlement, the VWAP on the ASX Trading Days on which those MGL Ordinary Shares have been quoted ex dividend or ex any other distribution or entitlement shall be increased by the Cum Value.

(3) Adjustments to VWAP for divisions and similar transactions

- (a) Where during the relevant VWAP Period there is a change in the number of the MGL Ordinary Shares on issue as a result of a Reclassification, in calculating the VWAP for that VWAP Period, the Daily VWAP applicable on each day in the relevant VWAP Period which falls before the date on which trading in the MGL Ordinary Shares is conducted on a post Reclassification basis shall be adjusted by multiplying the VWAP by the following fraction:

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

where:

“**A**” means the aggregate number of MGL Ordinary Shares immediately before the Reclassification; and

“**B**” means the aggregate number of MGL Ordinary Shares immediately after the Reclassification.

- (b) Any adjustment to VWAP made by MBL in accordance with paragraphs (2) and (3)(a) above will be effective and binding on all holders of the relevant series of Subordinated Notes and the terms of such Subordinated Notes will be construed accordingly. Any such adjustment must be notified to all holders of such series of Subordinated Notes as soon as reasonably practicable following its determination by MBL.

(4) Adjustments to Issue Date VWAP

For the purposes of determining the Issue Date VWAP, adjustments to VWAP will be made in accordance with paragraphs (2) and (3) above during the VWAP Period for the Issue Date VWAP. On and from the issue date of a particular series of Subordinated Notes, adjustments to the Issue Date VWAP:

- (a) may be made in accordance with paragraphs (5) and (6) below; and
- (b) if so made, will cause an adjustment to the Maximum Exchange Number per US\$1,000.

(5) Adjustments to Issue Date VWAP for bonus issues

- (a) Subject to paragraph 5(b), if MGL makes a pro rata bonus issue of MGL Ordinary Shares to holders of MGL Ordinary Shares generally, the Issue Date VWAP will be adjusted immediately in accordance with the following formula:

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

where:

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

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

“**RN**” means the number of MGL Ordinary Shares issued pursuant to the bonus issue; and

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

- (b) Paragraph (5)(a) above does not apply to MGL Ordinary Shares issued as part of a bonus share plan, employee or executive share plan, executive option plan, share top up plan, share purchase plan or a dividend reinvestment plan.
- (c) For the purpose of paragraph (5)(a) above, an issue will be regarded as a pro rata issue notwithstanding that MGL does not make offers to some or all holders of MGL

Ordinary Shares with registered addresses outside Australia, provided that in so doing MGL is not in contravention of the ASX Listing Rules.

- (d) No adjustments to the Issue Date VWAP will be made under this Section (5) for any offer of MGL Ordinary Shares not covered by paragraph (5)(a) above, including a rights issue or other essentially pro rata issue.
- (e) The fact that no adjustment is made for an issue of MGL Ordinary Shares except as covered by paragraph (5)(a) shall not in any way restrict MGL from issuing MGL Ordinary Shares at any time on such terms as it sees fit nor be taken to constitute a modification or variation of rights or privileges of holders of any Subordinated Notes or otherwise requiring any consent or concurrence.

(6) Adjustment to Issue Date VWAP for divisions and similar transactions

- (a) If at any time after the issue date of a series of Subordinated Note there is a change in the number of MGL Ordinary Shares on issue as a result of a Reclassification, MBL will adjust the Issue Date VWAP by multiplying the Issue Date VWAP applicable on the business day immediately before the date of any such Reclassification by the following formula:

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

where:

“**A**” means the aggregate number of MGL Ordinary Shares immediately before the Reclassification; and

“**B**” means the aggregate number of MGL Ordinary Shares immediately after the Reclassification.

- (b) Each holder of a Subordinated Note acknowledges that MGL may, consolidate, divide or reclassify securities so that there is a lesser or greater number of MGL Ordinary Shares at any time in its absolute discretion without any such action constituting a modification or variation of rights or privileges of holders of any Subordinated Notes or otherwise requiring any consent or concurrence.

(7) No adjustment to Issue Date VWAP in certain circumstances

Despite the provisions of paragraphs (5) and (6) above, no adjustment shall be made to the Issue Date VWAP where such cumulative adjustment (rounded if applicable) would be less than one percent of the Issue Date VWAP then in effect. Any adjustment not made in accordance with this paragraph (7) shall be carried forward and taken into account in determining whether any subsequent adjustment shall be made.

(8) Announcement of adjustment to Issue Date VWAP

If MBL determines an adjustment to the Issue Date VWAP under paragraphs (5) and (6) above, such an adjustment will be:

- (a) determined as soon as reasonably practicable following the relevant event; and
- (b) notified to holders of the relevant Subordinated Notes (an “Adjustment Notice”) within 10 business days of MBL determining the adjustment.

and the adjustment set out in the Adjustment Notice will be final and binding on holders of the relevant Subordinated Notes and the terms of such Subordinated Notes will be construed accordingly.

(9) Failure to Exchange

Except where the Subordinated Notes are required to be Written-Off, and subject to paragraph (11)(g) below, if, in respect of an Exchange of a Subordinated Note or any portion thereof, MGL fails to issue the MGL Ordinary Shares to, or in accordance with the instructions of, the relevant holder of that Subordinated Note on the applicable Non-Viability Date or to the Sale Agent where paragraph (11) below applies, the principal amount of that Subordinated Note or portion thereof shall nonetheless be transferred and dealt with in accordance with paragraphs (1)(a), (1)(f) and (1)(g) above and the remedies of any holder of that Subordinated Note in respect of that failure are limited to seeking an order for specific performance of MGL's obligations to issue MGL Ordinary Shares.

If, in respect of an Exchange of a Subordinated Note or portion thereof, that Subordinated Note or portion thereof is not transferred on the Non-Viability Date free from Encumbrance to MGL or its Approved Nominee, MGL shall issue the Exchange Number of MGL Ordinary Shares to the holder in respect of that Subordinated Note and all rights of the relevant holder (and any person claiming through the holder) in such Subordinated Note or portion thereof are taken to have ceased and that Subordinated Note or portion thereof shall be cancelled.

This paragraph (9) does not affect the obligation of MGL to deliver the MGL Ordinary Shares or of the holder of a relevant Subordinated Note to transfer that Subordinated Note or portion thereof when required in accordance with its terms.

(10) Subordinated Notes held in a clearing system

Subject to where Write-Off applies, if:

- (a) any Subordinated Note or portion thereof is required to be Exchanged; and
- (b) the holder of that Subordinated Note is the operator of a clearing system or a nominee for a common depository for any one or more clearing systems (such operator or nominee for a common depository acting in such capacity as is specified in the rules and regulations of the relevant clearing system or clearing systems),

then, with effect from the Non-Viability Date:

- (c) the holder's rights in relation to each such Subordinated Note or portion thereof being Exchanged are deemed to have been immediately and irrevocably terminated in respect of such amount Exchanged;
- (d) MGL will issue the relevant aggregate Exchange Number of MGL Ordinary Shares due to such holder in uncertificated form through MGL's share registry provider to a Sale Agent appointed as provided below in accordance with and subject to this section for no additional consideration to hold on trust for delivery or sale for the benefit of the participants in, or members of, the relevant clearing system or clearing systems who held interests in the corresponding Subordinated Notes through the relevant clearing system or clearing systems immediately prior to Exchange ("**Clearing System Participants**"); and
- (e) each such Clearing System Participant will, in respect of its proportional entitlement to an interest in that Subordinated Note, be entitled to receive MGL Ordinary Shares (or the proceeds of the sale of MGL Ordinary Shares) from the Sale Agent in accordance with, and subject to, this section as though references to the "holder" or "registered holder" of any Subordinated Note or a portion thereof are to the Clearing System Participant and references to MGL issuing MGL Ordinary Shares to the holder are to the Sale Agent delivering to the Clearing System Participant the MGL Ordinary Shares issued to the Sale Agent under paragraph (10)(d).

(11) Holders of Subordinated Notes whose MGL Ordinary Shares are to be sold

Subject to where Write-Off applies, if any Subordinated Note or portion thereof is required to be Exchanged and if:

- (a) the registered holder of that Subordinated Note has notified MBL that it does not wish to receive MGL Ordinary Shares as a result of the Exchange (whether entirely or to the extent specified in the notice), which notice may be given at any time on or after the issue date of that Subordinated Note and no less than 15 business days prior to the Non-Viability Date;
- (b) the registered holder of that Subordinated Note either has an address in the register which is a place outside Australia or is believed by MBL or MGL to not be a resident of Australia (in either case, the Subordinated Note holder being a "**Foreign Holder**");
- (c) for any reason (whether or not due to the fault of the holder):
 - (i) MBL or MGL does not receive any information required by it in accordance with the terms of that Subordinated Note so as to impede MGL from issuing the MGL Ordinary Shares to the holder of that Subordinated Note on the Non-Viability Date; or
 - (ii) a FATCA Withholding is required to be made in respect of any MGL Ordinary Shares to be delivered as a result of that Exchange; or
- (d) MGL is of the opinion that under an Applicable Shareholding Law, the registered holder of that Subordinated Note is prohibited from acquiring some or all of the Exchange Number of MGL Ordinary Shares on the Non-Viability Date;

then, subject to paragraph (11)(e) below and without limiting paragraph (10), MBL will use reasonable endeavors to appoint a Sale Agent (which is not MBL or any Related Entity of MBL) on such terms as MBL considers reasonable, who will act in accordance with paragraph (11)(f) where MBL, MGL and the Sale Agent can be satisfied that the obligation in paragraph (11)(f) may be performed in respect of the relevant Subordinated Note and the relevant MGL Ordinary Shares in accordance with all applicable laws and without MBL, MGL or the Sale Agent having to take steps which any of them regard as unacceptable or onerous.

On the Non-Viability Date:

- (e) where paragraph (11)(a), (11)(b), 11(c)(ii) or (11)(d) above applies, MGL will issue the Exchange Number of MGL Ordinary Shares to the holder of that Subordinated Note only to the extent (if at all) that:
 - (i) where paragraph (11)(a) above applies, the holder's notice referred to in paragraph 11(a) indicates the holder wishes to receive them;
 - (ii) where paragraph (11)(b) above applies, the Foreign Holder has notified MBL that it wishes to receive MGL Ordinary Shares as a result of the Exchange (whether entirely or to the extent specified in the notice), which notice may be given at any time on or after the issue date of that Subordinated Note and no less than 15 business days prior to the Non-Viability Date, and MGL is satisfied that the laws of both Australia and the Foreign Holder's country of residence permit the issue of the Exchange Number of MGL Ordinary Shares to the Foreign Holder as contemplated by this paragraph (11) (but as to which MGL is not bound to enquire), either unconditionally or after compliance with conditions that MGL, in its absolute discretion, regards as acceptable and not unduly onerous;

- (iii) where paragraph (11)(c)(ii) above applies, MGL, in its absolute discretion, considers that it can do so in accordance with the requirements applicable to the relevant FATCA Withholding without it having to take steps that it regards as unacceptable or onerous; or
- (iv) where paragraph (11)(d) above applies, the issue would, in MGL's opinion, result in the holder receiving the maximum number of MGL Ordinary Shares the holder is permitted to acquire in compliance with Applicable Shareholding Law as at the Non-Viability Date;
- (f) otherwise, subject to paragraph (11)(g) below and any other circumstances where Write-Off applies, MGL will issue the balance of the Exchange Number of MGL Ordinary Shares in respect of that holder to the Sale Agent on the terms that, at the first reasonable opportunity to sell the MGL Ordinary Shares, the Sale Agent will arrange for their sale and pay to the holder of the relevant Subordinated Note on a date determined by the Sale Agent a cash amount equal to the Attributable Proceeds of the holder of that Subordinated Note (and, where a FATCA Withholding has been required to be made, will remit the cash amount referable to the FATCA Withholding to, or as directed by, the relevant authority or agency). The issue of MGL Ordinary Shares to the Sale Agent will satisfy all obligations of MGL and its Related Bodies Corporate in connection with the Exchange, that Subordinated Note or portion thereof will be deemed Exchanged and will be dealt with in accordance with paragraph (1) and, on and from the issue of MGL Ordinary Shares, the rights of the holder of that Subordinated Note the subject of this paragraph (11) are limited to its rights in respect of the MGL Ordinary Shares or the Attributable Proceeds as provided in this paragraph (11); and
- (g) where paragraph (10) or paragraph (11)(f) above applies in respect of a holder of a Subordinated Note and MBL is unable to appoint a Sale Agent, or any of MGL or the Sale Agent is of the opinion that the issue of MGL Ordinary Shares to the Sale Agent and subsequent delivery or sale in accordance with paragraph (10) or paragraph (11)(f) cannot be undertaken in accordance with Applicable Shareholding Law or other applicable law (or can be undertaken in accordance with Applicable Shareholding Law or applicable law only after MGL or the Sale Agent take steps that any of MBL, MGL or the Sale Agent regard as onerous) then, without in any way limiting other circumstances where Write-Off may apply as described in this document, if either or both of MGL and the Sale Agent is of the opinion that the issue of MGL Ordinary Shares cannot be undertaken within 5 business days of the Non-Viability Date to the Sale Agent in accordance with paragraph (11)(f) above or otherwise to the holder of that Subordinated Note in accordance with paragraph (11), then that Subordinated Note or portion thereof will be Written-Off.

Nothing in this paragraph (11) will affect the Exchange of any Subordinated Note or portion thereof to any holder of that Subordinated Note that is not a person to which any of paragraphs (11)(a) to (11)(d) applies.

For the purpose of this paragraph (11), none of MBL, MGL, the Sale Agent or any other person owes any obligations or duties to the Subordinated Note holders in relation to the price at which MGL Ordinary Shares are sold or has any liability for any loss suffered by a Subordinated Note holder as a result of the sale of MGL Ordinary Shares.

(12) Certain Definitions

For the purposes of this “— Exchange Mechanics” section the following terms will have the meanings below:

“Applicable Shareholding Law” means any law in force in Australia or any relevant foreign jurisdiction that limits or restricts the number of ordinary shares in MBL, MGL or any of their

respective Related Bodies Corporate in which a person may have an interest or over which it may have a right or power, including, without limitation, Chapter 6 of the Australian Corporations Act, the Foreign Acquisitions and Takeovers Act 1975 of Australia, the Financial Sector (Shareholdings) Act 1998 of Australia and Part IV of the Competition and Consumer Act 2010 of Australia.

“Approved Nominee” means in connection with an Exchange, a subsidiary of MGL that is (i) nominated by MGL; and (ii) a holding company of MBL on the applicable Non-Viability Date, which has been approved by APRA prior to the Non-Viability Date to be an approved nominee for the purposes of the Exchange.

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

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

“ASX Settlement Operating Rules” means the settlement operating rules of the ASX as amended, varied or waived (whether in respect of MGL or generally) from time to time.

“ASX Trading Day” means a business day within the meaning of the ASX Listing Rules on which trading in MGL Ordinary Shares takes place.

“Attributable Proceeds” means, in respect of a holder of a Subordinated Note to whom paragraph (11)(g) above applies, an amount equal to: (i) the net proceeds of the sale of such MGL Ordinary Shares, actually received after deducting any applicable brokerage, stamp duties and other taxes (including, without limitation, any FATCA Withholding), charges and expenses, divided by the number of such MGL Ordinary Shares issued and sold; multiplied by (ii) the number of MGL Ordinary Shares issued and sold in accordance with paragraph (11)(g) in respect of that Subordinated Note.

“Daily VWAP” means the volume weighted average sale price of MGL Ordinary Shares sold on the ASX on a day but does not include any “Crossing” transacted outside the “Open Session State”, or any “Special Crossing” transaction at any time, each as defined in the ASX Operating Rules, or any overseas trades or trades pursuant to the exercise of options over MGL Ordinary Shares.

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

“Exchange Amount” means the principal amount of any Subordinated Note or portion thereof that is to be Exchanged on the Non-Viability Date.

“Exchange Floor Price” means 20% of the Issue Date VWAP (expressed as a U.S. Dollar Amount).

“Issue Date VWAP” means the VWAP during the 20 ASX Trading Days in which trading in MGL Ordinary Shares took place immediately preceding (but not including) the issue date of a Subordinated Note (expressed as a U.S. Dollar Amount and as such number may be adjusted in accordance with paragraphs (4), (5) or (6) above).

“Non-Viability Date VWAP” means the VWAP during the VWAP Period (expressed as a U.S. Dollar Amount).

“Reclassification” means a division, consolidation or reclassification of MGL’s share capital (not involving any cash payment or other distribution or compensation to or by holders of MGL Ordinary Shares or to or by any entity in the MGL Group).

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

“Sale Agent” means a person appointed by MBL to sell MGL Ordinary Shares, and includes an agent of that person, which is not MBL or any Related Entity of MBL.

“U.S. Dollar Amount” means, in relation to any amount denominated in a currency other than U.S. Dollars, the amount converted into U.S. Dollars at the spot rate of exchange for the purchase by MGL of that currency with U.S. Dollars in the Sydney foreign exchange market on the VWAP Conversion Date determined by MBL in good faith having regard to the latest available market data.

“VWAP” means, subject to any adjustments described in paragraphs (2) or (3) above, for a period or relevant number of days, the average of the Daily VWAPs of MGL Ordinary Shares sold on the ASX during the relevant period or on the relevant days (such average being expressed as a U.S. Dollar Amount, rounded to the nearest full cent).

“VWAP Conversion Date” means:

- (a) for the Issue Date VWAP, the ASX Trading Day immediately preceding the issue date of a Subordinated Note; and
- (b) for the Non-Viability Date VWAP, the ASX Trading Day immediately preceding the Non-Viability Date.

“VWAP Period” means, for the purposes of calculating the Non-Viability Date VWAP and the Exchange number, the 5 ASX Trading Days immediately preceding, but not including, the Non-Viability Date.

Mergers and Similar Transactions

We or MGL are generally permitted to consolidate or merge with another company or firm. We or MGL are also permitted to sell substantially all of our assets to another firm, or to buy substantially all of the assets of another company or firm. However, neither we nor MGL may take any of these actions unless all the following conditions are met:

- Where we or MGL consolidate or merge out of existence or sell substantially all of our or MGL’s assets, except as otherwise indicated below, the other company or firm must be an entity organized as a corporation, trust or partnership and:
 - (i) in respect of a consolidation, merger, sale of assets or other transaction concerning us, it must expressly assume the due and punctual payment of the principal amount of and interest, if any, on the outstanding Subordinated Notes and the performance of every covenant of ours included in the Subordinated Notes and the Fiscal Agency Agreement; and
 - (ii) in respect of a consolidation, merger, sale of assets or other transaction concerning MGL, it or its ultimate holding company must expressly assume the performance of every covenant of MGL included in the Subordinated Notes and the MGL Deed of Undertaking.
- We deliver to the holders of Subordinated Notes a certificate (signed by our chief executive or financial officer or treasurer) and opinion of counsel, each stating that the consolidation, merger, sale, lease or purchase of assets or other transaction complies with the terms of such Subordinated Notes.

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- The merger, sale of assets or other transaction must not cause a default on any Subordinated Notes, and we must not already be in default under any Subordinated Notes, unless the consolidation, merger, sale of assets or other transaction would cure the default.
 - If such company or firm is not organized and validly existing under the laws of Australia, it must expressly agree:
 - (i) to indemnify the holders of outstanding Subordinated Notes against any tax, assessment or governmental charge required to be withheld or deducted from any payment to such holder as a consequence of such consolidation, merger, sale of assets or other transaction; and
 - (ii) that all payments pursuant to the outstanding Subordinated Notes must be made without withholding or deduction for or on account of any tax of whatever nature imposed or levied on behalf of the jurisdiction of organization of such company or firm, or any political subdivision or taxing authority thereof or therein, unless such tax is required by such jurisdiction or any such subdivision or authority to be withheld or deducted, in which case such company or firm will pay such additional amounts in order that the net amounts received by the holders of such Subordinated Notes after such withholding or deduction will equal the amount that would have been received in respect of such Subordinated Notes in the absence of such withholding or deduction, subject to the same exceptions as would apply with respect to the payment by us of additional amounts in respect of the Subordinated Notes (substituting the jurisdiction of organization of such company or firm for Australia); provided, however, that this indemnity shall not apply to any deduction or withholding imposed or required pursuant to Sections 1471 through 1474 of the Code, any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code, and shall not require the payment of additional amounts on account of any such withholding or deduction.

Notwithstanding the above, neither we nor MGL are prevented from consolidating with or merging into any other person or conveying, transferring or leasing our respective properties and assets substantially as an entirety to any person, or from permitting any person to consolidate with or merge into us or MGL or to convey, transfer or lease our respective properties and assets substantially as an entirety to us or MGL where such consolidation, merger, conveyance, transfer or lease is:

- required by APRA (or any statutory manager or similar official appointed by it) under law and prudential regulation applicable in the Commonwealth of Australia (including, without limitation the Australian Banking Act or the Australian FSTR Act, as used herein, and any amendments thereto, rules thereunder and any successor laws, amendments and rules); or
- determined by us or MGL, or by APRA (or any statutory manager or similar official appointed by it) to be necessary in order for us or MGL to be managed in a sound and prudent manner or for us, MGL or APRA (or any statutory manager or similar official appointed by it) to resolve any financial difficulties affecting us or MGL, in each case in accordance with law and prudential regulation applicable in the Commonwealth of Australia.

Existence

Subject to the provisions described under “— Mergers and Similar Transactions” above, we and MGL are each required to do or cause to be done all things necessary to preserve and keep in full force and effect our existence, rights (charter and statutory) and franchises; provided, however, that each of us and MGL shall not be required to preserve any such right or franchise if our respective Boards of Directors determines that the preservation thereof is no longer desirable in the conduct of our respective businesses and that the loss thereof is not disadvantageous in any material respect to the holders of Subordinated Notes or is:

- required by APRA (or any statutory manager or similar official appointed by it) under law and prudential regulation applicable in the Commonwealth of Australia (including without limitation the Australian Banking Act or the Australian FSTR Act, which terms, as used herein, include any amendments thereto, rules thereunder and any successor laws, amendments and rules)); or
- determined by us or MGL, or by APRA (or any statutory manager or similar official appointed by it), to be necessary in order for MBL or MGL to be managed in a sound and prudent manner or for us or MGL, or APRA (or any statutory manager or similar official appointed by it), to resolve any financial difficulties affecting each of us, in each case in accordance with law and prudential regulation applicable in the Commonwealth of Australia.

Default, remedies and waiver of default

Events of Default

The “***Events of Default***” in respect of the Subordinated Notes are:

- (a) If either we fail to pay any part of the principal in respect of Subordinated Notes within 14 days of the relevant due date or we fail to pay any amount of interest in respect of Subordinated Notes within 30 days of the relevant due date; for the avoidance of doubt, if the condition to payment described in paragraph (ii) under the heading “— Status and Subordination of Subordinated Notes — Prior to the commencement of a Winding-Up of the Bank” is not satisfied, then we are not obliged to make payment and, accordingly, no amount is due and the Event of Default in this paragraph (a) cannot occur; or
- (b) Either an order is made by a court of competent jurisdiction in Australia (other than an order successfully appealed or permanently stayed within 60 days), or an effective resolution is passed for our Winding-Up in Australia, in each case other than in connection with a scheme of amalgamation or reconstruction not involving our bankruptcy or insolvency.

If the Event of Default specified in paragraph (b) above occurs, then, subject to the section entitled “— Remedies for holders of Subordinated Notes if an Event of Default occurs” below, by notice to us at the specified office of the Fiscal Agent, effective upon receipt of such notice by the Fiscal Agent, (1) any holder of Subordinated Notes may declare that all the Subordinated Notes held by that holder are immediately due and repayable, or (2) holders of not less than 25% of the Subordinated Notes of the affected series may declare that all the Subordinated Notes of that series are immediately due and repayable, and, in each case, each holder of such Subordinated Notes may prove or claim in our Winding-Up of MBL, subject to the matters set forth under the heading “— Status and Subordination of Subordinated Notes”.

Remedies for holders of Subordinated Notes if an Event of Default occurs

In the event of the occurrence of either of the Events of Default set out above in “— Events of Default”, in addition to the right to give notice in respect of the Event of Default specified in paragraph (b) of that section, the holder of any Subordinated Notes may institute proceedings for our Winding-Up of MBL or, subject to the matters set forth under the heading “— Status and Subordination of Subordinated Notes”, for proving or claiming in any Winding-Up of MBL.

No remedy against us (including, without limitation, any right to sue for a sum of damages that has the same economic effect of an acceleration of our payment obligations), other than the institution of proceedings for Winding-Up or, subject to the matters set forth under the heading “— Status and Subordination of Subordinated Notes”, for proving or claiming in any Winding-Up, shall be available to the holders of any Subordinated Notes for the recovery of amounts owing in respect of the Subordinated Notes or in respect of any breach by us of any obligation, condition or provision binding on us under the terms of the Subordinated Notes. In particular, no holders of any Subordinated Notes shall be entitled to exercise any right of set-off or counterclaim that, but for the restrictions on any set-off described in “— Status and Subordination of Subordinated Notes” and the matters otherwise set forth in this paragraph, may be available to such holders of Subordinated Notes against amounts owing by us in respect of such Subordinated Notes (whether prior to, or following, any bankruptcy, Winding-Up or sequestration of us).

On our Winding-Up, holders of Subordinated Notes shall only be entitled to prove for any sums payable in respect of the Subordinated Notes as a debt that is subject to and contingent upon prior payment in full of the Senior Creditors. The holders of Subordinated Notes waive to the fullest extent permitted by law any right to prove in any such Winding-Up as a creditor ranking for payment in any other manner.

Modification of the Subordinated Notes, the Fiscal Agency Agreement or the MGL Deed of Undertaking and Waiver of Covenants

The prior written approval of APRA is required to modify, amend or supplement the terms of the Subordinated Notes, the Fiscal Agency Agreement or MGL Deed of Undertaking, insofar as it affects Subordinated Notes, or to give consents or waivers in respect of Subordinated Notes or take other actions where such modification, amendment, supplement, consent, waiver or other action may affect the eligibility of Subordinated Notes as Tier 2 Capital of MBL.

If we are able to obtain APRA's prior written approval, there are three types of changes we can make to the Fiscal Agency Agreement, the Subordinated Notes and MGL Deed of Undertaking and these changes might subject the holders to U.S. federal tax.

Changes requiring each holder's approval

First, there are changes that cannot be made without the written consent or the affirmative vote or approval of each holder affected by the change. Here is a list of those types of changes:

- change the due date for the payment of principal of, or any installment of interest on any Subordinated Note;
- reduce the principal amount of any Subordinated Note, the portion of any principal amount that is payable upon acceleration of the maturity of the Subordinated Note or the interest rate;
- change the subordination provisions of a Subordinated Note, the Deed of Undertaking or Exchange features (other than adjustments contemplated by the terms of the Subordinated Notes) in a manner adverse to the interests of any holder of the Subordinated Note;
- change the currency of any payment on a Subordinated Note;
- change our obligation to pay additional amounts;
- shorten the period during which redemption of the Subordinated Notes is not permitted or permit redemption during a period not previously permitted;
- change the place of payment on a Subordinated Note;
- reduce the percentage of principal amount of the Subordinated Notes outstanding necessary to modify, amend or supplement the Fiscal Agency Agreement or the Subordinated Notes or to waive past defaults or future compliance;

- reduce the percentage of principal amount of the Subordinated Notes outstanding required to adopt a resolution or the required quorum at any meeting of holders of Subordinated Notes at which a resolution is adopted; or
- change any provision in a Subordinated Note with respect to redemption at the holders' option in any manner adverse to the interests of any holder of the Subordinated Notes.

Changes not requiring approval

The second type of change does not require any approval by holders of Subordinated Notes. These changes are limited to curing any ambiguity or curing, correcting or supplementing any defective provision, adding to our or MGL's covenants or surrendering our rights, evidencing the succession of another corporation to MBL or MGL and the assumption by any such successor of the covenants and obligations of MBL in respect of one or more series of Subordinated Notes or in the Fiscal Agency Agreement or of MGL in the MGL Deed of Undertaking, or modifying the Fiscal Agency Agreement, the terms of any series of Subordinated Notes or MGL Deed of Undertaking in any manner determined by us, MGL and the Fiscal Agent to be not inconsistent with the terms of the Subordinated Notes and not materially adverse to the interest of holders of such Subordinated Notes.

Changes requiring majority approval

Any other change to the Fiscal Agency Agreement, the terms of any series of Subordinated Notes or any MGL Deed of Undertaking would require the following approval (in addition to the prior written approval of APRA):

- the written consent of the holders of at least 50% of the aggregate principal amount of the relevant series of Subordinated Notes at the time outstanding; or
- the adoption of a resolution at a meeting at which a quorum of holders is present by 50% of the aggregate principal amount of the relevant series of Subordinated Notes affected at the time outstanding represented at the meeting.

The same 50% approval would be required for us to obtain a waiver of any of our respective covenants in the Fiscal Agency Agreement, any series of Subordinated Notes or any MGL Deed of Undertaking. Such covenants include the promises we and MGL each make about merging, which we describe above under "— Mergers and Similar Transactions". If the holders approve a waiver of a covenant, neither we nor MGL will have to comply with it.

These defined majorities are able to bind all holders of the relevant Subordinated Notes, including holders who did not provide written consent or attend and vote at a relevant meeting and holders who voted in a manner contrary to the majority.

The quorum at any meeting called to adopt a resolution will be persons holding or representing a majority in aggregate principal amount of the relevant series of Subordinated Notes at and, at any reconvened meeting adjourned for lack of a quorum, 25% of the aggregate principal amount of the relevant series of Subordinated Notes outstanding. For purposes of determining whether holders of the aggregate principal amount of Subordinated Notes required for any action or vote, or for any quorum, have taken the action or vote, or constitute a quorum, the principal amount of any particular Subordinated Note may differ from its principal amount at stated maturity date but will not exceed its stated face amount upon original issuance, in each case if and as indicated in the applicable pricing supplement.

Unless otherwise indicated in the applicable pricing supplement, we will be entitled to set any day as a record date for determining which holders of book-entry Subordinated Notes are entitled to make, take or give requests, demands, authorizations, directions, notices, consents, waivers or other action, or to vote on actions at any meeting of holders of Subordinated Notes of a series (which date shall be set forth in the notice calling such meeting and which shall be not less than 30 nor more than 60 days prior to such meeting), authorized or permitted by the Fiscal Agency Agreement. In addition, record dates for any book-entry Subordinated Note may be set in accordance with procedures established by the

Depository from time to time. Therefore, record dates for book-entry Subordinated Notes may differ from those for other Subordinated Notes. Book-entry and other indirect owners should consult their banks or brokers for information on how approval may be granted or denied if we seek to change the Fiscal Agency Agreement or any Subordinated Notes or request a waiver.

Special rules for action by holders

When holders take any action under the Fiscal Agency Agreement, such as giving a notice of default, declaring an acceleration, approving any change or waiver or giving the Fiscal Agent an instruction, we will apply the following rules.

Only outstanding Subordinated Notes are eligible

Only holders of outstanding Subordinated Notes will be eligible to participate in any action by holders of Subordinated Notes. Also, we will count only outstanding Subordinated Notes in determining whether the various percentage requirements for taking action have been met. For these purposes, a Subordinated Note will not be “outstanding”:

- if it has been surrendered for cancellation;
- if we have called such Subordinated Note for redemption or it has become due and payable at maturity or otherwise and we have deposited or set aside, in trust for its holder, money for its payment or redemption;
- if it is in lieu of or in substitution for other Subordinated Notes that have been authenticated and delivered;
- if we or one of our affiliates is the owner; or
- if it has been Exchanged or Written-Off in full.

Form, exchange and transfer of Subordinated Notes

If any Subordinated Notes cease to be issued in registered global form, they will be issued:

- only in fully registered form;
- fully paid;
- without interest coupons; and
- unless we indicate otherwise in the applicable pricing supplement, in denominations of US\$200,000 or integral multiple of US\$1,000 in excess thereof.

Holders may exchange their Subordinated Notes for Subordinated Notes of smaller denominations or combine them into fewer Subordinated Notes of larger denominations, as long as the total principal amount is not changed. You may not exchange your Subordinated Notes for Subordinated Notes of a different series or having different terms, unless the applicable pricing supplement says you may.

Holders may exchange or transfer their Subordinated Notes at the office of the Fiscal Agent. They may also replace lost, stolen, destroyed or mutilated Subordinated Notes at that office. We have appointed the Fiscal Agent to act as our agent for registering Subordinated Notes in the names of holders and transferring and replacing Subordinated Notes. We may appoint another entity to perform these functions or perform them ourselves.

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Holders will not be required to pay a service charge to transfer or exchange their Subordinated Notes, but they may be required to pay for any tax or other governmental charge and certain other related expenses associated with the exchange or transfer and any other reasonable expenses (including the fees and expenses of the Fiscal Agent) in connection with the exchange or transfer. The transfer or exchange, and any replacement, will be made only if our transfer agent is satisfied with the holder's proof of legal ownership. The transfer agent may require an indemnity before replacing any Subordinated Notes.

If we have designated additional transfer agents for Subordinated Notes, they will be named in the applicable pricing supplement. We may appoint additional transfer agents or cancel the appointment of any particular transfer agent. We may also approve a change in the office through which any transfer agent acts.

If any Subordinated Notes are redeemable and we redeem less than all those Subordinated Notes, we may block the transfer or exchange of those Subordinated Notes during the period beginning 15 days before the day we mail the notice of redemption and ending on the day of that mailing, in order to freeze the list of holders to prepare the mailing, and refuse to register transfers of or exchange any Subordinated Note selected for redemption, except that we will continue to permit transfers and exchanges of the unredeemed portion of any Subordinated Note being partially redeemed.

If a Subordinated Note is issued as a Global Note, only the Depository — e.g., DTC, Euroclear and Clearstream, Luxembourg — will be entitled to transfer and exchange the Subordinated Note as described in this subsection, since the Depository will be the sole holder of the Subordinated Note.

The rules for exchange described above apply to exchange of Subordinated Notes for other Subordinated Notes of the same series.

Payment mechanics for Subordinated Notes

Who receives payment?

If interest is due on a Subordinated Note on an interest payment date, we will pay the interest to the person in whose name the Subordinated Note is registered at the close of business on the relevant Regular Record Date relating to the interest payment date as described below under “— Payment and Record Dates for interest”. If interest is due at the maturity date, we will pay the interest to the person entitled to receive the principal of the Subordinated Note. If principal or another amount besides interest is due on a Subordinated Note at the maturity date, we will pay the amount to the holder of the Subordinated Note against surrender of the Subordinated Note at a proper place of payment or, in the case of a Global Note, in accordance with the applicable policies of the Depository, which will be DTC, Euroclear or Clearstream, Luxembourg.

Payment and Record Dates for interest

Interest on Subordinated Notes will be payable annually, semi-annually, quarterly or otherwise on the date or dates set forth in the applicable pricing supplement and at the maturity date. Unless otherwise specified in the applicable pricing supplement, the Regular Record Date relating to an interest payment date for any Subordinated Note will be the 15th calendar day before that interest payment date. These record dates will apply regardless of whether a particular record date is a business day. For the purpose of determining the holder at the close of business on a Regular Record Date when business is not being conducted, the close of business will mean 5:00 P.M., New York City time, on that day.

How we will make payments

Payments on Global Notes. We will make payments on a Global Note in accordance with the applicable policies as in effect from time to time of the Depository, which will be DTC, Euroclear or Clearstream, Luxembourg. Under those policies, we will pay directly to the Depository, or its nominee, and not to any indirect owners who own beneficial interests in the Global Note. An indirect owner's right to receive those payments will be governed by the rules and practices of the Depository and its participants, as

described in the section entitled “Legal Ownership and Book-Entry Issuance — What is a Global Note?” in the Offering Memorandum and in any applicable pricing supplement.

Payments on Non-Global Notes. We will make payments on a Subordinated Note in non-global, registered form as follows. We will pay interest that is due on an interest payment date by check mailed on the interest payment date to the holder at its address shown on the Fiscal Agent’s records as of the close of business on the relevant Regular Record Date. We will make all other payments by check at the office of the Paying Agent described below, against surrender of the Subordinated Note. All payments by check will be made in next-day funds — *i.e.*, funds that become available on the day after the check is cashed.

Alternatively, if a non-Global Note has a face amount of at least US\$5,000,000 and the holder asks us to do so, we will pay any amount that becomes due on the Subordinated Note by wire transfer of immediately available funds to an account at a bank in New York City, on the due date. To request wire payment, the holder must give the Paying Agent appropriate wire transfer instructions at least five business days before the requested wire payment is due. In the case of any interest payment due on an interest payment date, the instructions must be given by the person or entity who is the holder on the relevant Regular Record Date. In the case of any other payment, payment will be made only after the Subordinated Note is surrendered to the Paying Agent. Any wire instructions, once properly given, will remain in effect unless and until new instructions are given in the manner described above.

Book-entry and other indirect owners should consult their banks or brokers for information on how they will receive payments on their Subordinated Notes.

Paying Agent

We may appoint one or more financial institutions to act as our paying agents, at whose designated offices Subordinated Notes in non-global entry form may be surrendered for payment at their maturity. We call each of those financial institutions a “Paying Agent”. We may add, replace or terminate Paying Agents from time to time; provided that at all times there will be a Paying Agent in the Borough of Manhattan, The City of New York. We may also choose to act as our own Paying Agent. Initially, we have appointed The Bank of New York Mellon, as the Paying Agent. We must notify the Fiscal Agent of changes in the Paying Agents.

Unclaimed payments

Claims against us for payment in respect of the Subordinated Notes remaining unclaimed will become void unless made within ten years (in the case of principal) or five years (in the case of interest) from the appropriate payment date.

Notices

Notices to be given to holders of a Global Note will be given only to the Depository, in accordance with its applicable policies as in effect from time to time. Notices to be given to holders of Subordinated Notes not in global form will be sent by mail to the respective addresses of the holders as they appear in the Fiscal Agent’s records, and will be deemed given when mailed. Neither the failure to give any notice to a particular holder, nor any defect in a notice given to a particular holder, will affect the sufficiency of any notice given to another holder. Book-entry and other indirect owners should consult their banks or brokers for information on how they will receive notices.

Our relationship with the Fiscal Agent

The Bank of New York Mellon is serving as the Fiscal Agent for the Subordinated Notes issued under the Fiscal Agency Agreement.

Successor fiscal agent

The Fiscal Agency Agreement provides that the Fiscal Agent may be removed by us at any time or may resign upon 30 days prior written notice to us or any shorter period that we accept, effective upon the acceptance by a successor fiscal agent of its appointment. The Fiscal Agency Agreement provides that any successor fiscal agent must have an established place of business in the Borough of Manhattan, The City of New York. We must notify the holders of the Subordinated Notes of the appointment of a successor fiscal agent.

Governing law

The Fiscal Agency Agreement and the Subordinated Notes will be governed by, and construed in accordance with, the laws of the State of New York without reference to the State of New York principles regarding conflicts of laws, except that all matters governing authorization and execution of the Subordinated Notes and the Fiscal Agency Agreement by MBL, the subordination and Exchange and Write-Off provisions of the Subordinated Notes and the MGL Deed of Undertaking will be governed by the laws of the State of New South Wales, Australia and the laws of the Commonwealth of Australia. We have appointed Macquarie Holdings (U.S.A.) Inc. located at 660 Fifth Avenue, New York, New York 10103, as our agent for service of process in The City of New York in connection with any action arising out of the sale of Subordinated Notes or enforcement of the terms of the Fiscal Agency Agreement.

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SCHEDULE 3 - DESCRIPTION OF RIGHTS AND LIABILITIES ATTACHING TO THE MGL ORDINARY SHARES

The rights and liabilities attaching to the MGL Ordinary Shares to be issued on Exchange of the Subordinated Notes are set out in the constitution of MGL and are also regulated by the Australian Corporations Act, the ASX Listing Rules and the laws of the Commonwealth of Australia. The following summarizes some, but not all of the material rights and liabilities attaching to the MGL Ordinary Shares. The following does not purport to be complete and is subject to, and qualified by reference to, all of the provisions of MGL's constitution which is incorporated by reference into this document, the Australian Corporations Act, the ASX Listing Rules and the laws of the Commonwealth of Australia.

General

A copy of MGL's constitution, with such amendments as were approved on December 12, 2013, is available on the website of ASX at www.asx.com.au. MGL's constitution is largely comparable to the articles of incorporation and by laws of a corporation organized in the United States. Under MGL's constitution there is no limit on how many shares MGL may have on issue at any time. The voting directors of MGL are authorized to provide for the issue of fully paid Ordinary Shares on terms determined by the directors, at the issue price that the directors determine and at the time that the directors determine. The voting directors may also provide for the cancellation of shares, the issue of shares with any preferential, deferred or special rights, privileges or conditions, or any restrictions relating to any shares in regard to dividends, voting, return of capital or otherwise.

The rights that attach to MGL Ordinary Shares are detailed in MGL's constitution and may only be varied with the sanction of a special resolution of a meeting of the Shareholders or with the consent in writing of three-quarters of Shareholders, as described further under "– Variation of Rights" below.

For more information on the Australian law limitations on the right of non-residents or non-citizens of Australia to hold, own or vote on MGL Ordinary Shares, see "Applicable Shareholding Law" under "Description of the rights and liabilities attaching to Subordinated Notes – Exchange of Subordinated Notes on Non-Viability of MBL with a fall back to Write-Off – Exchange Mechanics".

General Meetings and Voting

The voting directors of MGL may convene and arrange to hold a meeting of Shareholders at any time, but must do so if required to do so under the Australian Corporations Act (including that a general meeting must be convened where members with at least 5% of the votes that may be cast at the general meeting, who are entitled to vote at the general meeting, have so requested and annual general meetings must be convened at least once each calendar year and, in any event, within 5 months after the end of MGL's financial year). Each Shareholder is entitled to receive notice of, and to attend and vote at, general meetings of MGL and to receive all notices, accounts and other documents required to be furnished to Shareholders under MGL's constitution, the Australian Corporations Act and the ASX Listing Rules. Shareholders may attend in person or by proxy and vote on issues requiring a shareholders' resolution at general meetings. Such issues include the election of directors of MGL and any changes to the constitution of MGL. Notice is given to Shareholders when those meetings are to be held and of the items of business to be considered.

At a general meeting, every Shareholder present in person or by proxy or attorney or representative has one vote on a show of hands and, on a poll, one vote per fully paid MGL Ordinary Share (and, subject to the terms on which they are issued, a proportion of a vote for shares partly paid, equal to the proportion the amount paid on the share bears to its total issue price). For more information on matters related to general meetings and voting, see Sections 7 and 8 of MGL's constitution and Chapter 2G of the Australian Corporations Act.

The Subordinated Notes do not create or confer any voting rights in respect of MGL Ordinary Shares, MGL or any other member of the MGL Group at any time prior to Exchange.

Dividends

MGL generally pays a dividend on the MGL Ordinary Shares twice yearly. Such dividends are paid at the discretion of the voting directors of MGL.

Subject to the Australian Corporations Act, the terms of the MGL constitution and rights of holders (if any) of shares issued with any special rights, the voting directors of MGL may from time to time determine to pay a dividend, on all of the shares of a particular class. Dividends may only be paid by an Australian company where the company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend and, before determining to pay any dividend, MGL must be in compliance with the Australian Corporations Act and APRA's prudential standards as they apply to MGL and the MGL Group. Interest is not payable by MGL on any dividend. MGL's voting directors may fix the amount, the time of payment and the method for payment of the dividend. The voting directors may deduct from the dividend payable to an ordinary Shareholder all sums presently payable by the Shareholder to MGL on account of calls or otherwise in relation to MGL Ordinary Shares. MGL also has a dividend reinvestment plan, see "– Dividend Reinvestment Plan" below.

See Section 1.1 in each of MGL's 2025 Fiscal Year Management Discussion and Analysis Report and MGL's 2024 Fiscal Year Management Discussion and Analysis Report, which are each incorporated by reference into this document, for further information on the historical dividends paid by MGL on MGL Ordinary Shares over these historical periods.

Dividend Reinvestment Plan

MGL presently operates a Dividend Reinvestment Plan ("DRP"). It is optional and offers ordinary Shareholders in Australia and New Zealand the opportunity to acquire fully paid MGL Ordinary Shares without transaction costs. A Shareholder can elect to participate in or terminate their involvement in the DRP at any time. For further information regarding the DRP, see Notes 5 and 27 in MGL's audited consolidated financial statements for the 2025 fiscal year included in MGL's 2025 Annual Report.

Changes to the rights of Shareholders

MGL's constitution has effect as a contract between MGL and each Shareholder, between MGL and each director and company secretary, and between a Shareholder and each other Shareholder, under which each person agrees to observe and perform the constitution and rules so far as they apply to that person. In accordance with MGL's constitution and the Australian Corporations Act, MGL may modify or repeal its constitution, or a provision of its constitution, by a special resolution that has been passed by at least 75% of the votes cast by Shareholders entitled to vote on the resolution.

A Banking Act statutory manager appointed by APRA has power under the Australian Banking Act to, among other things, cancel shares or rights to acquire shares in MGL or vary or cancel rights attached to shares, notwithstanding the constitution, the Australian Corporations Act, the terms of any contract to which MGL is party or the listing rules of any financial market in whose list MGL is included (including the ASX).

Rights to Redemption

MGL Ordinary Shares may not be redeemed at the election of a Shareholder.

Variation of Rights

The rights attaching to MGL Ordinary Shares or of any other class of shares in MGL may be varied in accordance with MGL's constitution, including with the sanction of a special resolution passed at a meeting of the holders of shares of that class or with the written consent of the holders of at least three quarters of the issued shares of that class.

Limitations on ownership and changes in control of MGL Ordinary Shares

MGL's constitution contains limitations on the rights to own securities in MGL. In addition, there are detailed Australian laws and regulations which govern the acquisition of interests in MGL, including, without limitation:

- Chapter 6 of the Australian Corporations Act, which imposes requirements upon the acquisition of control over issued voting shares and voting power in MGL, including restrictions and procedures that will generally apply where a relevant interest of at least 20% of the total votes attaching to voting shares of MGL is acquired;
- the Foreign Acquisitions and Takeovers Act 1975 of Australia, which regulates foreign investment in Australia (including investments in MGL) and that may require notifications be made and/or approvals be obtained in relation to such investments;
- the Financial Sector (Shareholdings) Act 1998 of Australia, which may require prior approval be obtained for the acquisition of a stake of more than 20% in Australian financial sector companies, such as MGL; and
- Part IV of the Competition and Consumer Act 2010 of Australia, which may restrict any direct and indirect acquisition of interests in MGL where that acquisition is considered to impact competition in the sectors in Australia in which MGL operates.

The application of these requirements, and of the provisions of other laws and regulations, may depend upon the identity of the person acquiring the interest in MGL, and each investor must understand the effect that such laws and regulations may have upon any acquisition by them of interests in MGL in light of their own circumstances.

Calls on MGL Ordinary Shares

To the extent permitted by law, under MGL's constitution, MGL has a first and paramount lien on every share for all due and unpaid calls and installments in respect of that share, all money that MGL is required by law to pay, and has paid, in respect of that share, reasonable interest on the amount due from the date it becomes due until payment, and reasonable expenses of MGL in respect of the default on payment.

Holders of MGL Ordinary Shares (which will be fully-paid) have no liability for further capital calls by MGL. MGL voting directors may, in respect of any partly-paid shares in MGL:

- make calls on a member in respect of any money unpaid on the shares of that member, if the money is not by terms of issue of those shares made payable at fixed times;
- make a call payable by installments; and
- revoke or postpone a call.

Upon notice, each holder of partly-paid shares in MGL must pay to MGL, by the time or times and at the place specified by MGL, the amount called on that shareholder's shares. If the requirements of notice are not satisfied by the date specified in the notice, MGL may make a further call for that amount plus an amount of interest, failing satisfaction of which, the voting directors may, by resolution, forfeit the relevant partly-paid shares.

Winding-Up

In the event that MGL were ever wound up, all creditors and holders of any classes of shares or other securities issued by MGL that have a preferential right in respect of the distribution of assets in a winding-up would be paid out before any distribution to Shareholders. Any surplus available after the claims of

all creditors and other preferential rights were satisfied would be distributed among Shareholders in accordance with Section 18 of the MGL constitution and the Australian Corporations Act.

U.S. Transfer Restrictions

Any MGL Ordinary Shares that are issued upon an Exchange are subject to U.S. transfer restrictions, and may not be offered or sold except outside the United States in compliance with Regulation S, in the United States to qualified institutional buyers in compliance with Rule 144A, or in other transactions exempt from registration under the Securities Act.

Transfer of MGL Ordinary Shares

Subject to the U.S. transfer restrictions described above, MGL Ordinary Shares may be transferred by written transfer instrument in any usual or common form, or any other form approved by the ASX or MGL's directors, or any manner permitted by the settlement rules of ASX Settlement Pty Limited ("ASX Settlement Operating Rules").

A transfer of MGL Ordinary Shares must be made in accordance with MGL's constitution, the Australian Corporations Act (and subject to any restrictions under that Act), the ASX Listing Rules and the ASX Settlement Operating Rules. The voting directors have the power to refuse to register a transfer of MGL Ordinary Shares in certain circumstances, including where the transfer is in breach of the ASX Listing Rules.

Share Buy-Back

MGL is entitled to buy-back MGL Ordinary Shares in accordance with the requirements of the Australian Corporations Act and the ASX Listing Rules. MGL Ordinary Shares acquired by MGL under a buy-back must be cancelled in accordance with the Australian Corporations Act.

Annual Report

Shareholders have the opportunity to receive each year a copy of MGL's 2025 Annual Report, which provides a review of MGL Group's performance as a whole during the previous financial year.

CHESS

Shareholders hold MGL Ordinary Shares through the ASX's settlement system known as the Clearing House Electronic Sub-Register System, or CHESS. CHESS is an automated transfer and settlement system operated by ASX Settlement Pty Limited for the paperless registration and transfer of securities. MGL does not issue share certificates to Shareholders. Instead, following transfer, MGL will provide Shareholders with a holding statement that sets out the number of MGL Ordinary Shares registered in such Shareholder's name.

Disclosure of shareholdings

There are no provisions in MGL's constitution that provide an ownership threshold above which share ownership must be disclosed. However, Chapter 6 of the Australian Corporations Act requires a person to disclose certain prescribed information to MGL and the ASX if the person has or ceases to have a "substantial holding" in MGL. The term "substantial holding" is defined in the Australian Corporations Act as broadly, a relevant interest in 5% or more of the total number of votes attaching to voting shares and is not limited to direct shareholdings. For further information, see "— Major Shareholders" below.

The Australian Corporations Act also permits MGL or ASIC to direct any Shareholder of MGL to make certain disclosures in respect of their interest in MGL's shares and the interest held by any other person in those shares.

Major Shareholders

MGL is not directly or indirectly controlled by another corporation, any government or any other natural or legal persons, separately or jointly. The section of MGL's 2025 Annual Report entitled "Further Information" lists the persons registered by MGL as substantial shareholders as at the date of that report, having declared a relevant interest in MGL Ordinary Shares in accordance with the Australian Corporations Act of 5% or more of MGL Ordinary Shares.

Employee Share Plans and Executive Remuneration

The principal employee share scheme operated by MGL Group is called the Macquarie Group Employee Retained Equity Plan ("MEREP"). The MEREP is used to deliver remuneration, including deferred and performance-based remuneration, in the form of MGL Ordinary Shares. The main award type under the MEREP is Restricted Share Units ("RSUs"). A RSU is a beneficial interest in a MGL Ordinary Share held on behalf of a MEREP participant by the plan trustee (the "Trust"). A similar award type available under the MEREP are Restricted Shares, which are MGL Ordinary Shares transferred from the Trust and held by a MEREP participant subject to restrictions on disposal, vesting and forfeiture rules. Deferred share units ("DSUs") are also allocated under MEREP. A DSU represents the right to receive, on exercise of the DSU, either a share held in the Trust or a newly issued share (as determined by MGL in its absolute discretion) for no cash payment, subject to the vesting and forfeiture provisions of the MEREP. A MEREP participant holding a DSU has no right or interest in any share until the DSU is exercised. Remuneration for the most senior executives, known as the Executive Committee, is also comprised of Performance Share Units ("PSUs") allocated under the MEREP. PSUs are allocated to Executive Committee members based on their performance, vest after four years and are exercisable subject to the achievement of two performance indicators. For further information regarding MEREP, see Note 32 in MGL's audited consolidated financial statements for the 2025 fiscal year included in MGL's 2025 Annual Report. For further information regarding performance-based remuneration in the form of PSUs allocated to MGL's Executive Committee, see "Directors Report — Remuneration Report" in MGL's 2025 Annual Report.

MGL Group also presently operates an Employee Share Plan ("ESP") whereby each fiscal year, eligible employees are offered up to A\$1,000 worth of fully paid MGL Ordinary Shares for no cash payment. MGL Ordinary Shares allocated under the ESP have certain sale restrictions, but otherwise rank equally with all other fully paid Ordinary Shares then on issue. For further information regarding the ESP, see Note 32 in MGL's audited consolidated financial statements for the 2025 fiscal year included in MGL's 2025 Annual Report.

Preference Shares

MGL may issue preference shares (including redeemable preference shares) and issued shares may be converted into preference shares on the terms as set out in schedule 1 of the MGL constitution or otherwise approved by special resolution. Only in limited circumstances will preference shareholders have rights to move or second resolutions or vote at any general meeting of MGL. Whilst, as at the date of this document, MGL has not issued any preference shares, there is no limit on the amount of preference shares that MGL may issue in the future.

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