



# **New South Wales Treasury Corporation**

*(a statutory corporation constituted by the Treasury Corporation Act 1983 of New South Wales)*

## **DOMESTIC A\$ BOND PROGRAMME**

Guaranteed by

**The Crown in Right of New South Wales**

## **INFORMATION MEMORANDUM**

### **Dealers**

ABN AMRO Bank N.V., Australian Branch  
Australian and New Zealand Banking Group Limited  
Citigroup Global Markets Australia Pty Limited  
Commonwealth Bank of Australia  
Deutsche Bank AG, Sydney Branch  
Macquarie Bank Limited  
National Australia Bank Limited  
Royal Bank of Canada  
The Toronto-Dominion Bank, Australia Branch  
UBS AG, Australia Branch  
Westpac Banking Corporation

14 November 2007

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## IMPORTANT NOTICE

### Responsibility for Information

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The New South Wales Treasury Corporation ("**Issuer**") has authorised the preparation and issue of this Information Memorandum and accepts responsibility for it.

None of the Registrar, nor any Dealer appointed to the Programme (each as defined in this Information Memorandum and together "**Relevant Parties**") has been involved in the preparation of this Information Memorandum or makes any warranty, express or implied, about and assumes no responsibility for the correctness or completeness of, or errors and omissions in, this Information Memorandum.

### Distribution

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This Information Memorandum does not and is not intended to constitute an offer or invitation by or on behalf of the Issuer in any place where, or to any person to subscribe for, purchase or otherwise deal in any Notes.

This Information Memorandum has been prepared for distribution on a confidential basis to prospective investors selected by the Dealers. Its contents may not be reproduced or used in whole or in part for any other purpose other than the Programme nor given to any other person without the written permission of the Issuer.

### Nature of Offer or Issue

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Each offer or invitation to issue or purchase a Note must comply with all applicable laws and regulations.

Notes will be issued in Australian dollars.

### Independent Advice

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The information in this Information Memorandum contains only summary information concerning the Notes. This Information Memorandum is not intended to provide a basis of any credit or other evaluation and should not be considered a recommendation by the Issuer or any Relevant Party that any person should purchase Notes. Intending investors contemplating purchasing the Notes or any rights in respect of the Notes under the Programme should (and shall be taken to have):

- base their investment decision on an independent assessment of the relevance of the information to them and any investigation (whether of the financial condition, affairs of, or appraisal of the creditworthiness of the Issuer) of it they consider necessary; and
- consult their own tax advisers on the application of tax laws applicable to their situation.

No advice is given in respect of taxation treatment of investors in connection with investment in any Notes.

None of the Relevant Parties undertakes to review the financial condition or affairs of the Issuer at any time or to inform any holder of Notes (each a "**Note Holder**") of information about the Issuer coming to its attention.

### Ratings

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Credit ratings referred to in this Information Memorandum should not be taken as recommendations by a rating agency to buy, sell or hold Notes. They may be revised, suspended or withdrawn at any time by the rating agency.

## Currency of Information

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The information in this Information Memorandum is correct and complete as at the date of the cover page ("**Effective Date**"). The distribution of this Information Memorandum or any offer or issue of Notes after the Effective Date does not imply that there has been no change since that date in the affairs or financial condition of the Issuer, the Guarantor or any other person or entity or that the information is correct at any time after the Effective Date.

The Issuer and the Guarantor expressly do not undertake to review the financial conditions or affairs of the Issuer or the Guarantor during the life of the programme.

## Authorised Material

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Only information contained in this Information Memorandum or as otherwise authorised in writing by the Issuer may be relied on as having been authorised by or on behalf of the Issuer or any Relevant Party.

## No Other Material Authorised

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The Issuer has not authorised any person to give any information or to make any statements or representations which are not contained in or consistent with this Information Memorandum. Investors should not rely on any other statements or representations no matter what the person making those statements or representations claims.

## Disclosure of Interest

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In accordance with the provisions of the Corporations Act 2001 of the Commonwealth of Australia ("**Corporations Act**"), each of the Dealers disclose that they:

- may have pecuniary or other interests in the Notes
- may receive fees, brokerage and commissions
- may have interests under other arrangements, and
- may act as principal in dealing in the Notes.

The Registrar may receive fees, brokerage and commissions.

## Documents Incorporated

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The following documents are incorporated by reference in and form part of this Information Memorandum:

- all amendments and supplements to this Information Memorandum prepared by the Issuer from time to time;
- the most recently publicly available audited accounts of the Issuer and the Guarantor; and
- all documents issued by the Issuer and stated to be incorporated in this Information Memorandum by reference.

## Restrictions on Circulation

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The distribution of this Information Memorandum and the offer for subscription or purchase and invitations to subscribe for or buy Notes may be restricted by law in certain jurisdictions and is intended for circulation in Australia only. The Issuer and Dealers do not represent that this Information Memorandum may be lawfully distributed, or that Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering.

In particular, no action has been taken by any of those parties which would permit a public offering of any Notes or distribution of this Information Memorandum in any jurisdiction where action for that purpose is required.

Accordingly, other than as permitted by law, no Notes may be offered or sold, directly or indirectly, and neither this Information Memorandum nor any advertisement or other offering material may be distributed or published in any jurisdiction other than Australia.

## SUMMARY OF THE PROGRAMME

*The following is a brief summary only and should be read in conjunction with the rest of this Information Memorandum including the Terms and Conditions and the relevant Pricing Supplement. Unless otherwise defined, terms used in this summary are defined in the Terms and Conditions.*

<b>Issuer:</b>	New South Wales Treasury Corporation.
<b>Guarantor:</b>	The due repayment of principal and the due payment of interest on the Notes have the benefit of a guarantee (" <b>Guarantee</b> ") given by the Crown in Right of New South Wales.
<b>Programme:</b>	A non-underwritten revolving A\$ debt issuance programme providing for the issue of medium term notes (including capital indexed bonds (" <b>CIBs</b> ")) in registrable form with the benefit of a Guarantee provided by the Guarantor pursuant to the Public Authorities (Financial Arrangements) Act 1987 of NSW (" <b>PAFA Act</b> ").
<b>Currency:</b>	All Notes will be issued in Australian dollars.
<b>Dealers:</b>	<p>ABN AMRO Bank N.V., Australian Branch; Australian and New Zealand Banking Group Limited; Citigroup Global Markets Australia Pty Limited; Commonwealth Bank of Australia; Deutsche Bank AG, Sydney Branch; Macquarie Bank Limited; National Australia Bank Limited; Royal Bank of Canada; The Toronto-Dominion Bank, Australia Branch; UBS AG, Australia Branch; Westpac Banking Corporation,</p> <p>and any other dealer appointed to the Programme by the Issuer from time to time (collectively the "<b>Dealers</b>").</p>
<b>Issuing and Paying Agent and Registrar:</b>	Link Market Services Limited or such other party appointed by the Issuer from time to time.
<b>Form:</b>	<p>Notes will be debt obligations of the Issuer, issued in registered form and will take the form of entries in a register ("<b>Register</b>") maintained by the Registrar.</p> <p>Notes will be issued in a Series (each a "<b>Series</b>") and comprising one or more tranches (each a "<b>Tranche</b>"). Each Series will be the subject of a Pricing Supplement. Each subsequent Tranche of that Series will be subject to that Pricing Supplement, save for the Issue Price, Issue Date and first Interest Payment Date.</p>
<b>Programme Amount:</b>	Unlimited
<b>Capital Indexed Bonds (CIBs):</b>	<p>The Issuer may from time to time issue CIBs under the Programme.</p> <p>CIBs will be issued with the capital value of the investment being adjusted by reference to the Consumer Price Index. Interest will be paid quarterly, at a fixed rate, on the adjusted capital value. At maturity, investors will receive the inflation - adjusted capital value of the Note - the value as</p>

adjusted for inflation over the life of the Note.

For more information on the calculation of interest amounts and the settlement price for CIBs, see Condition 7.3 ("Calculation of interest amounts on CIBs") and Condition 7.4 ("Settlement price for CIBs").

<b>Status:</b>	<p>The Notes will be direct, unconditional and irrevocable obligations of the Issuer and will have the benefit of the statutory charge on the income and revenue of the Issuer provided for by section 22C(1) of the PAFA Act. Further, by section 22G(1) of the PAFA Act, money payable by the Issuer under the Notes ranks and will continue to rank equally without preference by reason of priority of date or otherwise with all obligations to repay financial accommodation, financial adjustments and joint financing arrangements (as each of those terms are defined in the PAFA Act) which repayment is secured by the income and revenue of the Issuer.</p> <p>The due payment of principal, interest and other charges in respect of the Notes is guaranteed by the Guarantor pursuant to the provisions of section 22A(1) of the PAFA Act. Pursuant to section 22G(2) of the PAFA Act, all obligations of the Guarantor under the Guarantee rank equally without preference with all other outstanding obligations of the Guarantor and are to be discharged out of the fund formed under Part 5 of the Constitution Act 1902 of New South Wales constituting all public moneys collected, received or held by any person for or on behalf of the State of New South Wales ("<b>Consolidated Fund</b>") without any further appropriation other than section 22I of the PAFA Act.</p>
<b>Rating:</b>	<p>Standard &amp; Poor's Ratings Services, a Division of the McGraw – Hill Companies Inc: AAA</p> <p>Moody's Investor Services, Limited: Aaa</p> <p>A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the relevant rating agency.</p>
<b>Pricing Supplement:</b>	<p>The Terms and Conditions of the Notes are subject to and must be read in conjunction with the relevant term sheet and/or pricing supplement relating to the Series of which the Notes are a part, specifying the relevant details of the Series which relate to the particular Note issue.</p>
<b>Governing Law:</b>	<p>The laws of the State of New South Wales, Australia.</p>
<b>Term:</b>	<p>The term of the Programme continues until terminated by the Issuer giving prior notice to the Dealers, or earlier by agreement between all parties to it.</p>
<b>Stamp duty:</b>	<p>Any stamp duty incurred on the issuance of the Notes will be for the account of the Issuer. Any stamp duty incurred on a transfer of Notes will be for the account of the relevant investors.</p> <p>As at the date of this Information Memorandum, no stamp duty is payable on the issue of Notes where that transfer occurs for full market value through the Austraclear System. Investors are advised to seek independent advice regarding any stamp duty or other taxes imposed by another jurisdiction upon the transfer of Notes.</p>
<b>Payments:</b>	<p>Where Notes are lodged in the Austraclear System, payments will be made in the manner described in the Austraclear System Regulations and Operating Manual to the owner. In other cases, payments will be made according to the instructions of the owner by credit into an account at a</p>

financial institution in Australia or by cheque. Payments will be to the owner recorded in the Register at the close of business one week prior to the relevant payment date. To ensure timely payment, Note Holders should notify the Registry of any change in address.

**Taxes (including Tax File Number or Australian business number):**

All payments are subject in all cases to applicable provisions of fiscal and other laws and regulations ("**Relevant Laws**"). If the Issuer or anyone making payment on its behalf is obliged by any Relevant Law to deduct or withhold any amount from a payment otherwise due to a Note Holder, it will do so.

The Issuer will deduct amounts from payments of interest at the prescribed rate if an Australian resident investor has not supplied an appropriate Tax File Number ("**TFN**"), Australian Business Number ("**ABN**") or exemption details as may be necessary to enable the payment to be made without deduction.

Assessable income from the Notes derived by way of interest or discount or through accruals over the life of the Notes will be liable to Australian tax according to the laws of the Commonwealth of Australia.

Note Holders should obtain their own taxation advice regarding the taxation implications of investing in, or acquiring, the Notes (including, because of the inflation-adjusted capital value of capital-indexed bonds, the possibility of being subject to tax on part of the value of the Notes on an accruals basis notwithstanding that that amount will not be payable to Note Holders until a later date).

See the section entitled "Australian Taxation".

**Interest Withholding Tax:**

The Notes will not be issued in a manner that satisfies the requirements for the exemption from interest withholding tax contained in section 128F of the Australian Tax Act and, accordingly, the Issuer will deduct interest withholding tax at the rate of 10% from payments of interest (or amounts in the nature of interest, which would include part of the inflation-adjusted capital value of the Notes paid upon maturity) on the Notes to non-residents of Australia (other than non-residents holding the Notes through a permanent establishment in Australia) or to residents holding the Notes through an overseas permanent establishment. The Issuer will not be liable to make any additional payments to holders of Notes in respect of any amounts withheld on account of Australian taxes.

Non-resident investors that believe they are exempt from Australian interest withholding tax under a double tax treaty or under the doctrine of sovereign immunity should obtain their own taxation advice confirming their eligibility for such exemption. Should confirmation of exemption be obtained, the investor may approach the Issuer or its agents to request that their interest payments be paid without deduction for interest withholding tax (subject to certain conditions). Alternatively, such an investor may make their own application to the Australian Taxation Office for a refund of the interest withholding tax deducted from amounts paid to it by the Issuer.

If a resident of Australia purchases Notes (otherwise than in carrying on business at or through a permanent establishment outside Australia), or a non-resident does so in carrying on business at or through a permanent establishment in Australia, from a non-resident (other than one whose sale of Notes is made in carrying on business at or through a permanent establishment in Australia) or from a resident whose sale of the Notes is made in carrying on business at or through a permanent establishment outside Australia, the payment of the purchase price may give rise to a



withholding tax liability.

**Registration and Title:**

Entry of the name of a person in the Register in respect of a Note constitutes the obtaining or passing of title to the Note and is conclusive evidence that the person whose name is entered is the registered owner of the Note.

No certificate or other evidence of title will be issued unless the Issuer determines that certificates should be available or it is required to do so pursuant to any applicable law or regulation. Notes which are held in the Austraclear System will be registered in the name of Austraclear Limited.

**Austraclear:**

The Notes may be lodged in the Austraclear System and traded on the settlement system operated by Austraclear. Approval by Austraclear Limited of the Notes for trading on the Austraclear settlement system is not a recommendation or endorsement by Austraclear Limited of the Notes.

**Listing:**

The Issuer does not propose to list the Notes.

**Transfers:**

Notes may be transferred in whole but not in part.

Transfers of Notes in, or to, or from Australia will be for a minimum aggregate consideration of A\$500,000 (or the equivalent in an alternate currency and in either case, disregarding moneys lent by the offeror or its associates) or must otherwise be an offer that does not require disclosure under Part 6D.2 of the Corporations Act.

Notes entered in the Austraclear System will be transferred only in accordance with the Austraclear Regulations.

If the Notes are not entered in or are removed from the Austraclear System, application for the transfer of Notes must be made by lodgement of a duly completed stamped (if applicable) transfer and acceptance Form with the Registrar. Transfer and acceptance Forms are obtainable from the Registrar. A transfer takes effect upon the transferee's name being entered on the Register.

**Selling Restrictions:**

No offer, sale or delivery of Notes will be made in any jurisdiction outside Australia, other than as permitted by law.

## Terms and Conditions of the Notes

*The following are the terms and conditions which, as supplemented, amended or replaced by the relevant Pricing Supplement, apply to each Note issued by the Issuer. References to the "Pricing Supplement" in these conditions do not limit the provisions which may be supplemented, amended or replaced by the Pricing Supplement in relation to a particular Series of Notes.*

*Definitions and interpretation provisions are set out in Condition 15 ("Interpretation").*

### Part 1 Introduction

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#### **1 Introduction**

##### **1.1 Programme**

Notes are issued under a debt issuance programme established by the Issuer.

##### **1.2 Pricing Supplement**

Notes are issued in Series. A Series may comprise one or more Tranches having one or more Issue Dates and on conditions otherwise identical (other than in respect of the first payment of interest). Each Series is the subject of a Pricing Supplement which supplements, amends or replaces these Conditions. If there is any inconsistency between these Conditions and the Pricing Supplement, the Pricing Supplement prevails.

For the avoidance of doubt, a Pricing Supplement will only be prepared in respect of the first Tranche of a Series, and each subsequent Tranche of that Series will be subject to the terms of the Pricing Supplement, save for the Issue Price, Issue Date and first Interest Payment Date the relevant details of which will be separately notified to the Registrar as required.

##### **1.3 Types of Notes**

A Note is either:

- (a) a Fixed Rate Note; or
- (b) a Floating Rate Note; or
- (c) a Zero Coupon Note; or
- (d) a Structured Note (being either an Index Linked Note or an Instalment Note),

or a combination of the above (or any other type of debt obligation including a certificate of deposit), as specified in the relevant Pricing Supplement.

##### **1.4 Denomination**

Notes may be issued in the Denomination(s) as specified in the Pricing Supplement.

##### **1.5 Currency**

Notes are denominated in Australian dollars.

## **1.6 Clearing Systems**

Notes may be held in a Clearing System, in which case the rights of a person holding an interest in the Notes lodged in the Clearing System are subject to the rules and regulations of the Clearing System.

## **Part 2 The Notes**

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### **2 Form**

#### **2.1 Form**

Notes are issued in registered form by entry in the Register.

#### **2.2 No certificates**

No certificates will be issued to Note Holders unless the Issuer determines that certificates should be available or are required by any applicable law.

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### **3 Status**

#### **3.1 Status**

Notes constitute direct, unconditional and irrevocable obligations of the Issuer.

#### **3.2 Ranking**

Notes rank equally among themselves and at least equally with all other unsubordinated and unsecured obligations of the Issuer, except for liabilities mandatorily preferred by law.

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### **4 Title and transfer of Notes**

#### **4.1 Title**

Title to Notes passes when details of the transfer are entered in the Register.

#### **4.2 Effect of entries in Register**

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

- (a) an unconditional and irrevocable undertaking by the Issuer to the Note Holder to pay principal and (if applicable) interest and any other amount in accordance with these Conditions; and
- (b) an entitlement to the other benefits given to Note Holders under these Conditions in respect of the relevant Note.

#### **4.3 Register conclusive as to ownership**

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

#### **4.4 Non-recognition of interests**

Except as required by law, the Issuer and the Registrar must treat the person whose name is entered in the Register as the holder of a Note as the absolute owner of that Note. This Condition applies whether or not a Note is overdue and despite any notice of ownership, trust or interest in the Note.

#### **4.5 Joint holders**

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

#### **4.6 Transfers in whole**

Notes may be transferred in whole but not in part.

#### **4.7 Compliance with laws**

Notes may only be transferred if:

- (a) the offer or invitation giving rise to the transfer does not constitute an offer or invitation for which disclosure is required to be made to investors under Part 6D.2 of the Corporations Act; and
- (b) the transfer complies with any applicable law or directive of the jurisdiction where the transfer takes place.

#### **4.8 Transfer procedures**

Interests in Notes held in a Clearing System are transferable only in accordance with the rules and regulations of that Clearing System.

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

- (a) duly completed;
- (b) accompanied by any evidence the Registrar may require to establish that the transfer form has been duly executed; and
- (c) signed by, or on behalf of, both the transferor and the transferee.

Transfers are registered without charge provided all applicable Taxes have been paid.

#### **4.9 Effect of transfer**

Upon registration and entry of the transferee in the Register, the transferor ceases to be entitled to future benefits under these Conditions in respect of the transferred Notes and the transferee becomes so entitled in accordance with Condition 4.2 ("Effect of entries in Register").

#### **4.10 Austraclear as Note Holder**

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

- (a) the Registrar's decision to act as the Registrar of that Note is not a recommendation or endorsement by the Registrar or Austraclear in relation to that Note, but only indicates that the Registrar considers that the holding of the Note is compatible with the performance by it of its obligations as Registrar; and
- (b) the Note Holder does not rely on any fact, matter or circumstance contrary to paragraph (a).

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**5 Fixed Rate Notes**

*This Condition 5 ("Fixed Rate Notes") applies to the Notes only if the Pricing Supplement states that it applies.*

**5.1 Interest on Fixed Rate Notes**

Each Fixed Rate Note bears interest on its outstanding principal amount from (and including) its Interest Commencement Date to (but excluding) its Maturity Date at the Interest Rate. Interest is payable in arrear on each Interest Payment Date.

**5.2 Fixed Coupon Amount**

Unless otherwise specified in the Pricing Supplement, the amount of interest payable on each Interest Payment Date in respect of the preceding Interest Period is the Fixed Coupon Amount specified in the Pricing Supplement.

**5.3 Calculation of interest payable**

The amount of interest payable in respect of a Fixed Rate Note for any period for which a Fixed Coupon Amount is not specified in the Pricing Supplement is calculated by multiplying the Interest Rate for that period, the outstanding principal amount of the Fixed Rate Note and the applicable Day Count Fraction.

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**6 Floating Rate Notes**

*This Condition 6 ("Floating Rate Notes") applies to the Notes only if the Pricing Supplement states that it applies.*

**6.1 Interest on Floating Rate Notes**

Each Floating Rate Note bears interest on its outstanding principal amount from (and including) its Interest Commencement Date to (but excluding) its Maturity Date at the Interest Rate.

Interest is payable in arrear:

- (a) on each Interest Payment Date; or
- (b) if no Interest Payment Date is specified in the Pricing Supplement, each date which falls the number of months or other period specified as the Specified Period in the Pricing Supplement after the preceding Interest Payment Date (or in the case of the first Interest Payment Date, after the Interest Commencement Date).

**6.2 Interest Rate determination**

The Interest Rate payable in respect of a Floating Rate Note must be determined by the Calculation Agent in accordance with these Conditions.

**6.3 Fallback Interest Rate**

Unless otherwise specified in the Pricing Supplement, if, in respect of an Interest Period, the Calculation Agent is unable to determine a rate in accordance with Condition 6.2 ("Interest Rate determination"), the Interest Rate for the Interest Period is the Interest Rate applicable to the Floating Rate Notes during the immediately preceding Interest Period.

#### 6.4 ISDA Determination

If ISDA Determination is specified in the Pricing Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate applicable to the Floating Rate Notes for each Interest Period is the sum of the Margin and the ISDA Rate.

In this Condition:

- (a) **"ISDA Rate"** means for an Interest Period, a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction if the Calculation Agent for the Floating Rate Notes were acting as Calculation Agent for that Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:
  - (i) the Floating Rate Option, the Designated Maturity and the Reset Date are as specified in the Pricing Supplement; and
  - (ii) the Period End Dates are each Interest Payment Date, the Spread is the Margin and the Floating Rate Day Count Fraction is the Day Count Fraction; and
- (b) **"Swap Transaction", "Floating Rate", "Calculation Agent"** (except references to **"Calculation Agent for the Floating Rate Notes"**), **"Floating Rate Option", "Designated Maturity", "Reset Date", "Period End Date", "Spread"** and **"Floating Rate Day Count Fraction"** have the meanings given to those terms in the ISDA Definitions.

#### 6.5 Screen Rate Determination

If Screen Rate Determination is specified in the Pricing Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate applicable to the Floating Rate Notes for each Interest Period is the sum of the Margin and the Screen Rate.

In this Condition, **"Screen Rate"** means, for an Interest Period, the quotation offered for the Reference Rate appearing on the Relevant Screen Page at the Relevant Time on the Interest Determination Date. However:

- (a) if there is more than one offered quotation displayed on the Relevant Screen Page at the Relevant Time on the Interest Determination Date, the **"Screen Rate"** means the rate calculated by the Calculation Agent as the average of the offered quotations. If there are more than five offered quotations, the Calculation Agent must exclude the highest and lowest quotations (or in the case of equality, one of the highest and one of the lowest quotations) from its calculation;
- (b) if an offered quotation is not displayed by the Relevant Time on the Interest Determination Date or if it is displayed but the Calculation Agent determines that there is an obvious error in that rate, the **"Screen Rate"** means:
  - (i) the rate the Calculation Agent calculates as the average mean of the Reference Rates that each Reference Bank quoted to the leading banks in the Relevant Financial Centre specified in the Pricing Supplement at the Relevant Time on the Interest Determination Date; or
  - (ii) where the Calculation Agent is unable to calculate a rate under paragraph (i) because it is unable to obtain at least two quotes, the rate the Calculation Agent calculates as the average of the rates (being the nearest equivalent to the Reference Rate) quoted by two or more banks chosen by the Calculation Agent in the Relevant Financial Centre at approximately the Relevant Time on the Interest Determination Date for a period equivalent to the Interest

Period to leading banks carrying on business in the Relevant Financial Centre in good faith; or

- (c) if the Pricing Supplement specifies an alternative method for the determination of the Screen Rate Determination, then that alternative method applies.

## 6.6 Bank Bill Rate Determination

If Bank Bill Rate Determination is specified in the Pricing Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate applicable to the Floating Rate Notes for each Interest Period is the sum of the Margin and the Bank Bill Rate.

In this Condition:

- (a) **Bank Bill Rate** means, for an Interest Period, the average mid rate for Bills having a tenor closest to the Interest Period as displayed on the “BBSW” page of the Reuters Monitor System on the first day of that Interest Period.

However, if the average mid rate is not displayed by 10:30 am on that day, or if it is displayed but the Calculation Agent determines that there is an obvious error in that rate, **Bank Bill Rate** means the rate determined by the Calculation Agent in good faith at approximately 10:30 am on that day, having regard, to the extent possible, to the mid rate of the rates otherwise bid and offered for bank accepted Bills of that tenor at or around that time.; and

- (b) **Bill** has the meaning it has in the Bills of Exchange Act 1909 of Australia and a reference to the acceptance of a Bill is to be interpreted in accordance with that Act.

## 6.7 Interpolation

If the Pricing Supplement states that "Linear Interpolation" applies to an Interest Period, the Interest Rate for that Interest Period is determined through the use of straight line interpolation by reference to two ISDA Rates, Screen Rates, Bank Bill Rates or other floating rates specified in the Pricing Supplement.

The first rate must be determined as if the Interest Period were the period of time for which rates are available next shorter than the length of the Interest Period (or any alternative Interest Period specified in the Pricing Supplement).

The second rate must be determined as if the Interest Period were the period of time for which rates are available next longer than the length of the Interest Period (or any alternative Interest Period specified in the Pricing Supplement).

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## 7 Structured Notes

*This Condition 7 (“Structured Notes”) applies to the Notes only if the Pricing Supplement states that it applies.*

### 7.1 Interest on Structured Notes

Each interest bearing Structured Note bears interest on its outstanding principal amount from (and including) its Interest Commencement Date to (but excluding) its Maturity Date at the Interest Rate.

Interest is payable in arrear:

- (a) on each Interest Payment Date; or

- (b) if no Interest Payment Date is specified in the Pricing Supplement, each date which falls the number of months or other period specified as the Specified Period in the Pricing Supplement after the preceding Interest Payment Date (or in the case of the first Interest Payment Date, after the Interest Commencement Date).

## 7.2 Interest Rate

The Interest Rate payable in respect of an interest bearing Structured Note must be determined in the manner specified in the Pricing Supplement.

## 7.3 Calculation of interest amounts on CIBs

Interest amounts for CIBs per \$100 face value shall be as calculated on the basis of the following formula:

$$g \times \frac{K_t}{100}$$

where:

$g$  = the fixed quarterly interest rate payable (equal to the annual fixed rate divided by 4).

$K_t$  = nominal value of the principal at the next Interest Payment Date (whether or not there is an interest payment due), calculated in accordance with the following formula:

$$K_{t-1} \left[ 1 + \frac{p}{100} \right]$$

where:

$K_{t-1}$  = nominal value of the principal at the previous Interest Payment Date.  $K_{t-1}$  is equal to \$100 (the face value of the bond) at the Interest Payment Date on or prior to the earliest date on which the CIB may be settled at their first issue.

$K_t$  and  $K_{t-1}$  are rounded to two decimal places.

$p$  = the average percentage change in the Consumer Price Index over the two quarters ending in the quarter which is two quarters prior to that in which the next interest payment falls (for example, if the next interest payment is in November,  $p$  is based on the average movement in the Consumer Price Index over the two quarters ended in the June quarter preceding).

$$= \frac{100}{2} \left[ \frac{CPI_t}{CPI_{t-2}} - 1 \right] \text{ rounded to two decimal places.}$$

where:

$CPI_t$  is the Consumer Price Index for the second quarter of the relevant two quarter period; and

$CPI_{t-2}$  is the Consumer Price Index for the quarter immediately prior to the relevant two quarter period.



Interest amounts shall be rounded to the nearest cent (0.50 cent being rounded up).

If the average percentage change in the CPI for any relevant two quarter period is negative, the nominal value of the principal will be adjusted downwards and the interest payment will be paid on this reduced amount. However, no quarterly interest payment will be based on a nominal value of less than \$100. Where the nominal value of the principal does fall below \$100, succeeding interest and/or principal payments will, in such cases, be reduced by the difference between the fixed interest payment which was paid in the relevant period, and the payment which would otherwise have been made under the above formula except for this provision.

#### 7.4 Settlement price for CIBs

The settlement price in the case of CIBs, and per \$100 face value, extended to the third decimal place, shall be calculated on the basis of the following formula:

$$\text{PRICE PER \$100 FACE VALUE} = V^{\frac{f}{d}} \left[ g(x + a i_n) + 100 V^n \right] K_t \frac{\left(1 + \frac{p}{100}\right)^{-\frac{f}{d}}}{100}$$

where:

$$V = \frac{1}{1 + i}$$

$i$  = annual percentage real yield / 400.

$x$  = 1, if there is an interest payment at the next interest payment date (i.e. cum interest).

$x$  = 0, if there is no interest payment at the next interest payment date (i.e. ex interest).

$K_t$  = nominal value of the principal at the next interest payment (whether or not there is an interest payment due).

$$= K_{t-1} \left[ 1 + \frac{p}{100} \right]$$

$K_{t-1}$  = nominal value of the principal at the previous interest payment date.

$K_{t-1}$  is equal to \$100 (the face value of the CIB) at the interest payment date on or prior to the earliest date on which the CIBs may be settled at their first issue.

$K_t$  and  $K_{t-1}$  are rounded to two decimal places.

$p$  = the average percentage change in the Consumer Price Index over the two quarters ending in the quarter which is two quarters prior to that in which the next interest payment falls (for example, if the next interest payment is in November,  $p$  is based on the average movement in the Consumer Price Index over the two quarters ended in the June quarter preceding).

$$= \frac{100}{2} \left[ \frac{CPI_t}{CPI_{t-2}} - 1 \right] \text{ rounded to two decimal places.}$$

where:

CPI<sub>t</sub> is the Consumer Price Index for the second quarter of the relevant two quarter period; and

CPI<sub>t-2</sub> is the Consumer Price Index for the quarter immediately prior to the relevant two quarter period.

f = the number of the days from the date of settlement to the next interest payment date. If the next interest payment date falls on a non-business day, the next good business day (defined as a day, not being a Saturday or Sunday, on which banks are open for business in Melbourne or Sydney) is used in the calculation of f.

d = the number of days in the quarter ending on the next interest payment date.

g = the fixed quarterly interest rate payable (equal to the annual fixed rate divided by 4).

n = the number of full quarters between the next interest payment date and the date of maturity.

$$a_n^i = V + V^2 + \dots + V^n = \frac{1 - V^n}{i}$$

The settlement price will be rounded to the nearest cent (0.50 cent being rounded up).

Unless otherwise specified by the Issuer, settlement in the Austraclear System during System hours, as defined in the Austraclear System Regulations and Operating Manual, is to take place on the third day following the track date.

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## **8 General provisions applicable to interest**

### **8.1 Maximum or Minimum Interest Rate**

If the Pricing Supplement specifies a Maximum Interest Rate or Minimum Interest Rate for any Interest Period, the Interest Rate for the Interest Period must not be greater than the maximum, or be less than the minimum, so specified.

### **8.2 Calculation of Interest Rate and interest payable**

The Calculation Agent must, as soon as practicable after determining the Interest Rate in relation to each Interest Period for each Floating Rate Note and interest bearing Structured Note, calculate the amount of interest payable for the Interest Period in respect of the outstanding principal amount of that Note.

Unless otherwise specified in the Pricing Supplement, the amount of interest payable is calculated by multiplying the product of the Interest Rate for the Interest Period and the outstanding principal amount of the Note by the applicable Day Count Fraction.

In respect of CIBs, the Calculation Agent must as soon as practicable calculate the relevant interest amounts in accordance with Condition 7.3 ("Interest amount on CIBs").

The rate determined by the Calculation Agent must be expressed as a percentage rate per annum.

### **8.3 Calculation of other amounts**

If the Pricing Supplement specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent must, as soon as practicable after the time at which that amount is to be determined, calculate the amount in the manner specified in the Pricing Supplement.

### **8.4 Determination final**

The determination by the Calculation Agent of all amounts, rates and dates falling to be determined by it under these Conditions is, in the absence of manifest error, final and binding on the Issuer, the Registrar and each Note Holder.

### **8.5 Rounding**

For the purposes of any calculations required under these Conditions (unless otherwise specified in these Conditions or the Pricing Supplement):

- (a) all percentages resulting from the calculations must be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.);
- (b) all figures must be rounded to five decimal places (with halves being rounded up); and
- (c) all amounts that are due and payable must be rounded (with halves being rounded up) to:
  - (i) in the case of Australian dollars or Euro, one cent; and
  - (ii) in the case of any other currency, the lowest amount of that currency available as legal tender in the country of that currency.

## **Part 4 Redemption and purchase**

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## **9 Redemption**

### **9.1 Scheduled redemption**

Each Note is redeemable by the Issuer on the Maturity Date at its Redemption Amount unless:

- (a) the Note has been previously redeemed;
- (b) the Note has been purchased and cancelled; or
- (c) the Pricing Supplement states that the Note has no fixed maturity date.

### **9.2 Partly paid Notes**

Each Partly Paid Note is redeemable on the Maturity Date in accordance with the Pricing Supplement.

### **9.3 Instalment Notes**

Each Instalment Note is partially redeemable in the Instalment Amounts and on the Instalment Dates specified in the Pricing Supplement. The principal amount of each Instalment Note is reduced by the Instalment Amount with effect from the related Instalment Date.

## Part 5 Payments

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### **10 General provisions**

#### **10.1 Summary of payment provisions**

Payments in respect of Notes must be made in accordance with Condition 11 ("Payments").

#### **10.2 Payments subject to law**

All payments are subject to applicable law, but without prejudice to the provisions of Condition 12 ("Taxation - Withholding tax").

#### **10.3 Payments on business days**

If a payment is due on a day which is not a Business Day then the due date for payment is adjusted in accordance with the applicable Business Day Convention.

The Note Holder is not entitled to any additional payment in respect of that delay.

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### **11 Payments**

#### **11.1 Payment of principal**

Payments of principal and any final Instalment Amount in respect of a Note will be made to each person registered at 10.00 am on the payment date as the holder of a Note.

#### **11.2 Payment of interest**

Payments of interest and Instalment Amounts (other than the final Instalment Amount) in respect of a Note will be made to each person registered at the close of business on the Record Date as the holder of that Note.

#### **11.3 Payments to accounts**

Payments in respect of Notes will be made:

- (a) if the Notes are held in the Austraclear System, by crediting on the payment date, the amount due to:
  - (i) the account of Austraclear (as the Note Holder) in the country of the currency in which the Note is denominated previously notified to the Issuer and the Registrar; or
  - (ii) if requested by Austraclear, the accounts of the persons in whose Security Record (as defined in the Austraclear Regulations) a Note is recorded in the country of the currency in which the Note is denominated as previously notified by Austraclear to the Issuer and the Registrar in accordance with Austraclear Regulations; and
- (b) if the Notes are not held in the Austraclear System, by crediting on the payment date, the amount then due under each Note to an account in the country of the currency in which the Note is denominated previously notified by the Note Holder to the Issuer and the Registrar.

#### **11.4 Payments by cheque**

If the Note Holder has not notified the Registrar of an account to which payments to it must be made by the close of business on the Record Date, payments in respect of the Note will be made by cheque sent by prepaid post on the Business Day immediately before the payment date, at the risk of the registered Note Holder, to the Note Holder (or to the first named joint holder of the Note) at its address appearing in the Register at the close of business on the Record Date. Cheques sent to the nominated address of a Note Holder are taken to have been received by the Note Holder on the payment date and, no further amount is payable by the Issuer in respect of the Notes as a result of the Note Holder not receiving payment on the due date.

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#### **12 Taxation - Withholding tax**

If a law requires the Issuer to withhold or deduct an amount in respect of Taxes from a payment in respect of the Notes such that the Note Holder would not actually receive on the due date the full amount provided for under the Notes, then the Issuer agrees to:

- (a) deduct the amount in respect of Taxes; and
- (b) pay an amount equal to the amount deducted to the relevant authority in accordance with the applicable law.

The Issuer will not be liable to make any additional payments to any Note Holder in respect of any amounts withheld or deducted on account of Taxes.

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#### **13 Further issues**

The Issuer may from time to time, without the consent of the Note Holders, issue further Notes having the same Conditions as the Notes of any Series in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes of that Series.

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#### **14 Governing law**

##### **14.1 Governing law**

Notes are governed by the law in force in New South Wales.

##### **14.2 Jurisdiction**

The Issuer submits, and each Note Holder is taken to have submitted, to the non-exclusive jurisdiction of the courts of New South Wales and courts of appeal from them.

##### **14.3 Serving documents**

Without preventing any other method of service, any document in any action may be served on the Issuer or a Note Holder by being delivered or left at their registered office or principal place of business.

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#### **15 Interpretation**

##### **15.1 Definitions**

In these Conditions the following expressions have the following meanings:

**Amortised Face Amount** means, in relation to a Note, an amount equal to the sum of:

- (a) the issue price specified in the Pricing Supplement; and
- (b) the amount resulting from the application of the amortisation yield specified in the Pricing Supplement (compounded annually) to the issue price (as specified in the Pricing Supplement) from (and including) the Issue Date specified in the Pricing Supplement to (but excluding) the date fixed for redemption or (as the case may be) the date the Note becomes due and repayable.

If the calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year must be made on the basis of the Day Count Fraction specified in the Pricing Supplement.

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

**Austraclear Regulations** means the regulations known as “Austraclear System Regulations” established by Austraclear to govern the use of the Austraclear System.

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

**Business Day** means a day on which banks are open for general banking business in Sydney and in each (if any) Relevant Financial Centre specified in the Pricing Supplement (not being a Saturday, Sunday or public holiday in that place) and, if a Note is to be issued or paid on that day, a day on which each Clearing System is operating.

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

- (a) **Floating Rate Convention** means that the date is postponed to the next following day which is a Business Day unless that day falls in the next calendar month, in which event:
  - (i) that date is brought forward to the first preceding day that is a Business Day; and
  - (ii) each subsequent Interest Payment Date is the last Business Day in the month which falls the number of months or other period specified as the Interest Period in the Pricing Supplement after the preceding applicable Interest Payment Date occurred;
- (b) **Following Business Day Convention** means that the date is postponed to the first following day that is a Business Day;
- (c) **Modified Following Business Day Convention or Modified Business Day Convention** means that the date is postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date is brought forward to the first preceding day that is a Business Day;
- (d) **Preceding Business Day Convention** means that the date is brought forward to the first preceding day that is a Business Day; and
- (e) **No Adjustment** means that the relevant date must not be adjusted in accordance with any Business Day Convention.

If no convention is specified in the Pricing Supplement, the Following Business Day Convention applies. Different conventions may be specified in relation to, or apply to, different dates.

**Calculation Agent** means the Registrar or any other person specified in the Pricing Supplement as the party responsible for calculating the Interest Rate and other amounts required to be calculated under these Conditions.

**CIB** means a capital indexed bond, being a medium term debt obligation of the Issuer issued by the Issuer, evidenced by inscription in the Register, where the interest is otherwise calculated in accordance with Condition 7.3 ("Interest amount on CIBs") or as otherwise specified in the applicable Pricing Supplement, with reference to the Consumer Price Index.

**Clearing System** means:

- (a) the Austraclear System; or
- (b) any other clearing system specified in the Pricing Supplement.

**Consumer Price Index** means the 'Weighted Average of Eight Capital Cities: All-Groups Index' ("CPI") as maintained and published quarterly by the Australian Bureau of Statistics ("ABS").

If, for any reason, the CPI is not published for any quarter for which it is relevant for the purposes of this Information Memorandum, or if publication is delayed until after the date on which an interest payment is determined, the CPI published for the previous quarter will apply in the interim. On subsequent publication of the actual CPI figure for that quarter by the ABS, adjustment to the nominal value and/or interest payment will be made.

If the ABS were to cease to publish the CPI and were to publish another index which it stated to be in replacement of the CPI, then that index shall be used for the purposes of this Information Memorandum.

If the ABS were to cease to publish the CPI without publishing a replacement index, or if any change were to be made to the coverage, periodicity, or basic calculation of the CPI which, in the opinion of the Issuer, constituted a change in the CPI which would be materially detrimental to the interests of Note Holders, the Issuer will publish a notice in the New South Wales Government Gazette as soon as practicable following the announcement of the change informing Note Holders and offering them the right to redeem the CIBs at market-related prices determined by the Issuer. Repayment to Note Holders who exercise such a right will be on a date specified by the Issuer no later than six months from the date of publication of the last CPI figure made prior to such a change as is referred to earlier in this paragraph. In these circumstances, a notice setting out the administrative arrangements for redemption and payment will be sent to Note Holders at their registered address by Austraclear at the appropriate time. In the event that Note Holders choose not to redeem their holdings under this provision, the quarterly adjustments to the nominal value and interest payments applying to CIBs not redeemed shall be calculated according to an index to be announced by the Issuer which, for the purposes of this Information Memorandum, shall be deemed to be a replacement for the CPI.

If the Commonwealth Treasurer publishes a notice in the Commonwealth Gazette following an announcement that the ABS will cease publishing the CPI without publishing a replacement index, or if a change is made to the coverage, periodicity, or basic calculation of the CPI informing Commonwealth capital indexed bond holders that, in the opinion of the Commonwealth Treasurer, constituted a change in the CPI which would be materially detrimental to the interests of Commonwealth capital indexed bond holders and offering them the right to redeem the Commonwealth capital indexed bonds, the Issuer will publish a notice in the New South Wales Government Gazette in accordance with the previous paragraph.

If the reference base of the CPI is changed after CIBs are issued, the index which shall be used for the purposes of this Information Memorandum shall be the CPI numbers expressed on the new base as published by the ABS.

If a relevant CPI number is revised after the payment of interest at a particular interest payment date, a subsequent adjustment will be made to the nominal value and/or interest payment to take account of any discrepancy.

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

**Day Count Fraction** means, in respect of the calculation of interest for any period of time ("**Calculation Period**"), the day count fraction specified in the Pricing Supplement and:

- (a) if "**Actual/Actual (ISMA)**" is so specified, means:
  - (i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year; and
  - (ii) where the Calculation Period is longer than one Regular Period, the sum of:
    - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
    - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year;
- (b) if "**Actual/365**" or "**Actual/Actual (ISDA)**" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of:
  - (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366; and
  - (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (c) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365;
- (d) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;
- (e) if "**30/360**" is so specified, means the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months unless:
  - (i) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day is not considered to be shortened to a 30-day month; or



- (ii) the last day of the Calculation Period is the last day of the month of February, in which case the month of February is not considered to be lengthened to a 30-day month);
- (f) if "**30E/360**" or "**Eurobond Basis**" is so specified means, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of a Calculation Period ending on the Maturity Date, the Maturity Date is the last day of the month of February, in which case the month of February is not considered to be lengthened to a 30-day month);
- (g) if "**RBA Bond Basis**" or "**Australian Bond Basis**" is so specified, means one divided by the number of Interest Payment Dates in a year; and
- (h) any other day count fraction specified in the Pricing Supplement.

**Denomination** means the notional face value of a Note specified in the Pricing Supplement.

**Fixed Rate Note** means a Note on which interest is calculated at a fixed rate payable in arrear on a fixed date or fixed dates in each year and on redemption or on any other dates as specified in the Pricing Supplement.

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

**Index Linked Note** means a Note in respect of which the amount payable in respect of interest is calculated by reference to an index or a formula or both as specified in the Pricing Supplement and includes a CIB.

**Instalment Amounts** has the meaning given in the Pricing Supplement.

**Instalment Note** means a Note which is redeemable in one or more instalments, as specified in the Pricing Supplement.

**Interest Commencement Date** means, for a Note, the Issue Date of the Note, the first interest payment date in respect of a Note or any other date so specified in the Pricing Supplement.

**Interest Determination Date** has the meaning given in the Pricing Supplement.

**Interest Payment Date** means each date so specified in, or determined in accordance with, the Pricing Supplement.

**Interest Period** means each period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next Interest Payment Date. However:

the first Interest Period commences on (and includes) the Interest Commencement Date; and

the final Interest Period ends on (but excludes) the Maturity Date.

**Interest Rate** means, for a Note, the interest rate (expressed as a percentage per annum) payable in respect of that Note specified in the Pricing Supplement or calculated or determined in accordance with these Conditions and the Pricing Supplement.

**ISDA Definitions** means the 2000 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. (as supplemented, amended and updated as at the Issue Date of the first Tranche of the Notes of the Series).

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

**Issue Price** means:

- (a) in respect of CIBs, the settlement price calculated in accordance with the formula set out in Condition 7.4 ("Settlement price for CIBs"); or
- (b) the price as set out in the Pricing Supplement.

**Issuer** means New South Wales Treasury Corporation.

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

**Maturity Date** means, the date so specified in, or determined in accordance with, the Pricing Supplement.

**Note** means a medium term debt obligation issued or to be issued by the Issuer, the details of which are recorded in, and evidenced by, entry in, the Register.

**Note Holder** means, in respect of a Note, each person whose name is entered in the Register as the holder of that Note.

*For the avoidance of doubt, where a Note is held in a Clearing System, references to a Note Holder include the operator of that system or a nominee for that operator or a common depository for one or more Clearing Systems (in each case acting in accordance with the rules and regulations of the Clearing System or Systems).*

**Partly Paid Note** means a Note in relation to which the initial subscription moneys are payable to the Issuer in two or more instalments.

**Pricing Supplement** means, in respect of a Series, the terms sheet and/or pricing supplement specifying the relevant issue details in relation to the particular Note issue.

**Record Date** means, the close of business in the place where the Register is maintained one week prior to the payment date or any other date so specified in the Pricing Supplement.

**Redemption Amount** means:

- (a) for a Note (other than a Zero Coupon Note or a Structured Note), the outstanding principal amount as at the date of redemption;
- (b) for a Zero Coupon Note, the Amortised Face Amount calculated as at the date of redemption; and
- (c) for a Structured Note, the amount determined by the Calculation Agent in the manner specified in the Pricing Supplement,
- (d) and also includes any final instalment and any other amount in the nature of a redemption amount specified in, or determined in accordance with, the Pricing Supplement or these Conditions.

**Reference Banks** means the institutions so described in the Pricing Supplement or, if none, four major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate.

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

**Register** means the register, including any branch register, of holders of Notes established and maintained by or on behalf of the Issuer.

**Registrar** means Link Market Services Limited or any other person appointed by the Issuer to maintain the Register and perform any payment and other duties as specified in that agreement.

**Regular Period** means:

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

**Relevant Screen Page** means:

- (a) the page, section or other part of a particular information service (including the Reuters Monitor Money Rates Service and the Dow Jones Telerate Service) specified as the Relevant Screen Page in the Pricing Supplement; or
- (b) any other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate.

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

**Series** means an issue of Notes made up of one or more Tranches all of which form a single Series and are issued on the same Conditions except that the Issue Date and Interest Commencement Date may be different in respect of different Tranches of a Series.

**Structured Note** means:

- (a) an Index Linked Note; or
- (b) an Instalment Note.

**Taxes** means taxes, levies, imposts, charges and duties (including stamp and transaction duties) imposed by any authority together with any related interest, penalties, fines and expenses in connection with them except if imposed on, or calculated having regard to, the net income of a Note Holder.

**Tranche** means an issue of Notes issued on the same Issue Date and on the same Conditions and subject to a Pricing Supplement in respect of a Series.

**Zero Coupon Note** means a Note which does not carry entitlement to periodic payment of interest before the redemption date of the Note and which is issued at a discount to its principal amount.

## **15.2 References to certain general terms**

Unless the contrary intention appears, a reference in these Conditions to:

- (a) a group of persons is a reference to any two or more of them jointly and to each of them individually;
- (b) a document (including these Conditions) includes any variation or replacement of it;
- (c) law means common law, principles of equity and laws made by any parliament (and laws made by parliament include and regulations and other instruments under them, and consolidations, amendments, re-enactments or replacements of any of them);
- (d) a directive means a treaty, an official directive, request, regulation, guideline or policy (whether or not having the force of law) with which responsible participants in the relevant market generally comply;
- (e) Australian dollars or A\$ is a reference to the lawful currency of Australia;
- (f) a time of day is a reference to Sydney time;
- (g) the word “person” includes an individual, a firm, a body corporate, an unincorporated association and an authority;
- (h) a particular person includes a reference to the person’s executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (i) an agreement, representation or warranty in favour of two or more persons is for the benefit of them jointly and each of them individually;
- (j) anything (including any amount) is a reference to the whole and each part of it;
- (k) the words “including”, “for example” or “such as” when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind.

## **15.3 References to particular terms**

Unless the contrary intention appears, in these Conditions:

- (a) a reference to the Issuer, the Registrar or the Calculation Agent is a reference to the person so specified in the Pricing Supplement;
- (b) a reference to a Note is a reference to a Note of a particular Series issued by the Issuer specified in the Pricing Supplement;
- (c) a reference to a Note Holder is a reference to the holder of Notes of a particular Series;
- (d) if the Notes are Zero Coupon Notes or Structured Notes which do not bear interest, references to interest are not applicable.
- (e) a reference to a particular date is a reference to that date adjusted in accordance with the applicable Business Day Convention.

#### **15.4 References to principal and interest**

Unless the contrary intention appears, in these Conditions:

- (a) any reference to "principal" is taken to include the Redemption Amount, any premium payable in respect of a Note, and any other amount in the nature of principal payable in respect of the Notes under these Conditions; and
- (b) the principal amount of a Note issued at a discount is to be taken as at any time to equal the lesser of:
  - its Denomination; and
  - if specified in the Pricing Supplement, its Amortised Face Amount at that time;
- (c) the principal amount of a Note which is to vary by reference to a schedule or formula (where such determination has been previously made in accordance with these Conditions) is to be taken as at any time to equal its varied amount;
- (d) the principal amount of a Partly Paid Note is to be taken to equal its paid up principal amount;
- (e) the principal amount of an Instalment Note at any time is to be taken to be its Denomination less the total instalments repaid to the extent that such instalments relate to a repayment of principal; and
- (f) any reference to "interest" is taken to include any other amount in the nature of interest payable in respect of the Notes under these Conditions.

#### **15.5 Number**

The singular includes the plural and vice versa.

#### **15.6 Headings**

Headings (including those in brackets at the beginning of paragraphs) are for convenience only and do not affect the interpretation of these Conditions.

#### **15.7 Terms defined in Pricing Supplement**

Terms which are defined in the Pricing Supplement as having a defined meaning have the same meaning when used in these Conditions but if the Pricing Supplement gives no meaning or specifies that the definition is "Not Applicable", then that definition is not applicable to the Notes.

## CORPORATE PROFILES

### NEW SOUTH WALES TREASURY CORPORATION (ISSUER)

New South Wales Treasury Corporation was established in June 1983 under the provisions of the Treasury Corporation Act 1983 of New South Wales ("**TCA**"). The TCA states the objects and purposes of the Issuer. The Issuer is the central financing agency for the government and for all public authorities within the provisions of PAFA Act. These are predominantly semi-government authorities involved in productive activities including electricity generation, water supply, rail and road transport and highway construction.

The Issuer is empowered to enter into all forms of financial accommodation and funds borrowed by the Issuer are lent to the relevant public authorities or the government. Funds raised by the Issuer are invested by it pending advances to such borrowers. The Issuer also provides liability and asset management services for authorities and the government.

Investors in the securities of the Issuer issued in respect of borrowings obtained by the Issuer (including the Notes) are provided, under the provisions of PAFA Act, with security by way of a charge on the income and revenue of the Issuer. All funds lent by the Issuer to public authorities are in turn secured on the income and revenue of those authorities.

Securities issued by the Issuer issued in respect of borrowings obtained by the Issuer (including the Notes) are guaranteed by the State under PAFA Act. The State guarantee for the borrowings of the Issuer is payable from the Consolidated Fund without the need for further legislative approvals.

The Issuer is not subject to any direct Federal income or New South Wales State taxes in the Commonwealth of Australia. The Issuer is subject to the Commonwealth goods and services tax which commenced on 1st July, 2000.

The Issuer is not regulated by the Australian Prudential Regulation Authority ("**APRA**") or the Australian Securities and Investments Commission, which govern most Australian financial markets operators. The Issuer's activities are reviewed and monitored by a number of external entities including the Treasurer of New South Wales, the New South Wales Treasury and the Auditor-General of New South Wales. The Issuer is committed to governance matters by working with its Board of Directors ("**Board**") and an external professional accounting firm to continually develop its internal governance awareness in line with recent industry pronouncements.

The broad policies of the Issuer are determined by the Board. The operations of the Issuer are managed by the Chief Executive in accordance with such policies and directions as may be given by the Board. Anything undertaken in the name of or on behalf of the Issuer by the Chief Executive, or with his authority, is taken to have been performed by the Issuer. The Issuer is subject to the control and direction of the Treasurer of New South Wales.

The principal office of the Issuer is at Level 22, Governor Phillip Tower, 1 Farrer Place, Sydney, New South Wales 2000, Australia and its telephone number is 61 2 9325 9325.

The present Board Members are as follows:

John Pierce

Chairperson of the Board; also Secretary of NSW Treasury;

Kevin Cosgriff	Deputy Chairperson of the Board; member of Human Resources Committee; also Deputy Secretary, Fiscal and Economic NSW Treasury;
Cristina Cifuentes	Non-executive director, member of Audit Committee;
Michael Cole	Non-executive director, Chairperson of Human Resources Committee;
Bruce Hogan	Non-executive director, Chairperson of Audit Committee;
Stephen Knight	Chief Executive of the Issuer;
Hon. Andrew J. Rogers	Non-executive director, member of Audit Committee;
Hon. Alan Stockdale	Non-executive director, member of Human Resources Committee,

each with their business address at Level 22, Governor Phillip Tower, 1 Farrer Place, Sydney, New South Wales 2000, Australia.

The Issuer's Audit Committee is an advisory body to the Board on issues relating to internal and external audit, financial reporting and other accountabilities. The objectives of the Audit Committee are determined by the Board and codified in a charter.

The Audit Committee's primary responsibilities are to:

- (i) provide an avenue for communication between internal and external auditors, management and the Board;
- (ii) report to the Board on whether the frameworks used by the management for risk management, legal and regulatory compliance and internal controls are adequate and suitable for the needs of the business;
- (iii) report to the Board on whether the annual financial statements to be presented to the external auditors have been prepared with care, to ensure that all relevant information is disclosed and that the appropriate accounting policies have been applied; and
- (iv) report to the Board on the implications of any significant changes in accounting policies.

The present members of the Audit Committee are Cristina Cifuentes, Bruce Hogan and Hon. Andrew J. Rogers.

The Issuer owns all of the issued share capital in TCorp Nominees Pty Limited ("**TCorp Nominees**" and together with the Issuer, the "**Group**"), a company incorporated in New South Wales. TCorp Nominees' directors are Stephen Knight, Chief Executive of the Issuer, Scott Mannix, General Manager, Legal & Corporate Finance and Paul Smith, General Manager, Finance and Administration.

The principal activity of TCorp Nominees consists of participating in financial transactions in conjunction with the Issuer. Substantial transactions between the Issuer and TCorp Nominees during the year ended 30th June, 2007 consisted of TCorp Nominees acting as security trustee in connection with a financing provided by the Issuer. On a consolidated basis, TCorp Nominees provides no additional assets/liabilities to the Issuer's balance sheet.

## **THE CROWN IN RIGHT OF NEW SOUTH WALES (GUARANTOR)**

### **General**

New South Wales was established as a state of the Commonwealth of Australia under the Commonwealth of Australia Constitution Act (an Act of the British Parliament) by which New South Wales and five other British colonies became federated states under the name of the Commonwealth of Australia on 1st January, 1901.

The New South Wales Legislature consists of the Sovereign and two Houses of Parliament: the Legislative Assembly (the Lower House) and the Legislative Council (the Upper House). Either House may initiate legislation, with the exception of bills which appropriate revenue or impose taxation which must originate in the Lower House. Legislation must be passed by both Houses; however, in the Upper House there is a mechanism by which appropriation bills for the ordinary annual services of the Government may be assented to upon passage through the Lower House only.

The economy of New South Wales represents around one-third of Australia's Gross Domestic Product and one-third of the national population. New South Wales enjoys a mature and diverse economic structure. Construction, finance, telecommunications, high-value manufacturing, business services and transport are well established and expanding. With agricultural and mining sectors proportionately smaller than those in the other Australian states, the New South Wales economy is correspondingly less exposed to commodity cycles.

Sydney is one of the leading financial centres in the Asia-Pacific region and a centre for regional corporate headquarters. This reflects New South Wales' diversified and increasingly service-oriented economy.

The state's financial health is underscored by its AAA credit rating from two leading international rating agencies, Moody's Investors Service Limited and Standard & Poor's Rating Services.

### **The Current Structure of the New South Wales Parliament**

#### *Legislative Assembly*

The Legislative Assembly or "lower house" is made up of representatives elected by the people of New South Wales. The state of New South Wales is divided into 93 electorates with one member representing each electorate. Members are elected for a fixed term of four years. Voting is compulsory for all persons over the age of 18 years. When the results of an election are known, the Governor commissions the leader of the party or parties who have a majority in the Legislative Assembly to form a government. The speaker is the presiding officer of the Assembly and is elected under the Constitution Act 1902 of New South Wales at the beginning of each new Parliament by the members from among themselves. By custom, the speaker does not take part in debates.

#### *Legislative Council*

The Legislative Council, sometimes referred to as the "house of review" or "upper house", has 42 members elected by the people on a state-wide basis for the duration of two Parliaments, with half the members retiring at elections held at the same time as General Elections for the Legislative Assembly. The President is the presiding officer of the Council and is elected by members of the Council from among themselves after each periodic Council election. Under the Constitution Act 1902 of New South Wales, the President may take part in debate in the Council.



### *The Cabinet*

The Ministry or Cabinet is made up of members of Parliament chosen from the party or parties that have a majority in the Legislative Assembly. The Cabinet stays in office for as long as it has the confidence of the Legislative Assembly, from which nearly all its members are drawn. A vote of “no confidence” in the Legislative Council does not affect the life of the Ministry. The Ministry is exclusively answerable to the Parliament and through the Parliament, to the people of New South Wales. In New South Wales, all ministers are members of the Cabinet and the Executive Council. As a result, the Cabinet is the most powerful part of the executive government of the State. Even in summoning, proroguing or dissolving Parliament, the Governor is guided by the advice of the Executive Council. The Cabinet supervises administrative policy, financial matters and the general legislative programme for the state of New South Wales. The Cabinet’s decisions are put into effect by the Executive Council or by individual ministers. Many administrative matters are determined by ministers without reference to the Executive Council. Every minister is therefore allowed considerable discretionary power in the ordinary affairs of a department.

## **PROCESS OF ISSUANCE**

### **General**

The Dealers and the Issuer may from time to time agree procedures for the issue of Notes and any other relevant matter pertaining to the issue of any Notes. Notes will usually be issued in a Series. Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all be subject to identical terms, except the Issue Price and Issue Date. The Notes of each Tranche will be subject to identical terms in all respects.

### **Issue:**

1. The mechanics and manner of such bidding, request and tenders and the issue of Notes will be agreed between the Dealers, the Registrar and the Issuer.
2. For the first issue of Notes in a Series, the Issuer will prepare a Pricing Supplement recording the specific terms of that issue. The Issuer will give notice by facsimile to the Registrar and Austraclear of the issue, including the signed Pricing Supplement and any other necessary details.
3. For each subsequent issue of Notes in a Series, on the date of agreement to issue Notes, the Issuer will give notice by facsimile to the Registrar specifying the aggregate face value of Notes to be purchased by the relevant Dealer or Dealers, the relevant Series and the other necessary details.

### **Austraclear:**

4. Where Notes are to be settled in Austraclear, the Issuer will send a notification by fax/pdf of the issue to the Registrar.
5. The Issuer lodges the Notes in the Austraclear System by completing a Transfer and Acceptance Form in the manner required by Austraclear and delivering it to Austraclear.
6. The Issuer logs onto the Austraclear System and effects the trades in the Notes to each Dealer settling in Austraclear.
7. The Dealers confirm the trades and settle in accordance with the Austraclear Regulations. The Dealers become the recorded owners in the Austraclear System and Austraclear Limited is entered on the Register as the Note Holder.
8. Dealers then deal with their respective clients directly and in accordance with the Austraclear Regulations or they uplift the Notes from the Austraclear System and transact outside the Austraclear System.

### **Outside Austraclear:**

9. Where Notes are issued outside Austraclear, the procedures will be determined by the Issuer, the Dealer and the Registrar at that time.

### **Terms of the Notes**

The terms of Notes issued by the Issuer are recorded in the relevant Austraclear register.

### **Benchmark Stock**

Included under this Programme are the Issuer's lines of fixed interest Notes generally known as its "Benchmark Bonds". As at the date of this Information Memorandum, the current lines on issue are:

<b>Maturity</b>	<b>Coupon</b>	<b>Coupon Dates</b>	<b>First Issue Date</b>
1 March 2008	8.00% per annum	1 March and 1 September	18 March 1997
1 October 2009	6.00% per annum	1 April and 1 October	23 February 2007
1 December 2010	7.00% per annum	1 June and 1 December	11 April 2000
1 May 2012	6.00% per annum	1 May and 1 November	31 October 2001
1 August 2014	5.50% per annum	1 February and 1 August	20 August 2003
1 March 2017	5.50% per annum	1 March and 1 September	23 March 2006

The Issuer may from time to time designate new lines and/or existing lines as benchmark bonds and may also issue Notes which do not comprise a benchmark line.

## AUSTRALIAN TAXATION

### General

Assessable income from the Notes derived by way of interest or discount or on an accruals basis over the life of the Notes will be liable to Australian tax according to the laws of the Commonwealth of Australia. Investors should obtain their own taxation advice regarding the taxation implications of investing in, or acquiring the Notes (including, because of the inflation-adjusted capital value of capital-indexed bonds, the possibility of being subject to tax on part of the value of the Notes on an accruals basis notwithstanding that that amount will not be payable to Note Holders until a later date).

### Interest Withholding Tax

Under Australian law as currently in effect, Australian withholding tax at the rate of 10% will be deducted by the Issuer from payments of any interest (or amounts in the nature of interest which would include part of the inflation-adjusted capital value of the Notes paid upon maturity) , on the Notes paid:

- to a non-resident of Australia who does not derive that interest in carrying on business at or through a permanent establishment in Australia; or
- to a resident of Australia who derives that interest in carrying on business in a country outside Australia at or through a permanent establishment of the person in that country.

The Issuer will not be obliged to “gross-up”, nor make any additional payments to holders of Notes in respect of any amounts withheld by the Issuer on account of Australian taxes.

Non-resident investors that believe they are exempt from Australian interest withholding tax under a double tax treaty or under the doctrine of sovereign immunity should obtain their own taxation advice confirming their eligibility for such exemption. Should confirmation of exemption be obtained, the investor may approach the Issuer or its agents to request that their interest payments be paid without deduction for interest withholding tax (subject to certain conditions). Alternatively, such an investor may make their own application to the Australian Taxation Office for a refund of the interest withholding tax deducted from amounts paid to it by the Issuer.

If a resident of Australia purchases Notes (otherwise than in carrying on business at or through a permanent establishment outside Australia), or a non-resident does so in carrying on business at or through a permanent establishment in Australia, from a non-resident (other than one whose sale of Notes is made in carrying on business at or through a permanent establishment in Australia) or from a resident whose sale of the Notes is made in carrying on business at or through a permanent establishment outside Australia, the payment of the purchase price may give rise to a withholding tax liability.

## DIRECTORY

**Issuer: New South Wales Treasury Corporation**

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Fax: 02 9325 9333

**Dealers: ABN AMRO Bank N.V., Australian Branch      Australian and New Zealand Banking Group Limited**

Level 20  
ABN AMRO Tower  
88 Phillip Street  
SYDNEY NSW 2000  
Attention: Director, Institutional Sales  
Tel: 02 8259 2200  
Fax: 02 8259 5433

Level 2  
20 Martin Place  
SYDNEY NSW 2000  
Attention: Director, Investor Sales  
Tel: 02 9227 1170  
Fax: 02 9227 1113

**Citigroup Global Markets Australia Pty Limited**

Level 26  
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Attention: Vice President, Fixed Income Sales  
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Fax: 02 8225 5408

**Commonwealth Bank of Australia**

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**Deutsche Bank AG, Sydney Branch**

Deutsche Bank Place  
(cnr of Hunter and Phillip Streets)  
SYDNEY NSW 2000  
Attention: Director, Global Markets  
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Fax: 02 8258 3632

**Macquarie Bank Limited**

No.1 Martin Place  
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Attention: Division Director Debt Sales  
Tel: 02 9391 3711  
Fax: 02 8232 8341

**National Australia Bank Limited**

Level 26  
255 George Street  
SYDNEY NSW 2000  
Attention: Head of Institutional Sales Markets Australia  
Tel: 02 9295 1166  
Fax: 1300 857 543

**Royal Bank of Canada**

Level 26  
2 Park Street  
SYDNEY NSW 2000  
Attention: Managing Director, Head of Global Markets  
Tel: 02 9223 6011  
Fax: 02 9264 2855

**The Toronto-Dominion Bank,  
Australia Branch**

Level 24  
9 Castlereagh Street  
SYDNEY NSW 2000

Attention: Managing Director, Debt  
Capital Markets  
Tel: 02 9619 8866  
Fax: 02 9619 8800

**UBS AG, Australia Branch**

Level 16  
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2 Chifley Square  
SYDNEY NSW 2000

Attention: Managing Director - Head  
of Fixed Income Sales  
Tel: 02 9324 2222  
Fax: 02 9324 2898

**Westpac Banking Corporation**

Level 2  
Westpac Place  
275 Kent Street  
SYDNEY NSW 2000

Attention: Head of Institutional Sales  
- Australia  
Tel: 02 9283 4100  
Fax: 02 9283 1841

**Registrar and  
Issuing and  
Paying Agent  
for Notes:**

**Link Market Services Limited**

Level 12  
World Square  
680 George Street  
SYDNEY NSW 2000

Tel: 02 8280 7111  
Fax: 02 9287 0303