

**VOLKSWAGEN FINANCIAL SERVICES AUSTRALIA PTY  
LIMITED**

(ABN 20 097 071 460)  
- Initial Issuer -

**VOLKSWAGEN FINANCIAL SERVICES AG**

(a company incorporated under the laws of Germany)  
- Guarantor -

**A\$5,000,000,000  
Debt Issuance Programme**

for the issuance of electronic promissory notes,  
short term notes and medium term notes

Co-Arrangers

**Australia and New Zealand Banking Group Limited  
Citigroup Global Markets Australia Pty Limited**

Dealers

**Australia and New Zealand Banking Group Limited  
Citigroup Global Markets Australia Pty Limited  
Deutsche Bank AG, Sydney Branch  
The Hongkong and Shanghai Banking Corporation Limited, Sydney Branch  
Merrill Lynch (Australia) Futures Limited  
Mizuho Securities Asia Limited  
Royal Bank of Canada**

The date of this Information Memorandum is 22 March 2019.

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# INTRODUCTION

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*This Information Memorandum supersedes in its entirety the Information Memorandum issued in connection with the Programme (as defined below) dated 23 May 2017.*

Volkswagen Financial Services Australia Pty Limited (ABN 20 097 071 460) (“**Initial Issuer**”), and (if so appointed as new issuers after the Preparation Date) certain other wholly-owned subsidiaries of Volkswagen Financial Services AG (together with the Initial Issuer, each an “**Issuer**” and together the “**Issuers**”) may, from time to time, offer electronic promissory notes (“**EPNs**”), short term notes (“**STNs**”), medium term notes (“**MTNs**”) and other debt instruments (as more particularly described below and together, the “**Notes**”) under the debt issuance programme described in this Information Memorandum (“**Programme**”). The Notes will have the benefit of an unconditional and irrevocable guarantee (“**Guarantee**”) from Volkswagen Financial Services AG (a company incorporated under the laws of Germany) (“**Guarantor**”).

Subject to applicable laws, regulations and directives, an Issuer may issue (i) Notes in Australia, and (ii) Notes (other than EPNs) in any country outside Australia (including countries in Europe and Asia) but not in the United States of America unless such Notes are registered under the United States Securities Act of 1933, as amended (“**Securities Act**”) or the securities laws of any state of the United States or other jurisdiction, or an exemption from the registration requirements under the Securities Act is available. The Notes may not be offered or sold within the United States of America or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities laws. EPNs may not be offered, or transferred, to persons outside of Australia.

The aggregate principal amount of Notes outstanding initially will not exceed A\$5,000,000,000 (or the equivalent in other currencies). This limit may be increased by the Issuers from time to time.

Each issue of Notes will be made pursuant to such documentation as the relevant Issuer may determine. This Information Memorandum describes the issue of EPNs, STNs and MTNs in registered form into the wholesale capital markets in Australia, Asia and Europe. An Issuer and the Guarantor may publish additional Information Memoranda which describe the issue of Notes (or particular classes of Notes) not described in this Information Memorandum.

Notes will be issued in one or more Tranches (each a “**Tranche**”) within one or more series (each a “**Series**”). Tranches of Notes within a particular Series may have various issue dates, issue prices and interest commencement dates and, in respect of the first interest payment (if any), different interest payment amounts but will otherwise be issued on identical terms and conditions.

An STN supplement (“**STN Supplement**”) may be issued for a Tranche of STNs and may contain additional terms and conditions not contained in this Information Memorandum which apply to that Tranche of STNs. A pricing supplement (“**Pricing Supplement**”) will be issued for each Tranche of Notes (other than EPNs and STNs) issued under a particular Series and will contain details of the aggregate principal amount, the interest (if any) payable, the issue price, issue date and maturity date of the Tranche of those Notes, together with any other terms and conditions not contained in this Information Memorandum which apply to that Tranche of Notes.

Except as specified in the relevant Pricing Supplement, each Series of Notes (other than EPNs) will be issued in registered form pursuant to a deed poll executed by the Initial Issuer (“**Deed Poll**”). Each Series of EPNs will be issued in and traded on the settlement system operated by Austraclear Ltd (ABN 94 002 060 773) (“**Austraclear System**”) and are debt obligations created in accordance with the relevant regulations of the Austraclear System (together, the “**Austraclear Regulations**”). Notes may be lodged in the Austraclear System and interests in Notes (other than EPNs) may also be transacted through Euroclear Bank SA/NV as operator of the Euroclear System (“**Euroclear**”), Clearstream Banking S.A. (“**Clearstream, Luxembourg**”) and/or any other clearing system outside Australia specified in the relevant STN Supplement or Pricing Supplement (each a “**Clearing System**”).

## IMPORTANT NOTICE

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*Terms used in this Important Notice have the meanings set out under “Summary of the Programme” below.*

### Responsibility

This Information Memorandum has been prepared by and issued with the authority of the Initial Issuer and the Guarantor. The Initial Issuer and the Guarantor accept responsibility for the information contained in this Information Memorandum other than the information provided by the Co-Arrangers, Dealers and Registrar (each as defined in the section entitled “Summary of the Programme” below) in relation to their respective descriptions in the sections entitled “Summary of the Programme” and “Directory” below.

The Co-Arrangers, the Dealers, any Registrar and any I&P Agent (Offshore) make no representation or warranty, express or implied, as to and assume no responsibility or liability for the authenticity, origin, validity, accuracy or completeness of, or any errors or omissions in, any information, statement, opinion or forecast contained in this Information Memorandum or in any accompanying, previous or subsequent material or presentation, except that they have confirmed that their respective details in the Directory are correct.

### Documents incorporated by reference

This Information Memorandum is to be read in conjunction with all documents which are deemed to be incorporated by reference as set out below. This Information Memorandum shall, unless otherwise expressly stated, be read and construed on the basis that such documents are so incorporated and form part of this Information Memorandum. References to “**Information Memorandum**” are to this Information Memorandum and to any other document incorporated by reference collectively and to any of them individually.

The following documents (including any documents that are published or issued from time to time after the date of this Information Memorandum) are incorporated in, and taken to form part, of this Information Memorandum:

- all supplements and amendments to this Information Memorandum circulated by an Issuer and/or the Guarantor from time to time;
- the most recently published audited annual financial statements and accounts of the Initial Issuer (and any other Issuer) and the Guarantor from time to time;
- the following sections of the Base Prospectus dated 26 June 2018, as supplemented by the First Supplement dated 26 June 2018, the Second Supplement dated 7 August 2018, the Third Supplement dated 22 November 2018, the Fourth Supplement dated 10 January 2019 and the Fifth Supplement dated 22 March 2019 (together, the “**Base Prospectus**”) issued by, amongst others, the Initial Issuer and the Guarantor in relation to the EUR35,000,000,000 Debt Issuance Programme of, amongst others, the Initial Issuer and the Guarantor:
  - the section entitled “*Risk Factors regarding Volkswagen Financial Services Aktiengesellschaft*” in relation to the Guarantor as set out on pages 58 to 77 of the Base Prospectus;
  - the section entitled “*Risk Factors regarding Volkswagen Financial Services Australia Pty Limited*” in relation to the Initial Issuer on pages 111 to 122 of the Base Prospectus; and
  - the section entitled “*The Diesel Issue*” as set out on pages 131 to 135 of the Base Prospectus; and

- any other documents in relation to the Initial Issuer, the Guarantor or the Group and which have been approved by the *Commission de Surveillance du Secteur Financier* of the Grand Duchy of Luxembourg (the “**Commission**”) in its capacity as competent authority under the Luxembourg act relating to prospectuses for securities (*loi relative aux prospectus pour valeurs mobilières*) (the “**Luxembourg Prospectus Law**”) and/or published and filed with the Luxembourg Stock Exchange which modify or supersede any statement contained in those sections of the Base Prospectus, including any Supplementary Prospectuses or replacement of that Base Prospectus from time to time; and
- all documents issued by an Issuer and/or the Guarantor and stated to be incorporated in this Information Memorandum by reference including, in the case of any Series of Notes, any relevant STN Supplement or relevant Pricing Supplement.

The Base Prospectus, and any supplements or replacements thereto, is published in electronic form on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and the website of the Guarantor at the valid internet address at such time (currently [www.vwfsaq.com](http://www.vwfsaq.com)).

Information relating to the diesel issue with regards to the Volkswagen Group, as described in the Base Prospectus and its respective supplements or replacements and incorporated by reference in this Information Memorandum, is based on public information and is subject to change. Neither the Initial Issuer nor the Guarantor has independently verified any such information and accept no responsibility for the accuracy thereof.

Any statement contained in this Information Memorandum shall be modified, replaced or superseded for the purpose of this Information Memorandum to the extent that a statement contained in any document subsequently incorporated by reference into this Information Memorandum modifies, replaces or supersedes such statement (whether expressly or by implication or in whole or in part).

Except as provided above, no other information, including any information on the internet sites of any Issuer or in any document incorporated by reference in any of the documents described above, is incorporated by reference into this Information Memorandum.

Copies of documents incorporated by reference are available for inspection from the Initial Issuer at its offices specified in the “Directory” at the end of this Information Memorandum or from such other person specified in a Pricing Supplement.

Investors should review, amongst other things, the documents which are deemed to be incorporated in this Information Memorandum by reference when deciding whether or not to subscribe for, purchase or otherwise deal in any Notes or any rights in respect of any Notes.

#### **References to internet site addresses**

Except as provided above, any internet site addresses provided in this Information Memorandum are for reference only and the content of any such internet site is not incorporated by reference into, and does not form part of, this Information Memorandum.

#### **No independent verification**

The only role of the Co-Arrangers, the Dealers and the Registrar in the preparation of this Information Memorandum has been to confirm to the Issuer that their respective descriptions, Australian Business Number (“**ABN**”) and Australian Financial services licence (“**AFSL**”) number (where applicable) in the sections entitled “Summary of the Programme” and “Directory” below are accurate as at the Preparation Date (as defined below).

Apart from the foregoing, none of the Co-Arrangers, the Dealers, any Registrar or any I&P Agent (Offshore) has independently verified the information contained in this Information Memorandum. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by any such person as to the accuracy or completeness of this Information

Memorandum or any further information supplied by the Initial Issuer or the Guarantor in connection with the Programme or any Notes.

The Co-Arrangers, the Dealers, any Registrar or any I&P Agent (Offshore) expressly do not undertake to review the financial condition or affairs of any Issuer or the Guarantor, or any of their affiliates, at any time or to advise any holder of a Note (or any person holding an interest in a Note) or any other person of any information coming to their attention with respect to any Issuer or the Guarantor or their respective affiliates and make no representations as to the ability of any Issuer or the Guarantor to comply with its obligations under the Notes. None of the Co-Arrangers, the Dealers, any Registrar or any I&P Agent (Offshore) make any representation as to the performance of the Issuer or the Guarantor, the maintenance of capital or any particular rate of return, nor do any of the Co-Arranger, the Dealers, the Registrar or the I&P Agent (Offshore) guarantee the payment of capital or any particular rate of capital or income return, in each case, on any Notes.

#### **Intending purchaser to make independent investment decisions and obtain professional advice**

***This Information Memorandum does not describe all of the risks of an investment in any Notes. Prospective investors should consult their own financial, legal, tax and other professional advisers about risks associated with an investment in any Notes and the suitability of investing in the Notes in light of their particular circumstances.***

This Information Memorandum contains only summary information concerning the Notes. Neither the information contained in this Information Memorandum nor any other information supplied in connection with the Programme or the issue of any Notes (i) is intended to provide the basis of any credit or other evaluation in respect of the Initial Issuer or the Notes or the Guarantor and should not be considered or relied upon as a recommendation or a statement of opinion (or a report of either of those things) by the Initial Issuer, any other Issuer, the Guarantor (or any of their affiliates), the Co-Arrangers, the Dealers, any Registrar or any I&P Agent (Offshore) that any recipient of this Information Memorandum (including any documents which are deemed to be incorporated by reference or any other financial statements or information) or any other information supplied in connection with the Programme or the issue of any Notes should subscribe for, purchase or otherwise deal in any Notes or any rights in respect of any Notes, or (2) describes all of the risks of an investment in any Notes.

Each investor contemplating subscribing for, purchasing or otherwise dealing in any Notes, or any rights in respect of any Notes under the Programme, should:

- make and rely upon (and shall be taken to have made and relied upon) its own independent investigation of the financial condition and affairs of, and its own appraisal of the creditworthiness of, the Initial Issuer, any other Issuer and the Guarantor (and any of their affiliates) and the risks of an investment in any Notes;
- determine for themselves the relevance of the information contained in this Information Memorandum (including all information incorporated by reference and forming part of this Information Memorandum) and any other information supplied in connection with the Programme or an issue of any Notes, and must base their investment decision solely upon their independent assessment and such investigations as they consider necessary; and
- consult their own financial, legal, tax and professional advisers about risks associated with an investment in any Notes and the suitability of investing in the Notes in light of their particular circumstances.

No accounting, regulatory, investment, legal, tax or other professional advice is given in respect of an investment in any Notes or rights in respect of them and each investor is advised to consult its own professional adviser.

Potential investors should note that (i) the Initial Issuer is not licensed to provide financial product advice (as that term is defined in section 766B of the Corporations Act) in relation to the Notes, (ii) the Initial Issuer recommends that investors read this Information Memorandum in full and consult their own professional advisers before making a decision to acquire any Notes, and (iii) there is no cooling-off regime applicable in respect of the acquisition of Notes.

## Currency of information

The information contained in this Information Memorandum is prepared as of its Preparation Date. Neither the delivery of this Information Memorandum nor any offer, issue or sale made in connection with this Information Memorandum at any time implies that the information contained herein concerning any Issuer or the Guarantor is correct at any time subsequent to the Preparation Date (as defined below) or that any other information supplied in connection with the Programme is correct or that there has not been any change (adverse or otherwise) in the financial conditions of the Initial Issuer at any time subsequent to the Preparation Date. Without limiting this general statement, the Initial Issuer has agreed to notify the Dealers as soon as it becomes aware of any fact, condition, matter or thing which renders anything contained in this Information Memorandum inaccurate, incomplete, misleading or deceptive in any material respect. If the Initial Issuer or any other relevant Issuer becomes aware of such a fact, condition, matter or thing, it must direct the Dealers to withdraw this Information Memorandum or ensure that a new Information Memorandum (or a supplement or amendment to it) is prepared and made available for use in any subsequent offering of Notes.

Neither the Issuer nor the Guarantor is under any obligation to update the Information Memorandum at any time after an issue of Notes.

In this Information Memorandum, "**Preparation Date**" means, in relation to:

- this Information Memorandum, the date indicated on its face or, if this Information Memorandum has been amended or supplemented, the date indicated on the face of that amendment or supplement;
- annual reports and any financial accounts incorporated in this Information Memorandum, the date up to or as at the date on which the accounts relate; and
- any other item of information which is to be read in conjunction with this Information Memorandum, the date indicated on its face as being its date of release or effectiveness.

## No authorisation

No person has been authorised to give any information or make any representations not contained in or consistent with this Information Memorandum in connection with any Issuer, the Guarantor, the Programme or the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the relevant Issuer, the Guarantor, the Co-Arrangers, the Dealers, any Registrar or any I&P Agent (Offshore).

## Distribution

Neither this Information Memorandum nor any other disclosure document in relation to the Notes has been, or will be, lodged with the Australian Securities and Investments Commission ("**ASIC**"). No action has been taken which would permit an offering of the Notes in circumstances that would require disclosure under Parts 6D.2 or 7.9 of the Corporations Act 2001 of Australia ("**Corporations Act**").

The Information Memorandum is not a prospectus or other disclosure document for the purposes of the Corporations Act. The distribution and use of this Information Memorandum, including any STN Supplement, any Pricing Supplement and any advertisement or other offering document or material and the offer or sale of Notes may be restricted by law in certain jurisdictions and intending purchasers and other investors should inform themselves about them and observe any such restrictions. For a description of certain restrictions on offers, sales and transfers of the Notes, and on distribution of this Information Memorandum, any Pricing Supplement or other offering material relating to the Notes see the section entitled "Subscription and Sale" below. None of the Initial Issuer, any other Issuer, the Guarantor, the Co-Arrangers, the Dealers, any Registrar or any I&P Agent (Offshore) represent that this document may be lawfully distributed, or that any 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 the Initial Issuer, any other Issuer, the Guarantor, the Co-Arrangers, the Dealers, any Registrar or any I&P Agent (Offshore) 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.

No Notes may be offered or sold, directly or indirectly, and neither this Information Memorandum nor any relevant STN Supplement or relevant Pricing Supplement nor any advertisement or other offering document or material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws, regulations and directives. The Dealers have represented that all offers and sales by them will be made on the same terms. Persons into whose possession this Information Memorandum or any Notes come must inform themselves about, and observe, any such restrictions. See section entitled "Subscription and Sale" below.

### **No registration in the United States**

The Notes have not been, and will not be, registered under the Securities Act. The Notes may not be offered, sold, delivered or transferred, at any time, within the United States of America, its territories or possessions or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act.

### **No offer**

This Information Memorandum does not, and is not intended to, constitute an offer or invitation by or on behalf of the Initial Issuer, any other Issuer, the Guarantor, the Co-Arrangers, the Dealers, any Registrar or any I&P Agent (Offshore) to any person to subscribe for, purchase or otherwise deal in any Notes nor is it intended to be used for the purpose of or in connection with offers or invitations to subscribe for, purchase or otherwise deal in any Notes.

### **Disclosure of interest**

The Co-Arrangers, the Dealers, any Registrar and any I&P Agent (Offshore) disclose that they, their subsidiaries, directors and employees may have pecuniary or other interests in the Notes and may also have interests pursuant to other arrangements and will receive fees, brokerage and commissions, and may act as principal in any dealings in the Notes.

### **Agency and distribution arrangements**

Each Co-Arranger, Dealer, Calculation Agent, Registrar and I&P Agent (Offshore) is acting solely as an arm's length contractual counterparty and not as an adviser or fiduciary. Furthermore, neither the receipt of this Information Memorandum or any other offering material or advertisement relating to the Programme or the issue of any Notes by any person nor any other matter shall be deemed to create or give rise to an advisory or fiduciary duty or relationship between a Co-Arranger, Dealer, Calculation Agent, Registrar or I&P Agent (Offshore) and that person.

The Co-Arrangers, Dealers, Calculation Agent, Registrar and I&P Agent (Offshore) or the funds which they manage or advise or the funds within which they may have a direct or indirect interest, may from time to time have long or short positions in, or buy and sell (on a principal basis or otherwise), or have pecuniary or other interests in, or act as a market maker in, the Notes or securities, derivatives, commodities, futures or options identical or related to the Notes. The Co-Arrangers, Dealers, Calculation Agent, Registrar and I&P Agent (Offshore) may receive fees, brokerage and commissions and may act as a principal in dealing in any Notes.

The Issuer has agreed to pay fees to the Calculation Agent, Registrar or any I&P Agent (Offshore) for undertaking their respective roles and reimburse them for certain of their expenses incurred in connection with the Programme.

The Initial Issuer may also pay a Dealer a fee in respect of the Notes subscribed by it, may agree to reimburse the Dealers for certain expenses incurred in connection with this Programme and may indemnify the Dealers against certain liabilities in connection with the offer and sale of Notes.

## Supplementary Information Memorandum

An Issuer and the Guarantor may agree with any Dealer that the Notes may be issued in a form not contemplated by this Information Memorandum, in which event any relevant STN Supplement, the relevant Pricing Supplement and/or a supplementary information memorandum, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes. In particular, such a supplementary information memorandum may be required if the relevant Issuer elects to offer Notes to retail investors.

### References to credit ratings

There are references in this Information Memorandum to credit ratings. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the relevant rating agency. Each credit rating should be evaluated independently of any other credit rating.

*Credit ratings are for distribution only to a person (a) who is not a “retail client” within the meaning of section 761G of the Corporations Act and is also a person in respect of whom disclosure is not required under Parts 6D.2 or 7.9 of the Corporations Act, and (b) who is otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person may be located. Anyone who is not such a person is not entitled to receive this Information Memorandum and anyone who receives this Information Memorandum must not distribute it to any person who is not entitled to receive it.*

### Stabilisation

In connection with any issue of Notes, the Dealer (if any) designated as the stabilising manager in the relevant Pricing Supplement (or any person acting for it) may, outside Australia and on a market operated outside Australia, over-allot or effect transactions with a view to supporting the market price of the relevant Series at a level higher than that which might otherwise prevail for a limited period after the issue date. However, there is no obligation on the stabilising manager (or its agent) to do this. Such stabilising, if commenced, may be discontinued at any time and must be brought to an end after a limited period. Such stabilising shall be in compliance with all relevant laws, regulations and directives.

### Currencies

In this Information Memorandum references to “**A\$**” or “**Australian Dollars**” are to the lawful currency of the Commonwealth of Australia, references to “**US\$**” or “**US dollars**” are to the lawful currency of the United States of America and references to “**€**” or “**euro**” are to the single currency introduced at the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Communities, as amended by the Treaty on European Union.

### Product classification pursuant to section 309B of the Securities and Futures Act (Chapter 289) of Singapore

Unless otherwise stated in the Pricing Supplement in respect of any Notes, all Notes issued or to be issued under the Programme shall be “prescribed capital markets products” (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in the MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

### MiFID II Product Governance

If applicable in the context of an issue of Notes, the Pricing Supplement may include a legend titled “MiFID II Product Governance” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended) (“**MiFID II**”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels. A

determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the “**MiFID Product Governance Rules**”), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Co-Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

## SUMMARY OF THE PROGRAMME

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*The following is a brief summary only and should be read in conjunction with the rest of this Information Memorandum and, in relation to any Notes, in conjunction with any relevant STN Supplement or relevant Pricing Supplement and the terms and conditions applicable to the Notes.*

**Issuers:** Volkswagen Financial Services Australia Pty Limited (ABN 20 097 071 460) as “**Initial Issuer**”.

Certain other wholly-owned subsidiaries of Volkswagen Financial Services AG may be added to the Programme as new issuers from time to time (together with the Initial Issuer, each an “**Issuer**”).

**Guarantor:** Volkswagen Financial Services AG (a company incorporated under the laws of Germany).

**Programme:** A fully revolving, non-underwritten programme allowing for the issuance of EPNs (in Australia only), STNs, MTNs and other debt instruments in any jurisdiction except the United States of America (subject to applicable legal and regulatory restrictions) as specified in any relevant STN Supplement or relevant Pricing Supplement.

**Programme Limit:** A\$5,000,000,000 (or the equivalent in other currencies). The Programme Limit may be increased by the Issuers (with the prior written approval of the Guarantor) from time to time.

**Programme term:** The term of the Programme continues until terminated by the Issuers and the Guarantor giving 30 days’ notice to the Dealers or earlier by agreement between all the parties to the Dealer Agreement for the Programme.

**Co-Arrangers:** Australia and New Zealand Banking Group Limited  
Citigroup Global Markets Australia Pty Limited

**Dealers:** The following entities have been appointed as Dealers to the Programme:

Australia and New Zealand Banking Group Limited  
Citigroup Global Markets Australia Pty Limited  
Deutsche Bank AG, Sydney Branch  
The Hongkong and Shanghai Banking Corporation Limited, Sydney Branch  
Merrill Lynch (Australia) Futures Limited  
Mizuho Securities Asia Limited  
Royal Bank of Canada

Contact details and the particulars of the ABN and AFSL for the Co-Arrangers and each of the above named Dealers are set out in the section entitled “Directory” below.

The Dealers appointed to the Programme may change from time to time. Additional Dealers may be appointed by the Initial Issuer from time to time for a specific Tranche or Series of Notes or the Programme generally. Additionally, an Issuer may appoint any Dealer, or one or more other dealers, as a Dealer for a particular issue of Notes. One or more Dealers may be appointed as Lead Manager or Joint Lead Managers for an issue.

**Registrar:** Austraclear Services Limited (ABN 28 003 284 419) or such other person appointed by an Issuer from time to time.

The Registrar may also provide issue and paying agency services with respect to each Series or Tranche of Notes initially lodged and held through or predominantly through the Austraclear System.

**I&P Agent (Offshore):** Each person appointed from time to time by one or more Issuers to perform issue and paying agency functions with respect to each Series or Tranche of Notes (other than EPNs and STNs) initially lodged and held through or predominantly through a Clearing System outside Australia.

**Calculation Agent:** Each person appointed from time to time by one or more Issuers to perform calculation agency functions with respect to a Series or Tranche of Notes. Where no calculation agent is appointed the calculation of interest and principal payments in respect of Notes will be made by the relevant Issuer.

**Guarantee:** The Guarantor has fully, unconditionally and irrevocably guaranteed payment of all principal, interest and other amounts owing by an Issuer to the holders of the Notes ("**Holders**", and each a "**Holder**") under a Guarantee dated 24 January 2003 (as confirmed by the Guarantor on 23 May 2017 and 22 March 2019) in favour of the Holders from time to time ("**Guarantee**").

**Rating:** The Programme is rated by S&P Global Ratings and Moody's Investors Service, from whom information about the current ratings may be obtained. Notes issued under the Programme must be rated, unless otherwise specified in the relevant STN Supplement or relevant Pricing Supplement (or another supplement to this Information Memorandum).

**A credit rating is not a recommendation to buy, sell or hold the Notes and may be subject to revision, suspension or withdrawal at any time by the relevant credit rating agency.**

*Credit ratings are for distribution only to a person (a) who is not a "retail client" within the meaning of section 761G of the Corporations Act and is also a person in respect of whom disclosure is not required under Parts 6D.2 or 7.9 of the Corporations Act, and (b) who is otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person may be located. Anyone who is not such a person is not entitled to receive this Information Memorandum and anyone who receives this Information Memorandum must not distribute it to any person who is not entitled to receive it.*

**Status and ranking:** The Notes and the Guarantee will constitute direct, unsecured, unsubordinated and unconditional obligations of the relevant Issuer and the Guarantor respectively without any preference among themselves and will rank *pari passu* with all other unsecured and unsubordinated obligations of the relevant Issuer and the Guarantor respectively (other than obligations which are preferred by bankruptcy, liquidation or other similar laws of general application).

**Negative Pledge:** The Notes (other than EPNs) will have the benefit of a negative pledge of the relevant Issuer as set out in Condition 5 of the STN Terms and Conditions and Condition 5 of the MTN Terms and Conditions.

**Supplements:** In relation to the issue of any Notes (other than EPNs and STNs), a Pricing Supplement will provide particular information relating to the particular Tranche to be issued, including details of the form of such Notes, the Series in which such Notes will be issued and any other information pertinent to the issue of those Notes.

Supplemental information may be provided with respect to an issue of any other Notes (including, without limitation, an STN Supplement in relation to the issue of any STNs).

**Form of Notes:**

Except as otherwise set out in any relevant STN Supplement or relevant Pricing Supplement, the Notes will be in registered form and will be debt obligations of the relevant Issuer.

EPNs will be short term debt obligations created by contract as evidenced by the Austraclear Regulations and take the form of an electronic promissory note within the Austraclear System.

The Notes (other than EPNs) to be issued will be constituted by, and owing under, a deed poll dated 24 January 2003, as amended or supplemented from time to time, or such other deed poll executed by the relevant Issuer as may be specified in an applicable STN Supplement or Pricing Supplement (“**Deed Poll**”) and will take the form of entries in a register (“**Register**”) maintained by the Registrar.

The terms and conditions of the STNs (“**STN Terms and Conditions**”) and the terms and condition of the MTNs (“**MTN Terms and Conditions**”, and together with the STN Terms and Conditions, the “**Conditions**”) are set out in schedules to the Deed Poll as modified and supplemented by any relevant STN Supplement or relevant Pricing Supplement for the relevant Tranche.

Notes of any Series may be described as “Notes”, “Bonds”, “Instruments” or any other agreed marketing name.

No certificate or other evidence of title will be issued to Holders unless the relevant Issuer determines that a certificate or other evidence of title will be issued or is required to do so pursuant to any applicable law or regulation.

**Currencies:**

The Notes will, subject to any applicable legal or regulatory requirements, be denominated in such currencies as may be agreed between the relevant Issuer and the relevant Dealer, including, without limitation, Australian dollars, US dollars, Euro or any other freely transferable and freely convertible currency. Payments through the Austraclear System may only be made in Australian dollars. Payments in respect of the Notes may be made in, or limited to, any currency or currencies other than the currency in which the Notes are denominated, all as set out in the relevant Pricing Supplement.

**Issuance in Series:**

Notes will be issued in Series. Each Series may comprise one or more Tranches.

The Notes of each Series will all be subject to identical terms, except that the issue date, issue price and the amount and date of the first payment of interest (if any) may be different in respect of different Tranches of a Series and a Series may comprise Notes in more than one denomination. The Notes of each Tranche of a Series are intended to be fungible with the other Tranches of Notes of that Series.

**Denominations:**

EPNs will be issued in denominations of A\$100,000 or such other amount permitted by the Austraclear Regulations. STNs will be issued in denominations of A\$100,000 unless otherwise specified in the relevant STN Supplement (if any). Subject to any applicable legal or regulatory requirement, the MTNs will be issued in such denominations as are agreed between the relevant Issuer and the relevant Dealer as specified in the relevant Pricing Supplement.

However, in all cases, the aggregate consideration payable by each purchaser of any Notes must (unless otherwise specified in any relevant STN Supplement or relevant Pricing Supplement) be at least A\$500,000 (or the equivalent in another currency, and in either case, disregarding moneys lent by the relevant Issuer or its associates to the purchaser) unless the Notes are otherwise issued in a manner that does not require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act.

- Tenor:** The tenor of EPNs and STNs will not exceed 364 days.
- MTNs may be issued with a tenor as specified in the relevant Pricing Supplement. Unless otherwise agreed with the Dealer purchasing the MTNs, MTNs will have a minimum tenor of 365 days.
- Issue Price:** EPNs and STNs will be issued at a discount as agreed with the Dealers purchasing the EPNs or STNs.
- MTNs may be issued at any price on a fully or partly paid basis, as specified in the relevant Pricing Supplement.
- Purchase Price:** In the case of EPNs and STNs, as agreed between the parties, and in the case of MTNs, as specified in the relevant Pricing Supplement.
- Interest:** EPNs and STNs will not bear interest.
- MTNs may be interest bearing or non-interest bearing. Interest (if any) may accrue at a fixed or variable rate and may vary during the life of a Series.
- Interest payment dates:** Interest (if any) is payable on the date or dates and in the manner specified in the relevant Pricing Supplement.
- Redemption:** EPNs and STNs will be redeemed at par at maturity.
- The relevant Pricing Supplement will indicate either that MTNs cannot be redeemed prior to their stated maturity (other than for taxation reasons (see below) or following an Event of Default), in which case, such MTNs will be redeemed at maturity at the price or prices determined in the manner specified in the relevant Pricing Supplement, or that such MTNs can only be redeemed at the option of the relevant Issuer and/or the Holders of such MTNs upon giving notice to the Holders or the relevant Issuer and the Guarantor, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices determined in the manner specified in the relevant Pricing Supplement.
- In certain circumstances following notice to the Holders, MTNs may be redeemed following deductions or withholdings required to be made by law (as provided in the relevant Conditions).
- Events of Default:** The Events of Default applicable to the MTNs are set out in Condition 8 of the Conditions applicable to the MTNs.
- Payments:** Payments to persons who hold EPNs, or who hold STNs or MTNs through the Austraclear System, will be made by transfer to their relevant account in accordance with the Austraclear Regulations. Payments to persons who hold MTNs or STNs through a Clearing System, other than the Austraclear System, will be made in accordance with the rules and regulations of the relevant Clearing System.
- If STNs or MTNs are not lodged in a Clearing System, then payments relating to STNs or MTNs will be made to the account of persons whose

names are entered in the relevant register as at 5:00pm (Sydney time) on the relevant Record Date.

The Record Date is the close of business on the eighth calendar day before a payment date or such other time specified in any relevant STN Supplement or relevant Pricing Supplement.

**Substituted Issuer:** An Issuer may, without the consent of the Holders of the relevant Notes (other than EPNs), substitute any entity (including a special purpose company) in respect of all of the obligations of the relevant issuer in connection with one or more Series of Notes in accordance with the relevant Conditions. The relevant Conditions will also specify the matters that need to be complied with before such a substitution takes place. These matters will include (if the substituted debtor is not the Guarantor) the provision of a guarantee of the new issuer's obligations by the Guarantor and the obtaining of all necessary governmental consents or authorisations.

**Listing:** Notes will not be listed on any stock exchange.

**Clearing Systems:** EPNs will be issued in and traded on the Austraclear System.

Notes (other than EPNs) may be transacted either within or outside any Clearing System.

Approval by Austraclear for the trading of Notes in the Austraclear System is not a recommendation or endorsement by Austraclear of such Notes.

Transactions relating to interests in the Notes (other than EPNs) may also be carried out through Euroclear, Clearstream, Luxembourg or any other Clearing System.

Interests in the Notes (other than EPNs) traded in the Austraclear System may be held for the benefit of Euroclear, Clearstream, Luxembourg. In these circumstances, entitlements in respect of holdings of interests in Notes in Euroclear would be held in the Austraclear System by a nominee of Euroclear (currently HSBC Custody Nominees (Australia) Limited) while entitlements in respect of holdings of interests in Notes in Clearstream, Luxembourg would be held in the Austraclear System by a nominee of J.P. Morgan Chase Bank, N.A. as custodian for Clearstream, Luxembourg.

The rights of a holder of interests in a Note (other than EPNs) held through Euroclear or Clearstream, Luxembourg are subject to the respective rules and regulations for account holders of Euroclear and Clearstream, Luxembourg, the terms and conditions of agreements between Euroclear and Clearstream, Luxembourg and their respective nominee and the rules and regulations of the Austraclear System. In addition, any transfer of interests in a Note (other than EPNs), which is held through Euroclear or Clearstream, Luxembourg will, to the extent such transfer will be recorded on the Austraclear System, be subject to the Corporations Act and the requirements for minimum consideration as set out in the relevant Conditions.

The Issuer will not be responsible for the operation of the clearing arrangements which is a matter for the clearing institutions, their nominees, their participants and the investors.

STNs and MTNs which are held in the Austraclear System will be registered in the name of Austraclear Ltd. MTNs which are held in any other Clearing System will be registered in the name of the nominee or depository for that Clearing System.

**Transfer procedure:** Notes may be transferred in whole, but not in part, in accordance with the relevant Conditions and (where the STNs or MTNs have been lodged in a Clearing System) the rules and regulations of the relevant Clearing System.

EPNs may not be offered, or transferred, to persons outside of Australia.

Unless otherwise specified in any relevant STN Supplement or relevant Pricing Supplement, STNs or MTNs may only be transferred within, to or from Australia if:

- (a) the aggregate consideration payable by the transferee at the time of transfer is at least A\$500,000 (or the equivalent in another currency, and in either case, disregarding moneys lent by the transferor or its associates to the transferee) or the offer or invitation resulting in the transfer otherwise does not require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act; and
- (b) the transfer does not constitute an offer to a “retail client” for the purposes of section 761G of the Corporations Act.

STNs and MTNs that are transferred entirely in a jurisdiction outside of Australia may only be transferred in accordance with all applicable laws of the jurisdiction in which transfer takes place.

Transfers of EPNs, and of STNs and MTNs held in a Clearing System, will be made in accordance with the rules and regulations of the relevant Clearing System.

In other cases, application for the transfer of STNs or MTNs must be made by lodgement of a duly completed and (if applicable) stamped transfer and acceptance form with the Registrar. Transfer and acceptance forms will be made available from either the relevant Issuer or from the Registrar. Such transfer takes effect upon the transferee’s name being entered on the Register.

**Governing law:** The Notes and all related documentation (except the Guarantee) will be governed by the laws of New South Wales. The Guarantee is governed by German law.

**Stamp duty:** Any stamp duty incurred at the time of issue of Notes will be for the account of the relevant Issuer. Any stamp duty incurred on a transfer of Notes will be for the account of the relevant Holders.

As at the date of this Information Memorandum, no Australian stamp duty is payable on the issue or transfer of the Notes. Investors are advised to seek independent advice regarding any stamp duty or other taxes imposed by another jurisdiction upon the transfer of Notes, or interests in Notes, in any jurisdiction outside of Australia.

**Taxes:** Investors should obtain their own taxation advice regarding the taxation status of investing in Notes.

**Tax file number and Australian Business Number:**

An Issuer or the Registrar will deduct tax from payments of interest and other amounts if an investor in Australia has not supplied an appropriate tax file number or Australian Business Number (or details of an applicable exemption from these requirements).

**Withholding tax:**

Unless otherwise specified in any relevant STN Supplement or Pricing Supplement for a particular Tranche of STNs or MTNs:

- (a) each Issuer incorporated in, or acting through a permanent establishment in Australia, intends to issue STNs and MTNs in a manner which enables interest (as defined in section 128A(1AB) of the Income Tax Assessment Act 1936 of Australia) to be paid to Holders free of Australian interest withholding tax; and
- (b) all payments by an Issuer in respect of the STNs and MTNs (and by the Guarantor) will be made free and clear of and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Commonwealth of Australia or its place of incorporation (if different) or any political subdivision thereof or any authority therein or thereof, subject to certain customary exceptions as set out in more detail in the relevant Conditions.

The application of the exemption from interest withholding tax to EPNs is unclear. Consequently, EPNs will not be issued outside Australia.

See the section entitled “**Australian Taxation**” below for more information.

See also the section entitled “**German Taxation**” below for information about German taxation in relation to the Notes.

See also the section entitled “**U.S. Foreign Account Tax Compliance Act and OECD Common Reporting Standard**” below for information about FATCA withholding and automatic exchange of financial account information.

**Selling Restrictions:**

The offering, sale and delivery of Notes and the distribution of the Information Memorandum and other material in relation to any Notes will be subject to such restrictions as may apply in any country in connection with the offering and sale of a particular Tranche of Notes. In particular, restrictions on the offer or sale of the Notes in Australia, the United States of America, the United Kingdom, the European Economic Area, Hong Kong, Japan, New Zealand and Singapore are set out in the section entitled “**Subscription and Sale**” below.

## CORPORATE PROFILE

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### THE INITIAL ISSUER

The Initial Issuer, Volkswagen Financial Services Australia Pty Limited (ABN 20 097 071 460), was incorporated on 7 June 2001 under the Corporations Act.

Its registered office is located at Level 1, 24 Muir Road, Chullora NSW 2190, Australia.

The principal activities of the Initial Issuer are the provision of motor vehicle finance, leasing and insurance solutions to private and corporate clients. Furthermore the Initial Issuer offers bailment stocking and capital loans to its dealers. As is common in the automotive related financial services industry, the Initial Issuer's product portfolio is not limited to Volkswagen group brands.

The Initial Issuer's business activities are focused on the Australian market.

On 18 May 2006, the Initial Issuer changed its status to a proprietary company and changed its name from Volkswagen Financial Services Australia Limited to Volkswagen Financial Services Australia Pty Limited.

### THE GUARANTOR

The Guarantor was incorporated through the transformation of Volkswagen Finanz GmbH into Volkswagen Financial Services AG in accordance with the resolution of the general meeting of shareholders of Volkswagen Finanz GmbH held on 2 March 1994 and the name of Volkswagen Finanz GmbH was changed accordingly. The transformation and the change of name were registered in the commercial register of the local court of Braunschweig on 4 May 1994.

The Guarantor was incorporated and registered in the commercial register of the local court of Braunschweig under number HRB 3790. The registered office is located in Braunschweig and its head office is at Gifhorner Strasse 57, 38112 Braunschweig, Federal Republic of Germany.

The object of the enterprise of the Guarantor is the development, the sale and the processing of own and third party financial services in Germany and abroad, which are suitable for servicing the promotion of the business of Volkswagen Aktiengesellschaft, Wolfsburg, Federal Republic of Germany ("**Volkswagen AG**") and the companies affiliated therewith, as defined in the Articles of Association of the Guarantor.

The Guarantor is authorised to carry out all business and to take all actions which are connected with its purpose or which promote, directly or indirectly, the purpose of Volkswagen AG. In addition, the Guarantor is authorised to establish domestic and foreign subsidiaries and to establish, acquire or participate in other companies.

The Guarantor is a wholly-owned subsidiary of Volkswagen AG. A control and profit-and-loss-transfer agreement between Volkswagen AG and the Guarantor came into effect on 25 September 1996 and has since been amended and restated. According to this agreement, Volkswagen AG is entitled to instruct the Guarantor's management board. The Guarantor is obliged to transfer its annual profit to Volkswagen AG after the end of each financial year. Volkswagen AG is obliged to compensate any occurring annual deficit of the Guarantor insofar as such deficit cannot be compensated by a withdrawal from the so-called "other retained earnings" of any sums which were allocated thereto during the term of the agreement.

In 2016, Volkswagen Financial Services AG ("**VWFSAG**") started a reorganisation measure of the VWFSAG Group. As a result, its former subsidiary, Volkswagen Bank GmbH became a direct subsidiary of Volkswagen AG by way of a spin-off, providing consolidation of banking activities relevant to European Central Bank authority and allowing for the separate regulation of European banking activities from other financial services provided by the VWFSAG Group. In context of this reorganisation measure, Volkswagen Bank GmbH may in the following years transfer some of its asset portfolios to existing or newly established branches. Furthermore, some portfolio allocations back to VWFSAG Group may be initiated in order to finalise and stabilise the new business structures for both Groups. In this context, Volkswagen Financial Services UK as the most relevant portfolio in this regard, will be transferred to VWFSAG Group by the end of March 2019.

# STN TERMS AND CONDITIONS

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Capitalised terms used in these terms and conditions have the meanings given in Condition 1 (Interpretation) below.

The following are the terms and conditions of the STNs ("**STN Terms and Conditions**") which, as supplemented, modified or replaced in relation to any STNs by the relevant STN Supplement, will be applicable to each Series of STNs.

Set out below are the STN Terms and Conditions contained in the Deed Poll, noting by way of footnotes, amendments which will be included in a STN Supplement for all STNs issued from the date of this Information Memorandum.

A Tranche may be the subject of a STN Supplement. References in these STN Terms and Conditions to a STN Supplement are references to any STN Supplement applicable to the relevant Tranche of STNs.

The STNs (including those issued by a new issuer appointed pursuant to clause 5.1 (New Issuer) of the Deed Poll) will be issued with the benefit of the Guarantee. By the Guarantee, the Guarantor unconditionally and irrevocably guarantees to the Holders, among other things, the payment by each such new issuer of the face amount and other amounts due under the STNs issued by that new issuer.

Each Holder and any person claiming through or under a Holder is deemed to have notice of and is bound by these STN Terms and Conditions, the Deed Poll, the Information Memorandum, any relevant STN Supplement and the Guarantee. Copies of each of these documents (to the extent they relate to a Tranche of STNs) are available for inspection by the holder of any STN of such Tranche at the offices of the relevant Issuer and, the Registrar at their respective addresses specified in the Information Memorandum.

## 1 Interpretation

### Definitions

1.1 The following words have these meanings in these STN Terms and Conditions unless the contrary intention appears:

**Agency and Registry Services Agreement** means an agreement between an Issuer and a Registrar.

**Alternate Currency** means, in relation to any STNs, a currency other than Australian dollars which is agreed with the Dealer purchasing the STNs and (if applicable) specified in the STN Supplement relating to those STNs, provided that each relevant Dealer has received evidence satisfactory to it that:

- (a) all necessary Authorisations have been obtained for the issue of STNs in that currency; and
- (b) the issuance of such STNs is not contrary to any applicable law.

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

**Austraclear Regulations** means the regulations known as the "Austraclear System Regulations" established by Austraclear (as amended or replaced from time to time) to govern the use of the Austraclear System.

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

**Authorisation** means:

- (a) any consent, authorisation, registration, filing, agreement, notarisation, certificate, permission, licence, approval, authority or exemption from, by or with a Government Agency; or
- (b) the expiry of the specified period during which a Government Agency by law may intervene or act, but does not do so, to prohibit or restrict in whole or part anything in respect of the issue of the STNs in accordance with the Deed Poll and these STN Terms and Conditions.

**Business Day** means:

- (a) a day (other than a Saturday, Sunday or public holiday) on which commercial banks are open for general banking business in the place specified in any relevant STN Supplement or, if no such place is specified, Sydney; and
- (b) if STNs are to be issued or paid on such Business Day:
  - (i) a day on which commercial banks settle payments, in the case of Australian dollars, in Sydney and, in the case of any Alternate Currency, in the principal financial centre in the country of that Alternate Currency; and
  - (ii) a day on which each relevant Clearing System for those STNs 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 Business Day Conventions, where specified in a relevant STN Supplement in relation to any date applicable to any STN, have the following meanings:

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

**Clearing System** means:

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

**Condition** means the correspondingly numbered condition in these STN Terms and Conditions.

**Deed Poll** means the deed poll (including these STN Terms and Conditions which form schedule 1 to it) executed by the Initial Issuer in relation to the Programme and dated 24 January 2003.

**Denomination** means the denomination of a STN as recorded in the Register.

**FATCA** means:

- (a) sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986 or any associated regulations;

- (b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the U.S. and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or
- (c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (a) or (b) above with the U.S. Internal Revenue Service, the U.S. government or any governmental or taxation authority in any other jurisdiction.

**Government Agency** means any government or any governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity. It also includes a self-regulatory organisation established under statute or a stock exchange.

**Guarantee** means the guarantee executed by the Guarantor in relation to the Programme and dated on or about 24 January 2003.

**Guarantor** means Volkswagen Financial Services AG (a company incorporated under the laws of Germany) of Gifhorner Strasse 57, 38112 Braunschweig, acting in its capacity as guarantor under the Guarantee.

**Holder** means the holder of an STN in definitive bearer form, a person whose name is for the time being entered in the Register as the holder of an STN or, where the STN is held jointly by two or more persons, the persons whose names appear in the Register as the joint holders of that STN and (for the avoidance of doubt) when the STN is entered into a Clearing System, includes the operator of that 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 Systems).

**Information Memorandum** means at any time, the latest information memorandum (and any supplement to it) prepared on behalf of, and approved in writing by one or more Issuers in connection with the issue of STNs (or particular classes of STNs), all documents incorporated by reference in it and such other information (including any relevant STN Supplement) approved in writing by the relevant Issuer and the Guarantor from time to time.

**Initial Issuer** means Volkswagen Financial Services Australia Pty Limited (ABN 20 097 071 460) of Level 1, 24 Muir Road, Chullora NSW 2190.<sup>1</sup>

**Issue Date** means, in respect of an STN, the date specified in any relevant STN Supplement as the day on which such STN is, or is to be, issued or, if there is no relevant STN Supplement, the date on which such STN is actually issued.

**Issuer** means each of:

- (a) the Initial Issuer;
- (b) any new issuer appointed in accordance with clause 5.1 (*New Issuer*) of the Deed Poll; or
- (c) (in any case, in relation to a particular STN, where the context so requires) a Substituted Debtor appointed in accordance with Condition 11 (*Substitution of an Issuer*),

and, in addition, a reference in these STN Terms and Conditions to an Issuer or to the “**relevant Issuer**” of particular STNs is a reference to the Issuer of those STNs in its capacity as an Issuer of those STNs only. **Issuers** means each of them together.

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<sup>1</sup> On 18 May 2006 the Initial Issuer changed its status to a proprietary company and changed its name from Volkswagen Financial Services Australia Limited to Volkswagen Financial Services Australia Pty Limited. The Initial Issuer’s address as at the Preparation Date is Level 1, 24 Muir Road, Chullora NSW 2190 (rather than the previous address which is set out in the Deed Poll).

**Maturity Date** means the date recorded in the Register as the date for redemption of that STN, as adjusted in accordance with the relevant Business Day Convention.

**Payment Date** means the Maturity Date or other agreed date recorded in the Register as the date on which the relevant Issuer must make a payment under an STN (including an early payment date) issued by it.

**Programme** means the uncommitted revolving note issuance programme of the Issuers as described in the Information Memorandum.

**Record Date** means 5:00pm on the eighth calendar day before the relevant date for payment or such other date that may be specified in any relevant STN Supplement.

**Register** means a register, including any branch register, of Holders established and maintained by, or on behalf, of the relevant Issuer in which is entered the names and addresses of Holders whose STNs are carried on that register, the amount of STNs held by each Holder and the date of issue and transfer of those STNs, and any other particulars which the relevant Issuer sees fit.

**Registrar** means Austraclear Services Limited (ABN 28 003 284 419) or such other person appointed by an Issuer to establish and maintain the Register for STNs on the relevant Issuer's behalf from time to time. For the avoidance of doubt, the Registrar may also provide issue and paying agency services with respect to each Series or Tranche of STNs initially lodged and held through, or predominantly through, the Austraclear System.

**Relevant Date** means the date on which a payment in respect of the STNs first becomes due, except that if the full amount payable has not been received by the Registrar on or before the due date, it means the date on which the full amount having been so received, notice to that effect is given to the Holders in accordance with Condition 10 (*Notices*).

**Series** means a Tranche or Tranches of STNs issued by an Issuer which have identical terms, except that:

- (a) the Issue Date and purchase price may be different in respect of different Tranches of a Series; and
- (b) a Series may comprise STNs in more than one Denomination.

**STN** means a short term note being a debt obligation of an Issuer constituted by, and owing under, the Deed Poll to a Holder, the details of which are recorded in, and evidenced by, inscription in the Register.

**STN Supplement** means any supplement to the Information Memorandum or to these STN Terms and Conditions prepared and issued in relation to a Tranche of STNs prior to the Issue Date of those STNs which has been confirmed in writing by the relevant Issuer.

**Subsidiary** means, in relation to any company or corporation, a company or corporation:

- (a) which is controlled, directly or indirectly, by the first mentioned company or corporation;
- (b) more than half the issued share capital of which is beneficially owned, directly or indirectly, by the first mentioned company or corporation; or
- (c) which is a Subsidiary of another Subsidiary of the first mentioned company or corporation,

and for this purpose, a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and/or to control the composition of its board of directors or equivalent body.

**Tax Act** means the Income Tax Assessment Act 1936 of Australia and associated regulations and, where applicable, any replacement legislation including, but not limited to, the Income Tax Assessment Act 1997 of Australia.

**Taxes** is defined in Condition 7.5 (*Taxation and fiscal Laws*).

**Tranche** means STNs which are issued by an Issuer on the same Issue Date and the terms of which are identical in all respects (except that a Tranche may comprise STNs in more than one Denomination).

**Transaction Documents** means:

- (a) the Deed Poll (including any Issuer Accession Letter delivered in accordance with clause 5 (*New Issuer*) of the Deed Poll);
- (b) the Guarantee;
- (c) each Agency and Registry Services Agreement;
- (d) each STN;
- (e) each STN Supplement; and
- (f) each Information Memorandum.

#### *Interpretation*

1.2 In these STN Terms and Conditions unless the contrary intention appears:

- (a) a reference to these STN Terms and Conditions is a reference to these STN Terms and Conditions as modified, supplemented or replaced by any relevant STN Supplement;
- (b) a reference to “**Australian dollars**”, “**A\$**” or “**dollars**” is a reference to the lawful currency of the Commonwealth of Australia;
- (c) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (d) the singular includes the plural and vice versa;
- (e) the word “**person**” includes a firm, body corporate, an unincorporated association or an authority;
- (f) a reference to a person includes a reference to the person’s executors, administrators, successors, substitutes (including, without limitation, persons taking by novation) and assigns;
- (g) an agreement, representation or warranty in favour of two or more persons is for the benefit of them jointly and severally;
- (h) a reference to any thing (including, without limitation, any amount) is a reference to the whole and each part of it and a reference to a group of persons is a reference to all of them collectively and to each of them individually;
- (j) a reference to a deed poll, deed, agreement or another instrument includes any variation or replacement of it; and

- (i) a reference to a time of day is a reference to that time in Sydney.

#### *Headings*

- 1.3 Headings are inserted for convenience and do not affect the interpretation of these STN Terms and Conditions.

## **2 Form, denomination and title**

#### *Form of STNs*

- 2.1 The STNs are registered debt obligations of the relevant Issuer constituted by, and owing under, the Deed Poll and take the form of entries in the Register. Each entry in the Register constitutes a separate and individual acknowledgment to the relevant Holder of the indebtedness of the relevant Issuer to that Holder.

#### *Independent obligations*

- 2.2 The obligations of the relevant Issuer in respect of STNs issued by it constitute separate and independent obligations which the Holder to whom those obligations are owed is entitled to enforce without having to join any other Holder or any predecessor in title of a Holder.

#### *Currency*

- 2.3 STNs will be denominated in Australian dollars or an Alternate Currency specified in the relevant Pricing Supplement.

#### *Denomination, issue restrictions and tenor*

- 2.4 Unless otherwise specified in any relevant STN Supplement, STNs:
  - (a) will be issued in denominations of A\$100,000 (or the approximate equivalent in an Alternate Currency); and
  - (b) may only be issued if:
    - (i) where the offer or invitation is made in, or into, Australia, the aggregate consideration payable to the relevant Issuer by the relevant Holder is at least A\$500,000 (or the equivalent in an Alternate Currency, and in either case, disregarding moneys lent by the relevant Issuer or its associates to the Holder) or, the offer or invitation for the issue of the STNs otherwise does not require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act;
    - (ii) where the offer or invitation is made in, or into, Australia, the offer or invitation does not constitute an offer to a “retail client” for the purposes of section 761G of the Corporations Act;
    - (iii) the STNs comply with all other applicable laws; and
    - (iv) they have a tenor of 364 calendar days or less.

#### *Register conclusive*

- 2.5 Entries in the Register in relation to an STN constitute conclusive evidence that the person so entered is the registered owner of that STN subject to rectification for fraud or error. No STN will be registered in the name of more than four persons. An STN registered in the name of more than one person is held by those persons as joint tenants. STNs will be registered by name only without reference to any trusteeship. The person(s) registered in the Register as a Holder of an STN will be treated by the relevant Issuer and the Registrar as absolute owner of that STN and neither the relevant Issuer nor the Registrar are, except as ordered by a court or

as required by statute, obliged to take notice of any other claim to an STN. Neither the relevant Issuer nor the Registrar shall be required to obtain any proof of:

- (a) ownership of the relevant STN; or
- (b) the identity of the relevant Holder.

*Holder absolutely entitled*

- 2.6 Upon a person acquiring title to any STN by virtue of becoming registered as the owner of that STN, all rights and entitlements arising by virtue of the Deed Poll in respect of that STN vest absolutely in the registered owner of the STN, such that no person who has previously been registered as the owner of that STN has or is entitled to assert against the relevant Issuer or the Registrar or the registered owner of the STN for the time being and from time to time any rights, benefits or entitlements in respect of the STN.

*Location of Register*

- 2.7 The Register will be established and maintained in Sydney unless otherwise agreed between the relevant Issuer and Registrar.

*Certificates*

- 2.8 No certificate or other evidence of title will be issued by or on behalf of the relevant Issuer to evidence title to an STN unless the relevant Issuer determines that certificates should be made available or it is required to do so pursuant to any applicable law or regulation.

### **3 Transfers**

*Limit on transfer*

- 3.1 STNs may only be transferred in whole and may not be transferred in part.
- 3.2 Unless otherwise specified in any relevant STN Supplement, STNs may only be transferred within Australia if:
- (a) the consideration payable by the transferee at the time of transfer is at least A\$500,000 (or the equivalent in an Alternate Currency, and in either case, disregarding moneys lent by the transferor or its associates to the transferee) or the offer or invitation for the transfer otherwise does not require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act; and
  - (b) the transfer does not constitute an offer to a “retail client” for the purposes of section 761G of the Corporations Act.
- 3.3 STNs may only be transferred to or from Australia:
- (a) unless otherwise specified in any relevant STN Supplement, if the consideration payable by the transferee at the time of the transfer is at least A\$500,000 (or the equivalent in an Alternate Currency, and in either case, disregarding moneys lent by the transferor or its associates to the transferee) or the offer or invitation for the transfer otherwise does not require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act;
  - (b) the transfer does not constitute an offer to a “retail client” for the purposes of section 761G of the Corporations Act; and
  - (c) if the transfer is in compliance with the laws of all relevant jurisdictions.

- 3.4 STNs may only be transferred between persons in a jurisdiction or jurisdictions other than Australia if the transfer is in compliance with the laws of all relevant jurisdictions.

*Transfer procedures*

- 3.5 (a) Unless STNs are lodged in a Clearing System, application for the transfer of STNs must be made by the lodgement of a transfer form with the Registrar. If required, the relevant Issuer undertakes to make transfer forms available from either itself or the Registrar. Each form must be accompanied by such evidence as may be required to prove the title of the transferor or the transferor's right to transfer the STN and be signed by both the transferor and the transferee.
- (b) STNs entered in a Clearing System will be transferable only in accordance with the rules and regulations of that Clearing System.

*Registration of transfer*

- 3.6 The transferor of an STN remains the holder of that STN until the name of the transferee is entered in the Register in respect of that STN. Transfers will not be registered during the period from the Record Date until the Business Day after the relevant date for payment.

*No charge on transfer*

- 3.7 Transfers will be registered without charge provided taxes, duties or other governmental charges (if any) imposed in relation to the transfer have been paid.

*Estates*

- 3.8 A person becoming entitled to an STN as a consequence of the death or bankruptcy of a Holder or of a vesting order or a person administering the estate of a Holder may, upon producing such evidence as to that entitlement or status as the Issuer of that STN and Registrar consider sufficient, transfer the STN or, if so entitled, become registered as the Holder in respect of that STN.

*Unincorporated associations*

- 3.9 A transfer to an unincorporated association is not permitted.

*Transfer of unidentified STNs*

- 3.10 Where the transferor executes a transfer of less than all STNs registered in its name, and the specific STNs to be transferred are not identified, the Registrar may register the transfer in respect of such of the STNs registered in the name of the transferor as the Registrar thinks fit, provided the aggregate principal amount of the STNs registered as having been transferred equals the aggregate principal amount of the STNs expressed to be transferred in the transfer and the transfer is otherwise in accordance with these STN Terms and Conditions.

*Stamp duty*

- 3.11 (a) The relevant Issuer must bear any stamp duty payable on the issue and subscription of the STNs which it issues.
- (b) The Holder is responsible for any stamp duties or other similar taxes which are payable in any jurisdiction in connection with any transfer, assignment or any other dealing with the STNs.

*Austraclear as Registrar*

- 3.12 If Austraclear Services Limited (ABN 28 008 984 049) is the Registrar and the STNs are lodged in the Austraclear System, despite any other provision of these STN Terms and Conditions, the

STNs are not transferable on the Register, and the relevant Issuer may not, and must procure that the Registrar does not, register any transfer of the STNs issued by it and no member of the Austraclear System has the right to request any registration of any transfer of such STNs, except:

- (a) for any repurchase, redemption or cancellation (whether on or before the Maturity Date of the STNs) of such STNs, a transfer of the relevant STNs from Austraclear to the relevant Issuer may be entered in the Register; and
- (b) if Austraclear exercises any power it may have under the Austraclear Regulations or these STN Terms and Conditions to require the relevant STNs to be transferred on the Register to a member of the Austraclear System, the relevant STNs may be transferred on the Register from Austraclear to the member of the Austraclear System.

In any of these cases, the relevant STNs will cease to be held in the Austraclear System.

#### **4 Status and Guarantee**

##### *Ranking*

- 4.1 The STNs constitute direct, unsecured, unsubordinated and unconditional obligations of the relevant Issuer without any preference among themselves and rank *pari passu* with all other unsecured and unsubordinated obligations of the relevant Issuer (other than obligations which are preferred by bankruptcy, liquidation or other similar laws of general application).

##### *Guarantee*

- 4.2 STNs issued by an Issuer are issued with the benefit of the unconditional and irrevocable guarantee of the Guarantor constituted by the Guarantee. By the Guarantee, the Guarantor unconditionally and irrevocably guarantees to the Holders, among other things, the payment by the relevant Issuer of the face amount and other amounts due under the STNs.

The Guarantee constitutes a direct, unsecured and unconditional obligation of the Guarantor ranking *pari passu* with all other present or future unsecured and unsubordinated obligations of the Guarantor in respect of money borrowed, raised, guaranteed or otherwise secured by the Guarantor (other than obligations which are preferred by bankruptcy, liquidation or other similar laws of general application).

#### **5 Negative Pledge**

##### *Issuer*

- 5.1 The Issuer undertakes, as long as STNs are outstanding, but only to the time all amounts payable have been placed at the disposal of the Registrar, not to provide any security, by encumbering any of its own assets, for other bonds, notes, debentures or similar debt instruments or for guarantees or indemnities in respect thereof without at the same time having the Holders share equally and rateably in such security, unless such collateralisation is required by law or by an authority.

##### *Guarantor*

- 5.2 The Guarantor has undertaken in the Guarantee, as long as STNs are outstanding, but only up to the time all amounts payable have been placed at the disposal of the Registrar that it shall not provide any security, by encumbering any of its own assets, for other bonds, notes, debentures or similar debt instruments or for guarantees or indemnities in respect thereof without at the same time having the Holders share equally and rateably in such security, unless such collateralisation is required by law or by an authority.

## **6 Redemption and purchase**

### *Redemption on maturity*

- 6.1 Unless previously redeemed, or purchased and cancelled, each STN will be redeemed on its Maturity Date at its face amount.

### *Purchase of STNs*

- 6.2 The relevant Issuer may at any time after the initial distribution of the STNs purchase STNs in the open market or otherwise and at any price. All unmatured STNs purchased in accordance with this Condition 6.2 may be held, resold, reissued or cancelled at the discretion of the relevant Issuer, subject to compliance with all legal and regulatory requirements.

## **7 Payments**

### *Record Date*

- 7.1 Payments to Holders will be made according to the particulars recorded in the Register on the relevant Record Date.

### *Joint holders*

- 7.2 When an STN is held jointly, payment will be made to the holders in their joint names unless requested otherwise.

### *Method of payments*

- 7.3 Payments in respect of each STN issued by the relevant Issuer will be made:
- (a) where the STNs are in the Austraclear System, in accordance with the Austraclear Regulations; or
  - (b) if the relevant STNs are not in the Austraclear System, by crediting on the Payment Date the amount then due to an account previously notified by the Holder in respect of that STN to the relevant Issuer and the Registrar. If the Holder has not notified the relevant Issuer and the Registrar of such an account by close of business on the relevant Record Date or upon application by the Holder of the relevant STN to the relevant Issuer and the Registrar no later than close of business on the relevant Record Date, payments in respect of the relevant STN will be made by cheque, mailed on the Business Day immediately preceding the relevant Payment Date at the risk of the Holder (or to the first named of joint registered Holders) of such STN at the address appearing in the Register as at the Record Date. Cheques to be despatched to the nominated address of a Holder will in such cases be deemed to have been received by the Holder on the relevant Payment Date and no further amount will be payable by the relevant Issuer in respect of the relevant STN as a result of payment not being received by the Holder on the due date.

### *Business Days*

- 7.4 All payments in respect of an STN will be made in accordance with the Modified Following Business Day Convention unless specified otherwise in any relevant STN Supplement.

### *Taxation and fiscal Laws*

- 7.5 Payments in respect of the STNs are subject in all cases to applicable provisions of fiscal and other laws, regulations and directives. Unless this Condition 7.5 is specified in a relevant STN Supplement as not being applicable, all payments in respect of the STNs will be made without set-off or counterclaim and free and clear of, and without deduction of or withholding on account of any taxes, levies, duties, charges, deductions or withholding of any nature (together, "**Taxes**")

now or hereafter imposed, levied, collected, withheld or assessed in or on behalf of the Commonwealth of Australia or the Issuer's place of incorporation (if different) or any political subdivision thereof or any taxing authority therein having the power to tax unless such withholding or deduction is required by law. Subject to Condition 7.6 (*Additional Amounts*), nothing imposes any obligation or liability whatsoever on the relevant Issuer to reimburse, compensate or make any payment to a Holder for, or in respect of, such withholding or deduction.

*Additional Amounts*

- 7.6 In the event a Tax is levied and payable on a payment in respect of an STN by the Commonwealth of Australia or the Issuer's place of incorporation (if different) or any political subdivision thereof or any taxing authority therein having the power to tax, then the relevant Issuer will pay such additional amounts ("**Additional Amounts**") as may be necessary in order that the net amount received by the Holder after such withholding or deduction equals the respective amounts which would otherwise have been receivable in respect of the relevant STNs in the absence of such withholding or deduction, except that no Additional Amounts are payable in relation to any payments in respect of any STN:
- (a) to, or to a third party on behalf of, a Holder who is liable to such Taxes in respect of such STN by reason of the Holder having some connection with the Commonwealth of Australia or the Issuer's place of incorporation (if different) or any political subdivision thereof or any taxing authority therein having power to tax other than the mere holding of such STN or receipt of payment in respect of it. A Holder is not regarded as being connected with the Commonwealth of Australia for the reason that such a holder is a resident of the Commonwealth of Australia within the meaning of the Tax Act where, and to the extent that, such tax is payable by reason of section 128B(2A) of the Tax Act; or
  - (b) in respect of any Tax imposed on, or calculated having regard to, the net income of a Holder (or a person having an interest in an STN); or
  - (c) where the Tax is payable otherwise than by deduction or withholding at source from payments on the STNs or is payable by reason of the Holder having, or having had, some personal or business connection with the Federal Republic of Germany other than the mere fact of his holding the STNs or not merely by reason of the fact that payments in respect of the STNs or under the Guarantee are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in the Federal Republic of Germany; or
  - (d) to, or to a third party on behalf of, a Holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or similar cause for exemption to any tax authority in the place where payment under the STN is made; or
  - (e) presented for payment more than 30 days after the Relevant Date except to the extent that a Holder would have been entitled to Additional Amounts on presenting the same for payment on the last day of the period of 30 days assuming, whether or not such is in fact the case, that day to have been a Business Day; or
  - (f) to, or to a third party on behalf of, a Holder who is liable to the Taxes in respect of the STN by reason of the Holder being an *associate* of the relevant Issuer within the meaning of section 128F(9) of the Tax Act; or
  - (g) to, or to a third party on behalf of, an Australian resident Holder, if that person has not supplied an appropriate tax file number, an Australian Business Number or details of an applicable exemption from these requirements; or

- (h) where the Tax is payable by any person acting as custodian bank or collecting agent on behalf of a Holder or otherwise in any manner which does not constitute a deduction or withholding by the relevant Issuer from payments of principal or interest made by it; or
- (i) presented for payment or held by, or by a third party on behalf of, a person who is a resident of Australia or a non-resident who is engaged in carrying on business in Australia at or through a permanent establishment of that non-resident in Australia (the expressions "resident of Australia", "non-resident" and "permanent establishment" having the meanings given to them by the Australian Tax Act) if, and to the extent that, section 126 of the Australian Tax Act (or any equivalent provision) requires the Issuer to pay income tax in respect of interest payable on such STN and the income tax would not be payable were the person not a "resident of Australia" or "non-resident" so engaged in carrying on business;
- (j) to, or to a third party on behalf of, a Holder 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 Tax Act or section 260-5 of Schedule 1 to the Taxation Administration Act 1953 of Australia or any similar law; or
- (k) where the Tax is payable by reason of a change in law (or by reason of any application or official interpretation of any law or regulation) that becomes effective more than 30 days after the relevant payment becomes due, or, if this occurs later, is placed at the disposal of the Registrar and notice thereof is given in accordance with Condition 10; or
- (l) where the Tax is deducted or withheld pursuant to:
  - (i) any European Union directive or regulation concerning the taxation of interest income; or
  - (ii) any international treaty or understanding relating to such taxation and to which the Federal Republic of Germany or the European Union is a party; or
  - (iii) any provision of law implementing, or complying with, or introduced to conform with, such directive, regulation, treaty or understanding; or
- (m) in such other circumstances as may be specified in any relevant STN Supplement.

Notwithstanding any other provision of these STN Terms and Conditions, if the Issuer, or any other person through whom payments on the STNs are made, is required to withhold or deduct amounts under or in connection with, or in order to ensure compliance with FATCA, the Issuer shall be entitled to make such withholding or deduction and shall have no obligation to gross up any payment under these STN Terms and Conditions or to pay any Additional Amount or other amount for such withholding or deduction.

#### *Currency indemnity*

- 7.7 The relevant Issuer waives any right it has in any jurisdiction to pay an amount other than in the currency in which it is due. However, if a Holder receives an amount in a currency other than that in which it is due:
- (a) it may convert the amount received into the due currency (even though it may be necessary to convert through a third currency to do so) on the day and at such rates (including spot rate, same day value rate or value tomorrow rate) as it reasonably considers appropriate taking into account any costs of conversion; and
  - (b) the relevant Issuer satisfies its obligation to pay in the due currency only to the extent of the amount of the due currency obtained from the conversion after deducting the costs of the conversion.

## **8 Further issues**

The relevant Issuer may, from time to time, without the consent of any Holder, issue further STNs having the same terms and conditions as the STNs of any Series in all respects (or in all respects except for the first payment of interest, if any, on them and/or their denomination) so as to form a single Series with the STNs of that Series.

## **9 Time limit for claims**

A claim against the relevant Issuer for a payment under an STN is void unless such claim is made within ten years after the due date, or, if later, the date on which the payment is fully provided for by the relevant Issuer making payments to the Registrar in accordance with Condition 7.3 (*Method of payments*).

## **10 Notices**

*To the relevant Issuer, the Guarantor and the Registrar*

10.1 A notice or other communication in connection with an STN to the relevant Issuer, the Guarantor or the relevant Registrar (as the case may be) must be in writing and may be given by prepaid post or delivery to the address of the addressee or by facsimile to the facsimile number of the addressee specified:

- (a) in the Information Memorandum; or
- (b) as otherwise agreed between those parties from time to time and notified to the Holders.

*To Holders*

10.2 A notice or other communication in connection with an STN to the Holder must be in writing and may be given by:

- (a) an advertisement published in The Australian Financial Review or any other newspaper or newspapers circulating in Australia generally;
- (b) if an additional or alternate newspaper is specified in any relevant STN Supplement, that newspaper; or
- (c) prepaid post (airmail if posted to or from a place outside Australia) or delivery or by facsimile to the address or facsimile address, as the case may be, of each Holder or any relevant Holder as shown in the Register at the close of business three Business Days prior to the dispatch of the relevant notice or communication,

provided that in relation to STNs which are entered in the Austraclear System, notice to Holders will not be effective unless such notice has been given in accordance with Condition 10.2(c).

*Effective on receipt*

10.3 Unless a later time is specified in it, a notice, approval, consent or other communication takes effect from the time it is received, except that if it is received after 5:00pm in the place of receipt or on a non-business day in that place, it is to be taken to be received at 9:00am on the next succeeding business day in that place.

*Proof of receipt*

10.4 Subject to Condition 10.3 (*Effective on receipt*), proof of posting of a letter or of dispatch of a facsimile or of publication of a notice is proof of receipt:

- (a) in the case of a letter, on the third (or seventh, if outside Australia) day after posting;

- (b) in the case of a facsimile, on receipt by the sender of a successful transmission report (provided that the sender promptly confirms its dispatch of the facsimile by prepaid post (airmail if posted to or from a place outside Australia)), unless the recipient notifies the sender within one Business Day that the transmission was not received in its entirety or in a legible form; and
- (c) in the case of publication, on the date of such publication.

*Non-receipt of notice*

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

## 11 Substitution of an Issuer

*Substitution*

- 11.1 An Issuer may, on 30 days' notice to, but without the consent of, the Holders if no payment in connection with any of the relevant STNs is in default, at any time substitute, for itself as Issuer, a wholly-owned Subsidiary of the Guarantor (including, without limitation, a special purpose company) as principal debtor ("**Substituted Debtor**") in respect of all obligations arising from or in connection with one or more Series of STNs ("**Relevant STNs**"). The relevant Issuer may only do this if:

- (a) the Substituted Debtor assumes all obligations of the relevant Issuer under the Relevant STNs and the other Transaction Documents applicable to those STNs;
- (b) if the Substituted Debtor is not the Guarantor, the Guarantor unconditionally and irrevocably guarantees the obligations to be assumed by the Substituted Debtor on terms identical to those contained in the Guarantee;
- (c) the Substituted Debtor has obtained all necessary Authorisations (including from the authorities in the country where the Substituted Debtor is domiciled or resident);
- (d) the Substituted Debtor has, if necessary, appointed an agent for the service of process in New South Wales;
- (e) there have been delivered to the relevant Registrar opinions of lawyers of recognised standing in:
  - (i) New South Wales and the Commonwealth of Australia; and
  - (ii) the place of incorporation of the Substituted Debtor (if not the Commonwealth of Australia),

which are collectively to the effect that:

- (iii) the matters referred to in paragraphs (a), (b) and (c) above have been satisfied;
- (iv) the Substituted Debtor is validly existing;
- (v) the obligations assumed by the Substituted Debtor are valid and binding on it;
- (vi) the substitution is not in breach of any law or regulation or the constitution of the Substituted Debtor; and
- (vii) the choice of governing law and submission to jurisdiction are valid; and

- (f) the relevant STNs continue to have a credit rating from at least one internationally recognised rating agency at least equal to the relevant rating from that rating agency immediately prior to the substitution.

#### *Notice*

- 11.2 The Substituted Debtor must give notice of any substitution made under this Condition 11 to the relevant Holders in accordance with Condition 10 (*Notices*) and must provide the contact details of the Substituted Debtor for the purposes of receiving notices under Condition 10 (*Notices*).

#### *Effective Date*

- 11.3 A substitution under this Condition 11 takes effect on and from the date specified in the notice given under Condition 11.2 (*Notice*) ("**Effective Date**"), which must, in accordance with Condition 11.1 (*Substitution*) be a date not earlier than 30 days after the date on which the notice is given.

#### *Effect of substitution*

- 11.4 On, and with effect from, the Effective Date:
  - (a) the Substituted Debtor assumes all of the obligations of the relevant Issuer with respect to the Relevant STNs (whether accrued before or after the Effective Date); and
  - (b) any reference in the Conditions of the Relevant STNs to:
    - (i) the relevant Issuer shall from then on be deemed to refer to the Substituted Debtor; and
    - (ii) the country in which the relevant Issuer is domiciled or resident for taxation purposes shall from then on be deemed to refer to the country of domicile or residence for tax purposes of the Substituted Debtor.

## **12 Amendments**

#### *On a Series-by-Series basis*

- 12.1 These STN Terms and Conditions may be amended or supplemented to the extent to which they apply to a Series of STNs by the terms of such STN Supplements (if any) as may be applicable to that Series.

#### *To cure ambiguities*

- 12.2 These STN Terms and Conditions and any relevant STN Supplement may be amended by the relevant Issuer in so far as they apply to STNs issued by it after the date of amendment. The Agency and Registry Services Agreement may be amended by the parties to such document without the consent of any Holder for the purposes of curing any ambiguity, or correcting or supplementing any defective or inconsistent provisions therein provided that such amendment does not adversely affect the interests of the relevant Holders.

## **13 Registrar**

#### *Role of the Registrar*

- 13.1 In acting under the relevant Agency and Registry Services Agreement in connection with the STNs, the relevant Registrar acts solely as agent of the relevant Issuer and does not assume any obligations towards or relationship of agency or trust for or with any of the Holders save insofar as that any funds received by that Registrar in accordance with the relevant Agency and Registry Services Agreement shall, pending their application in accordance with that Agency

and Registry Services Agreement, be held by it in a segregated account which shall be held on trust for the persons entitled thereto.

#### *Change of Registrar*

- 13.2 The relevant Issuer reserves the right at any time to terminate the appointment of the relevant Registrar in accordance with the relevant Agency and Registry Services Agreement and to appoint a successor or additional registrars, provided, however, that the relevant Issuer must at all times maintain the appointment of a registrar with its specified office in Australia. Notice of any such termination of appointment will be given to the Holders in accordance with Condition 10 (*Notices*).

#### *Appointment of replacement Registrar*

- 13.3 If a then current Registrar ceases to be Registrar (whether as a result of termination under Condition 13.2 (*Change of Registrar*), resignation as a result of the STNs ceasing to be lodged in the Austraclear System or otherwise), the relevant Issuer must ensure that a replacement Registrar is appointed with effect from the relevant date.

### **14 No Benefit**

Nothing in these STN Terms and Conditions, express or implied, is intended or will be construed to confer upon, or to give or grant to, any person or entity (other than the relevant Issuer, the Guarantor, the relevant Registrar and the Holders) any right, remedy or claim under or by reason of these STN Terms and Conditions or any covenant, condition or stipulation set out in these STN Terms and Conditions, and all covenants, stipulations, promises and agreements in these STN Terms and Conditions contained by and on behalf of the Issuers shall be for the sole and exclusive benefit of the Issuers, the Guarantor, the relevant Registrar and the Holders.

### **15 Governing law, jurisdiction and service of process**

#### *Governing law*

- 15.1 The STNs are governed by the law in force in New South Wales.

#### *Jurisdiction*

- 15.2 Each Issuer irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of New South Wales and courts of appeal from them.

#### *Service of process*

- 15.3 Without preventing any other mode of service, any document in an action (including, without limitation any writ of summons or other originating process or any third or other party notice) may be served on:
- (a) the Initial Issuer by being delivered to or left for it at its address for service of notices specified in Condition 10 (*Notices*);
  - (b) any new issuer appointed under clause 5.1 (*New Issuer*) of the Deed Poll by being delivered to or left for it at its address for service of notices as specified in the relevant Issuer Accession Letter; and
  - (c) any Substituted Debtor by being delivered to or left for it at its address for service of notices as notified under Condition 11 (*Substitution of an Issuer*).

# MTN TERMS AND CONDITIONS

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Capitalised terms used in these terms and conditions have the meanings given in Condition 1 (Interpretation) below.

The following are the terms and conditions of the MTNs (“**MTN Terms and Conditions**”) which, as supplemented, modified or replaced in relation to any MTNs by the relevant Pricing Supplement, will be applicable to each Series of MTNs.

Set out below are the MTN Terms and Conditions contained in the Deed Poll, noting by way of footnotes, amendments which will be included in a Pricing Supplement for all MTNs issued from the date of this Information Memorandum.

Each Tranche will be the subject of a Pricing Supplement. References in these MTN Terms and Conditions to a Pricing Supplement are references to any Pricing Supplement applicable to the relevant Tranche of MTNs.

The MTNs (including those issued by a new issuer appointed pursuant to clause 5.1 (New Issuer) of the Deed Poll) will be issued with the benefit of the Guarantee. By the Guarantee, the Guarantor unconditionally and irrevocably guarantees to the Holders, among other things, the payment by each such new issuer of principal, interest and other amounts due under the MTNs issued by that new issuer.

Each Holder and any person claiming through or under a Holder is deemed to have notice of and is bound by these MTN Terms and Conditions, the Deed Poll, the Information Memorandum, any relevant Pricing Supplement and the Guarantee. Copies of each of these documents (to the extent they relate to a relevant Tranche of MTNs) are available for inspection by the holder of any MTN of such Tranche at the offices of the relevant Issuer and the Registrar at their respective addresses specified in the Information Memorandum.

## 1 Interpretation

### Definitions

1.1 The following words have these meanings in these MTN Terms and Conditions unless the contrary intention appears:

**Agency and Registry Services Agreement** means an agreement between an Issuer and a Registrar.

**Alternate Currency** means, in relation to any MTNs, a currency other than Australian dollars which is agreed with the Dealer purchasing the MTNs and (if applicable) specified in the Pricing Supplement relating to those MTNs, provided that each relevant Dealer has received evidence satisfactory to it that:

- (a) all necessary Authorisations have been obtained for the issue of MTNs in that currency; and
- (b) the issuance of such MTNs is not contrary to any applicable law.

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

- (a) the Issue Price; and
- (b) the product of the “**Amortisation Yield**” (as specified in the relevant Pricing Supplement) (compounded annually) being applied to the Issue Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which an MTN becomes due and repayable,

as further adjusted, if applicable, in the manner and at the times specified in the relevant Pricing Supplement.

Where such 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 shall be made on the basis of the Day Count Fraction.

**Applicable Business Day Convention** means the Business Day Convention specified in the relevant Pricing Supplement as applicable to any date in respect of an MTN or, if none is specified, the Applicable Business Day Convention for such purpose is the Modified Following Business Day Convention. Different Business Day Conventions may apply to, or be specified in relation to, the Interest Payment Dates and any other date or dates in respect of any MTNs.

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

**Austraclear Regulations** means the regulations known as the “Austraclear System Regulations” established by Austraclear (as amended or replaced from time to time) to govern the use of the Austraclear System.

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

**Authorisation** means:

- (a) any consent, authorisation, registration, filing, agreement, notarisation, certificate, permission, licence, approval, authority or exemption from, by or with a Government Agency; or
- (b) the expiry of the specified period during which a Government Agency by law may intervene or act, but does not do so, to prohibit or restrict in whole or part anything in respect of the issue of the MTNs in accordance with the Deed Poll and these MTN Terms and Conditions.

**Business Day** means:

- (a) a day (other than a Saturday, Sunday or public holiday) on which commercial banks are open for general banking business in the place specified in the relevant Pricing Supplement or, if no such place is specified, Sydney; and
- (b) if MTNs are to be issued or paid on such Business Day:
  - (i) a day on which commercial banks settle payments, in the case of Australian dollars, in Sydney and, in the case of any Alternate Currency, in the principal financial centre in the country of that Alternate Currency; and
  - (ii) a day on which each relevant Clearing System for those MTNs 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 Business Day Conventions, where specified in the relevant Pricing Supplement in relation to any date applicable to any MTN, have the following meanings:

- (a) **Floating Rate Convention** means that the date (which otherwise would have been the day that numerically corresponds to the preceding Payment Date or the Issue 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) such 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 relevant 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 the first preceding day that is a Business Day; and
- (d) **Preceding Business Day Convention** means that the date is brought forward to the first preceding day that is a Business Day.

If “adjusted” is specified in the applicable Pricing Supplement, interest in respect of the relevant Interest Period shall be calculated on the basis of the Interest Period as extended or shortened in accordance with the Applicable Business Day Convention.

If “unadjusted” is specified in the applicable Pricing Supplement, interest in respect of the relevant Interest Period shall be calculated on the basis of the Interest Period prior to its extension or shortening in accordance with the Applicable Business Day Convention.

**Calculation Agent** means, in respect of a Tranche of MTNs, such person as is specified as the Calculation Agent in the relevant Pricing Supplement. The Calculation Agent must be the same for all MTNs in a Series. Where no Calculation Agent is so appointed, the calculation of interest and principal payments in respect of MTNs will be made by the relevant Issuer.

**Clearing System** means:

- (a) the Austraclear System;
- (b) Euroclear Bank SA/NV;
- (c) Clearstream Banking S.A.; or
- (d) any other clearing system specified in the relevant Pricing Supplement.

**Condition** means the correspondingly numbered condition in these MTN Terms and Conditions.

**Day Count Fraction** means, in respect of the calculation of an amount for any period of time (“**Calculation Period**”), the day count fraction specified in the relevant Pricing Supplement and:

- (a) if **Actual/365** or **Actual/Actual** 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 the portion of the Calculation Period falling in a leap year divided by 366; and
  - (ii) the actual number of days in the portion of the Calculation Period falling in a non-leap year divided by 365;
- (b) if **Actual/360** is specified, means the actual number of days in the Calculation Period divided by 360;

- (c) if **Actual/365 (Fixed)** is so specified, the actual number of days in the Calculation Period divided by 365;
- (d) if **30E/360** or **Eurobond Basis** is 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 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of the final Calculation Period, the date of final maturity is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month); and
- (e) if **Australian Bond Basis** or **RBA Bond Basis** is specified, one divided by the number of Interest Payment Dates in each twelve month period (or where the Calculation Period does not constitute an Interest Period, 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 the 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)).<sup>2</sup>

**Deed Poll** means the deed poll (including these MTN Terms and Conditions which form schedule 2 to it) executed by the Initial Issuer in relation to the Programme and dated 24 January 2003.

**Denomination** means the denomination of an MTN as specified in the relevant Pricing Supplement.

**Early Termination Amount** means in relation to an MTN, the Outstanding Principal Amount or, if the MTN is non-interest bearing, the Amortised Face Amount or such other redemption amount as may be specified in, or determined in accordance with the provisions of, the relevant Pricing Supplement.

**Event of Default** means the happening of any event set out in Condition 8.1 (*Events of Default*).

**Extraordinary Resolution** has the same meaning as in the Meetings Provisions.

**FATCA** means:

- (a) sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986 or any associated regulations;
- (b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the U.S. and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or
- (c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (a) or (b) above with the U.S. Internal Revenue Service, the U.S. government or any governmental or taxation authority in any other jurisdiction.

**Government Agency** means any government or any governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity. It also includes a self-regulatory organisation established under statute or a stock exchange.

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<sup>2</sup> The definition of "Australian Bond Basis" as set out in the Deed Poll will be modified in the relevant Pricing Supplement to read as set out here for any Series of MTNs, the first Tranche of which is issued on or after 28 June 2013.

**Guarantee** means the guarantee executed by the Guarantor in relation to the Programme and dated on or about 24 January 2003.

**Guarantor** means Volkswagen Financial Services AG (a company incorporated under the laws of Germany) of Gifhorner Strasse 57, 38112 Braunschweig, acting in its capacity as guarantor under the Guarantee.

**Holder** means the holder of an MTN in definitive bearer form, a person whose name is for the time being entered in the Register as the holder of an MTN or, where the MTN is held jointly by two or more persons, the persons whose names appear in the Register as the joint holders of that MTN and (for the avoidance of doubt) when the MTN is entered into a Clearing System, includes the operator of that 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 Systems).

**I&P Agency Agreement (Offshore)** means any agreement between one or more Issuers and an I&P Agent (Offshore).

**I&P Agent (Offshore)** means a person appointed by one or more Issuers to perform issue and paying agency functions with respect to each Series or Tranche of MTNs initially lodged and held through or predominantly through such Clearing System outside Australia as is agreed from time to time by those Issuers and such person.

**Information Memorandum** means at any time, the latest information memorandum (and any supplement to it) prepared on behalf of, and approved in writing by one or more Issuers in connection with the issue of MTNs (or particular classes of MTNs), all documents incorporated by reference in it, and such other information (including the relevant Pricing Supplement) approved in writing by the relevant Issuer and the Guarantor from time to time.

**Initial Issuer** means Volkswagen Financial Services Australia Pty Limited (ABN 20 097 071 460) of Level 1, 24 Muir Road, Chullora NSW 2190.<sup>3</sup>

**Interest Commencement Date** means the Issue Date of an MTN unless such other date is specified in the relevant Pricing Supplement as the Interest Commencement Date.

**Interest Determination Date** has the meaning specified as such in the relevant Pricing Supplement.

**Interest Payment Date** means the date or dates specified as such in, or determined in accordance with the provisions of, the relevant Pricing Supplement and adjusted, if necessary, in accordance with the Applicable Business Day Convention.

**Interest Period** means each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date provided that 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 the rate or rates (expressed as a percentage per annum) or amount or amounts (expressed as a price per unit of relevant currency) of interest payable in respect of the MTNs specified in, or calculated or determined in accordance with the provisions of, the relevant Pricing Supplement.

**Issue Date** means, in respect of an MTN, the date specified in the relevant Pricing Supplement as the day on which any MTN is, or is to be, issued.

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<sup>3</sup> On 18 May 2006 the Initial Issuer changed its status to a proprietary company and changed its name from Volkswagen Financial Services Australia Limited to Volkswagen Financial Services Australia Pty Limited. The Initial Issuer's address as at the Preparation Date is Level 1, 24 Muir Road, Chullora NSW 2190 (rather than the previous address which is set out in the Deed Poll).

**Issue Price** means, in respect of an MTN, the issue price of such MTN specified in, or calculated or determined in accordance with the provisions of, the relevant Pricing Supplement.

**Issuer** means each of:

- (a) the Initial Issuer;
- (b) any new issuer appointed in accordance with clause 5.1 (New Issuer) of the Deed Poll and specified in any relevant Pricing Supplement; or
- (c) (in any case, in relation to a particular MTN, where the context so requires) a Substituted Debtor appointed in accordance with Condition 13 (Substitution of an Issuer),

and, in addition, a reference in these MTN Terms and Conditions to an Issuer or to the “**relevant Issuer**” of particular MTNs is a reference to the Issuer of those MTNs in its capacity as an Issuer of those MTNs only. **Issuers** means each of them together.

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

**Maturity Date** means the date specified in the relevant Pricing Supplement and recorded in the Register as the date for redemption of that MTN or, in the case of an amortising MTN, the date on which the last instalment of principal is payable, as adjusted by the Applicable Business Day Convention.

**Maturity Redemption Amount** means in relation to an MTN, the Outstanding Principal Amount or such other redemption amount as may be specified in, or calculated or determined in accordance with the provisions of, the relevant Pricing Supplement.

**Maximum Interest Rate** means the Maximum Interest Rate specified in, or calculated or determined in accordance with the provisions of, the relevant Pricing Supplement.

**Meetings Provisions** means the provisions for the convening of meetings of, and passing of resolutions by, Holders set out in schedule 3 (*Meetings Provisions for MTNs*) to the Deed Poll.

**Minimum Interest Rate** means the Minimum Interest Rate specified in, or calculated or determined in accordance with the provisions of, the relevant Pricing Supplement.

**MTN** means a medium term note being a debt obligation of an Issuer constituted by, and owing under, the Deed Poll to a Holder, the details of which are recorded in, and evidenced by, inscription in a Register.

**Outstanding** means, on any date in respect of the MTNs, all MTNs issued, less those MTNs:

- (a) which have been redeemed or satisfied in full by the relevant Issuer;
- (b) for the payment of which funds equal to their aggregate Outstanding Principal Amount are on deposit with the Registrar on terms which prohibit the return of the deposit or the use of the deposit for any purpose other than the payment of those MTNs or in respect of which the Registrar holds an irrevocable direction to apply funds in repayment of MTNs to be redeemed on that day; or
- (c) in respect of which a Holder is unable to make a claim as a result of the operation of Condition 11 (*Time limit for claims*).

**Outstanding Principal Amount** means in respect of any MTN which has not been repaid or redeemed in full at the relevant time, the Denomination of the MTN less the aggregate of any part of the principal amount of that MTNs that has been paid or otherwise satisfied by the relevant Issuer and for such purposes:

- (a) the premium of an MTN to be redeemed at a premium is to be taken to be added to the principal amount;
- (b) the principal amount of an MTN issued at a discount is to be taken as at any time to equal the lesser of:
  - (i) its Denomination; and
  - (ii) if specified in the relevant Pricing Supplement, its Amortised Face Amount at that time;
- (c) the principal amount of an MTN which is to vary by reference to a schedule or formula (where such determination has been previously made in accordance with these MTN Terms and Conditions) is to be taken as at any time to equal its varied amount;
- (d) the principal amount of a partly paid MTN is to be taken to equal its Outstanding Principal Amount;
- (e) if an MTN is repayable in instalments, the Outstanding Principal Amount at any time is to be taken to be Denomination of that MTN less the aggregate of each instalment repaid as at that time, to the extent that the instalment relates to a payment of principal; and
- (f) if an amount is required to be determined in Australian Dollars, the Australian Dollar equivalent of an MTN denominated in an Alternate Currency is to be determined on the basis of the spot rate of exchange for the sale of Australian Dollars against the purchase of the relevant Alternate Currency in the Sydney foreign exchange market quoted by any leading bank selected by the relevant Issuer on the relevant calculation date. The calculation date is, at the discretion of the relevant Issuer, the Issue Date or the date of the relevant Pricing Supplement for such MTNs (or, in either case, the preceding day on which commercial banks and foreign exchange markets are open for business in Sydney) or such other date as may be agreed between the relevant Issuer and the Registrar or I&P Agent (Offshore) (as appropriate).

**Payment Date** means, in respect of an MTN, an Interest Payment Date, the Maturity Date or other relevant payment date (including an early payment date).

**Pricing Supplement** means the document entitled "Pricing Supplement" prepared and issued in relation to each Tranche of MTNs and confirmed in writing by the relevant Issuer prior to the Issue Date of those MTNs.

**Programme** means the uncommitted revolving note issuance programme of the Issuers as described in the Information Memorandum.

**Record Date** means 5:00pm on the eighth calendar day before the relevant date for payment or such other date that may be specified in the relevant Pricing Supplement.

**Reference Banks** means the institutions specified as such in the relevant Pricing Supplement or, if none, four major banks selected by the Calculation Agent in the inter-bank market that is most closely connected with the Reference Rate.

**Reference Rate** means, in relation to an MTN, the rate so specified in the relevant Pricing Supplement.

**Register** means a register, including any branch register, of Holders established and maintained by, or on behalf of, the relevant Issuer in which is entered the names and addresses of Holders whose MTNs are carried on that register, the amount of MTNs held by each Holder and the date of issue and transfer of those MTNs, and any other particulars which the relevant Issuer sees fit.

**Registrar** means Austraclear Services Limited (ABN 28 003 284 419) or such other person appointed by an Issuer to establish and maintain the Register for MTNs on the relevant Issuer's behalf from time to time. For the avoidance of doubt, the Registrar may also provide issue and paying agency services with respect to each Series or Tranche of MTNs initially lodged and held through, or predominantly through, the Austraclear System.

**Relevant Date** means the date on which a payment in respect of the MTNs first becomes due, except that if the full amount payable has not been received by the Registrar on or before the due date, it means the date on which the full amount having been so received, notice to that effect is given to the Holders in accordance with Condition 12 (*Notices*).

**Relevant Financial Centre** means the city specified as such in the relevant Pricing Supplement or, if none, the city most closely connected with the Reference Rate in the determination of the Calculation Agent.

**Relevant Screen Page** has the meaning specified as such in the relevant Pricing Supplement.

**Series** means a Tranche or Tranches of MTNs issued by an Issuer and which have identical terms, except that:

- (a) the Issue Date, purchase price and the amount of the first payment of interest may be different in respect of different Tranches of a Series; and
- (b) a Series may comprise MTNs in more than one Denomination.

**Subsidiary** means, in relation to any company or corporation, a company or corporation:

- (a) which is controlled, directly or indirectly, by the first mentioned company or corporation;
- (b) more than half the issued share capital of which is beneficially owned, directly or indirectly, by the first mentioned company or corporation; or
- (c) which is a Subsidiary of another Subsidiary of the first mentioned company or corporation,

and for this purpose, a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and/or to control the composition of its board of directors or equivalent body.

**Tax Act** means the Income Tax Assessment Act 1936 of Australia and associated regulations and, where applicable, any replacement legislation including, but not limited to, the Income Tax Assessment Act 1997 of Australia.

**Taxes** is defined in Condition 9.5 (*Taxation and fiscal Laws*).

**Tranche** means MTNs which are issued by an Issuer on the same Issue Date and the terms of which are identical in all respects (except that a Tranche may comprise MTNs in more than one Denomination).

**Transaction Documents** means:

- (a) the Deed Poll (including any Issuer Accession Letter delivered in accordance with clause 5 (*New Issuer*) of the Deed Poll);
- (b) the Guarantee;
- (c) each Agency and Registry Services Agreement;
- (d) each I&P Agency Agreement (Offshore);

- (e) each MTN;
- (f) each Pricing Supplement; and
- (g) each Information Memorandum.

*Interpretation*

1.2 In these MTN Terms and Conditions unless the contrary intention appears:

- (a) a reference to these MTN Terms and Conditions is a reference to these MTN Terms and Conditions as modified, supplemented or replaced by the relevant Pricing Supplement;
- (b) a reference to “**Australian dollars**”, “**A\$**” or “**dollars**” is a reference to the lawful currency of the Commonwealth of Australia;
- (c) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (d) the singular includes the plural and vice versa;
- (e) the word “**person**” includes a firm, body corporate, an unincorporated association or an authority;
- (f) a reference to a person includes a reference to the person’s executors, administrators, successors, substitutes (including, without limitation, persons taking by novation) and assigns;
- (g) an agreement, representation or warranty in favour of two or more persons is for the benefit of them jointly and severally;
- (h) a reference to any thing (including, without limitation, any amount) is a reference to the whole and each part of it and a reference to a group of persons is a reference to all of them collectively and to each of them individually;
- (i) a reference to a deed poll, deed, agreement or another instrument includes any variation or replacement of it; and
- (j) a reference to a time of day is a reference to that time in Sydney.

*Headings*

1.3 Headings are inserted for convenience and do not affect the interpretation of these MTN Terms and Conditions.

**2 Form, denomination and title**

*Form of MTNs*

2.1 The MTNs are registered debt obligations of the relevant Issuer constituted by and owing under the Deed Poll and take the form of entries in the Register. Each entry in the Register constitutes a separate and individual acknowledgment to the relevant Holder of the indebtedness of the relevant Issuer to that Holder.

*Independent obligations*

- 2.2 The obligations of the relevant Issuer in respect of MTNs issued by it constitute separate and independent obligations which the Holder to whom those obligations are owed is entitled to enforce without having to join any other Holder or any predecessor in title of a Holder.

*Currency*

- 2.3 MTNs will be denominated in Australian dollars or an Alternate Currency specified in the relevant Pricing Supplement.

*Denomination and issue restrictions*

- 2.4 MTNs are issued in the denomination specified in the relevant Pricing Supplement and, may only be issued if:
- (a) where the offer or invitation is made in, or into, Australia, unless otherwise specified in any relevant Pricing Supplement, the aggregate consideration payable to the relevant Issuer by the relevant Holder is at least A\$500,000 (or the equivalent in an Alternate Currency, and in either case, disregarding moneys lent by the relevant Issuer or its associates to the Holder) or, the offer or invitation for the issue of the MTNs otherwise does not require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act;
  - (b) where the offer or invitation is made in, or into, Australia, the offer or invitation does not constitute an offer to a “retail client” for the purposes of section 761G of the Corporations Act;
  - (c) the MTNs comply with all other applicable laws; and
  - (d) unless otherwise specified in any relevant Pricing Supplement they have a tenor of not less than 365 days.

*Register conclusive*

- 2.5 Entries in the Register in relation to an MTN constitute conclusive evidence that the person so entered is the registered owner of that MTN subject to rectification for fraud or error. No MTN will be registered in the name of more than four persons. An MTN registered in the name of more than one person is held by those persons as joint tenants. MTNs will be registered by name only without reference to any trusteeship. The person(s) registered in the Register as a Holder of an MTN will be treated by the relevant Issuer and the Registrar as absolute owner of that MTN and neither the relevant Issuer nor the Registrar are, except as ordered by a court or as required by statute, obliged to take notice of any other claim to an MTN. Neither the relevant Issuer nor the Registrar shall be required to obtain any proof of:
- (a) ownership of the relevant MTN; or
  - (b) the identity of the relevant Holder.

*Holder absolutely entitled*

- 2.6 Upon a person acquiring title to any MTN by virtue of becoming registered as the owner of that MTN, all rights and entitlements arising by virtue of the Deed Poll in respect of that MTN vest absolutely in the registered owner of the MTN, such that no person who has previously been registered as the owner of that MTN has or is entitled to assert against the relevant Issuer or the Registrar or the registered owner of the MTN for the time being and from time to time any rights, benefits or entitlements in respect of the MTN.

### *Location of Register*

- 2.7 The Register will be established and maintained in Sydney unless otherwise agreed between the relevant Issuer and Registrar.

### *Certificates*

- 2.8 No certificate or other evidence of title will be issued by or on behalf of the relevant Issuer to evidence title to an MTN unless the relevant Issuer determines that certificates should be made available or it is required to do so pursuant to any applicable law or regulation.

## **3 Transfers**

### *Limit on transfer*

- 3.1 MTNs may only be transferred in whole and may not be transferred in part.
- 3.2 Unless otherwise specified in the relevant Pricing Supplement, MTNs may only be transferred within Australia if:
- (a) the consideration payable by the transferee at the time of transfer is at least A\$500,000 (or the equivalent in an Alternate Currency, and in either case, disregarding moneys lent by the transferor or its associates to the transferee) or the offer or invitation for the transfer otherwise does not require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act; and
  - (b) the transfer does not constitute an offer to a “retail client” for the purposes of section 761G of the Corporations Act.
- 3.3 MTNs may only be transferred to or from Australia:
- (a) unless otherwise specified in the relevant Pricing Supplement, if the consideration payable by the transferee at the time of the transfer is at least A\$500,000 (or the equivalent in an Alternate Currency, and in either case, disregarding moneys lent by the transferor or its associates to the transferee) or the offer or invitation for the transfer otherwise does not require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act;
  - (b) the transfer does not constitute an offer to a “retail client” for the purposes of section 761G of the Corporations Act; and
  - (c) if the transfer is in compliance with the laws of all relevant jurisdictions.
- 3.4 MTNs may only be transferred between persons in a jurisdiction or jurisdictions other than Australia if the transfer is in compliance with the laws of all relevant jurisdictions.

### *Transfer procedures*

- 3.5 (a) Unless MTNs are lodged in a Clearing System, application for the transfer of MTNs must be made by the lodgement of a transfer form with the Registrar. If required, the relevant Issuer undertakes to make transfer forms available from either itself or the Registrar. Each form must be accompanied by such evidence as may be required to prove the title of the transferor or the transferor’s right to transfer the MTN and be signed by both the transferor and the transferee.
- (b) MTNs entered in a Clearing System will be transferable only in accordance with the rules and regulations of that Clearing System.

#### *Registration of transfer*

- 3.6 The transferor of an MTN remains the holder of that MTN until the name of the transferee is entered in the Register in respect of that MTN. Transfers will not be registered during the period from the Record Date until the Business Day after the relevant date for payment.

#### *No charge on transfer*

- 3.7 Transfers will be registered without charge provided taxes, duties or other governmental charges (if any) imposed in relation to the transfer have been paid.

#### *Estates*

- 3.8 A person becoming entitled to an MTN as a consequence of the death or bankruptcy of a Holder or of a vesting order or a person administering the estate of a Holder may, upon producing such evidence as to that entitlement or status as the Issuer of that MTN and the Registrar consider sufficient, transfer the MTN or, if so entitled, become registered as the Holder in respect of that MTN.

#### *Unincorporated associations*

- 3.9 A transfer to an unincorporated association is not permitted.

#### *Transfer of unidentified MTNs*

- 3.10 Where the transferor executes a transfer of less than all MTNs registered in its name, and the specific MTNs to be transferred are not identified, the Registrar may register the transfer in respect of such of the MTNs registered in the name of the transferor as the Registrar thinks fit, provided the aggregate principal amount of the MTNs registered as having been transferred equals the aggregate principal amount of the MTNs expressed to be transferred in the transfer and the transfer is otherwise in accordance with these MTN Terms and Conditions.

#### *Stamp duty*

- 3.11 (a) The relevant Issuer must bear any stamp duty payable on the issue and subscription of the MTNs which it issues.
- (b) The Holder is responsible for any stamp duties or other similar taxes which are payable in any jurisdiction in connection with any transfer, assignment or any other dealing with the MTNs.

#### *Austraclear as Registrar*

- 3.12 If Austraclear Services Limited (ABN 28 008 984 049) is the Registrar and the MTNs are lodged in the Austraclear System, despite any other provision of these MTN Terms and Conditions, the MTNs are not transferable on the Register, and the relevant Issuer may not, and must procure that the Registrar does not, register any transfer of the MTNs issued by it and no member of the Austraclear System has the right to request any registration of any transfer of such MTNs, except:
- (a) for any repurchase, redemption or cancellation (whether on or before the Maturity Date of the MTNs) of such MTNs, a transfer of the relevant MTNs from Austraclear to the relevant Issuer may be entered in the Register; and
- (b) if Austraclear exercises any power it may have under the Austraclear Regulations or these MTN Terms and Conditions, to require the relevant MTNs to be transferred on the Register to a member of the Austraclear System, the relevant MTNs may be transferred on the Register from Austraclear to the member of the Austraclear System.

In any of these cases, the relevant MTNs will cease to be held in the Austraclear System.

## 4 Status and Guarantee

### *Ranking*

- 4.1 The MTNs constitute direct, unsecured, unsubordinated and unconditional obligations of the relevant Issuer without any preference among themselves and rank *pari passu* with all other unsecured and unsubordinated obligations of the relevant Issuer (other than obligations which are preferred by bankruptcy, liquidation or other similar laws of general application).

### *Guarantee*

- 4.2 MTNs issued by an Issuer are issued with the benefit of the unconditional and irrevocable guarantee of the Guarantor constituted by the Guarantee. By the Guarantee, the Guarantor unconditionally and irrevocably guarantees to the Holders, among other things, the payment by the relevant Issuer of principal, interest and other amounts due under the MTNs.

The Guarantee constitutes a direct, unsecured and unconditional obligation of the Guarantor ranking *pari passu* with all other present or future unsecured and unsubordinated obligations of the Guarantor in respect of money borrowed, raised, guaranteed or otherwise secured by the Guarantor (other than obligations which are preferred by bankruptcy, liquidation or other similar laws of general application).

## 5 Negative Pledge

### *Issuer*

- 5.1 The Issuer undertakes, as long as MTNs are outstanding, but only to the time all amounts payable have been placed at the disposal of the Registrar or I&P Agent (Offshore), not to provide any security, by encumbering any of its own assets, for other bonds, notes, debentures or similar debt instruments or for guarantees or indemnities in respect thereof without at the same time having the Holders share equally and rateably in such security, unless such collateralisation is required by law or by an authority.

### *Guarantor*

- 5.2 The Guarantor has undertaken in the Guarantee, as long as MTNs are outstanding, but only up to the time all amounts payable have been placed at the disposal of the Registrar or I&P Agent (Offshore) that it shall not provide any security, by encumbering any of its own assets, for other bonds, notes, debentures or similar debt instruments or for guarantees or indemnities in respect thereof without at the same time having the Holders share equally and rateably in such security, unless such collateralisation is required by law or by an authority.

## 6 Interest

### *General*

- 6.1 MTNs may be either interest-bearing or non interest-bearing, as specified in the relevant Pricing Supplement. Interest-bearing MTNs may bear interest at either a fixed rate or a floating rate. In relation to any Tranche of MTNs, the relevant Pricing Supplement may specify actual amounts of interest payable ("**Interest Amounts**") rather than, or in addition to, a rate or rates at which interest accrues.

The relevant Pricing Supplement in relation to each Tranche of interest-bearing MTNs will specify which of Conditions 6.2 (*Interest - fixed rate*), 6.3 (*Interest - floating rate*) and 6.4 (*Interest - other rates*) will be applicable to the MTNs. Condition 6.5 (*Interest - supplemental provisions*) will be applicable to each Tranche of interest bearing MTNs save to the extent of any inconsistency with the relevant Pricing Supplement.

*Interest - fixed rate*

- 6.2 Each MTN in relation to which this Condition 6.2 is specified in the relevant Pricing Supplement as being applicable (“**Fixed Rate MTNs**”) will bear interest on its Outstanding Principal Amount at the fixed coupon rate or the fixed rate or rates per annum specified in the relevant Pricing Supplement from the Issue Date of the MTNs. Interest will be payable in arrears on the Interest Payment Dates specified in the relevant Pricing Supplement.

Interest which is required to be calculated for a period of other than a full year will be calculated on such basis as is specified as the Day Count Fraction in the relevant Pricing Supplement.

If any Interest Payment Date in respect of a Fixed Rate MTN would otherwise fall on a day which is not a Business Day, such Interest Payment Date shall be determined in accordance with the Business Day Convention specified in the relevant Pricing Supplement.

The first payment of interest will be made on the Interest Payment Date next following the Interest Commencement Date and, if the first Interest Period is shorter than subsequent Interest Periods, will amount to the Initial Broken Amount (as specified in the relevant Pricing Supplement).

If the Maturity Date is not an Interest Payment Date, interest from (and including) the preceding Interest Payment Date (or the Interest Commencement Date, as the case may be) to (but excluding) the Maturity Date will be payable on the Maturity Date and will amount to the Final Broken Amount (as specified in the relevant Pricing Supplement).

*Interest - floating rate*

- 6.3 (a) *Accrual of interest*

MTNs in relation to which this Condition 6.3 is specified in the relevant Pricing Supplement as being applicable (“**Floating Rate MTNs**”) will bear interest in respect of each Interest Period at the rate or rates per annum determined in accordance with this Condition 6.3.

Each Floating Rate MTN will bear interest on its Outstanding Principal Amount at the Interest Rate (as defined in sub-paragraph (b) below) from the Interest Commencement Date. Interest will be payable in arrears on each Interest Payment Date. If any Interest Payment Date in respect of a Floating Rate MTN would otherwise fall on a day which is not a Business Day, such Interest Payment Date shall be determined in accordance with the Business Day Convention specified in the relevant Pricing Supplement.

- (b) *Interest Rate*

The Interest Rate payable in respect of Floating Rate MTNs shall be determined by the Calculation Agent on the basis of sub-paragraph (i), (ii) or (iii) below, as specified in the relevant Pricing Supplement.

- (i) *ISDA Determination for Floating Rate MTNs*

Where “ISDA Determination” is specified in the relevant Pricing Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate for each Interest Period is the relevant ISDA Rate (as defined below) plus or minus (as indicated in the relevant Pricing Supplement) the Margin specified in the relevant Pricing Supplement.

For the purposes of this sub-paragraph (i), “**ISDA Rate**” for an Interest Period means a rate equal to the floating rate that would be determined by the Calculation Agent for the MTNs under an interest rate swap transaction if the Calculation Agent for the MTNs were acting as Calculation Agent for that swap

transaction under the terms of an agreement incorporating the ISDA Definitions (as defined below) and under which:

- (A) the Floating Rate Option is as specified in the relevant Pricing Supplement;
- (B) the Designated Maturity is a period specified in the relevant Pricing Supplement;
- (C) unless otherwise stated in the applicable Pricing Supplement, the relevant Reset Date shall be the first day of each Interest Period; and
- (D) 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.

For the purposes of this sub-paragraph (i), “**Calculation Agent**” (except references to “**Calculation Agent for the MTNs**”), “**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 2000 ISDA Definitions as at the Issue Date of the first Tranche of the MTNs, published by the International Swaps and Derivatives Association, Inc. (“**ISDA Definitions**”).

(ii) *Screen Rate Determination for Floating Rate MTNs*

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

- (A) the offered quotation; or
- (B) the arithmetic mean (rounded in accordance with Condition 6.3(b)(vi)) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (Sydney time) or such other time as is specified in the relevant Pricing Supplement (“**Relevant Time**”) on the Interest Determination Date in question plus or minus (as indicated in the relevant Pricing Supplement) the Margin (if any), all as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purposes of determining the arithmetic mean (rounded as provided above) of such offered quotations.

- (aa) If sub-paragraph (A) applies and no offered quotation appears on the Relevant Screen Page at the Relevant Time on the Interest Determination Date or if sub-paragraph (B) applies and fewer than two offered quotations appear on the Relevant Screen Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Interest Rate is the arithmetic mean of the Reference Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date, as determined by the Calculation Agent;
- (bb) If sub-paragraph (aa) above applies and the Calculation Agent determines that fewer than two Reference Banks are making offered

quotations for the Reference Rate in respect of the relevant currency, subject as provided below, the Interest Rate is the arithmetic mean of the rates per annum (expressed as a percentage) that the Calculation Agent determines to be the rates (being the nearest equivalent to the Reference Rate) in respect of deposits of approximately A\$1,000,000 (or the approximate equivalent in the relevant Alternate Currency) that at least two out of five leading banks selected by the Calculation Agent in the Relevant Financial Centre are quoting at or about the Relevant Time on the date on which such banks would customarily quote such rates for a period commencing on the first day of the Interest Period to which the relevant Interest Determination Date relates for a period equivalent to the relevant Interest Period to leading banks carrying on business in the Relevant Financial Centre.

For the purposes of this paragraph (ii), “**Relevant Screen Page**” and “**Interest Determination Date**” have the meanings given to those terms in the ISDA Definitions.

(iii) *BBSW Determination for Floating Rate MTNs*

If BBSW 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 MTNs for each Interest Period is the BBSW Rate plus or minus (as indicated in the relevant Pricing Supplement) the Margin (if any), all as determined by the Calculation Agent.

In this Condition, “**BBSW Rate**” means, for an Interest Period, the rate for prime bank eligible securities having a tenor closest to the Interest Period which is designated as the “AVG MID” on the Reuters Screen BBSW Page (or any designation which replaces that designation on that page, or any replacement page) at approximately 10.30am (or such other time at which such rate customarily appears on that page) on the first day of that Interest Period (being the “**Publication Time**”).

However, if such rate does not appear on the Reuters Screen BBSW Page (or any replacement page) by 10.45am on that day (or such other time that is 15 minutes after the then prevailing Publication Time), or if it does appear but the Calculation Agent determines that there is an obvious error in that rate, “**BBSW Rate**” means such other substitute or successor rate that an alternate financial institution appointed by the Calculation Agent (upon written direction of the Issuer) determines, in its sole direction, is most comparable to the BBSW Rate and is consistent with industry-accepted practices, which rate is notified in writing to the Calculation Agent (with a copy to the Issuer) by such alternate financial institution. The rate determined by such alternate financial institution and notified in writing to the Calculation Agent (with a copy to the Issuer) will be expressed as a percentage rate per annum and will be rounded up, if necessary, to the next higher one ten-thousandth of a percentage point (0.0001 per cent.).

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

If the relevant Pricing Supplement specifies a “**Minimum Interest Rate**” for any Interest Period then, in the event that the Interest Rate in respect of such Interest Period determined in accordance with the other provisions of this Condition 6.3(b) is less than such Minimum Interest Rate, the Interest Rate for such Interest Period shall be such Minimum Interest Rate.

If the relevant Pricing Supplement specifies a “**Maximum Interest Rate**” for any Interest Period then, in the event that the Interest Rate in respect of such Interest Period determined in accordance with the other provisions of this

Condition 6.3(b) is greater than such Maximum Interest Rate, the Interest Rate for such Interest Period shall be such Maximum Interest Rate.

(v) *Fallback Interest Rate*

Unless otherwise specified in the relevant Pricing Supplement, if, during the Interest Period, the Calculation Agent is unable to determine a rate (or, as the case may be, the arithmetic mean of rates) in accordance with the above provisions, the Interest Rate applicable to the MTNs during that Interest Period will be the Interest Rate applicable to the MTNs during the immediately preceding Interest Period (with adjustment for any change in the Margin, Maximum Interest Rate or Minimum Interest Rate).

(vi) *Rounding*

For the purposes of any calculations required pursuant to these MTN Terms and Conditions (unless otherwise specified):

- (A) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up);
- (B) all figures shall be rounded to five significant figures (with halves being rounded up); and
- (C) all amounts that fall due and payable shall be rounded to the nearest cent (with halves being rounded up).

(c) *Calculation of interest amount payable*

The Calculation Agent will, as soon as practicable on or after determining the Interest Rate in relation to each Interest Period, calculate the amount of interest payable for the relevant Interest Period in respect of the Outstanding Principal Amount of each MTN. The amount of interest payable will be calculated by multiplying the product of the Interest Rate for such Interest Period and the Outstanding Principal Amount by the applicable Day Count Fraction and rounding the resultant figure to the nearest cent (with halves being rounded upwards).

*Interest - other rates*

- 6.4 MTNs in relation to which this Condition 6.4 is specified in the relevant Pricing Supplement as being applicable will bear interest at the rate or rates calculated on the basis specified in, and be payable in the amounts and in the manner determined in accordance with, the relevant Pricing Supplement.

*Interest - supplemental provisions*

6.5 (a) *Interest Payment Dates*

Interest on each MTN will be payable in arrears at such intervals and on such Interest Payment Dates as are specified in the relevant Pricing Supplement and on the Maturity Date.

(b) *Notification of Interest Rate, interest payable and other items*

The Calculation Agent will cause each Interest Rate, the amount of interest payable and each other amount, item or date, as the case may be, determined or calculated by it, to be notified to the relevant Issuer, the Registrar and the I&P Agent (Offshore) (if relevant) and to Holders in accordance with Condition 12 (*Notices*) as soon as practicable after such determination or calculation but in any event not later than the

fourth day (other than a Saturday or Sunday) on which commercial banks are open for business in the Relevant Financial Centre thereafter. The Calculation Agent will be entitled to amend any such amount, item or date (or to make appropriate alternative arrangements by way of adjustment) without prior notice in the event of the extension or abbreviation of any relevant Interest Period or calculation period and such amendment will be notified in accordance with the previous sentence.

(c) *Determination final*

The determination by the Calculation Agent of all amounts, rates and dates falling to be determined by it pursuant to these MTN Terms and Conditions (including, without limitation, the Interest Rate for any Interest Period and the amount of interest payable for any Interest Period in respect of any MTN) is, in the absence of manifest error, final and binding on the relevant Issuer each relevant Holder, the Registrar, the I&P Agent (Offshore) (if relevant) and the Calculation Agent.

(d) *Accrual of interest*

Interest accrues on the Outstanding Principal Amount of each MTN or as otherwise indicated in the relevant Pricing Supplement. Interest ceases to accrue as from the due date for redemption of an MTN unless the relevant payment is not made in which case interest will continue to accrue thereon (as well after as before any demand or judgment) at the rate then applicable to the Outstanding Principal Amount of the MTN or such other default rate (if any) as may be specified in the relevant Pricing Supplement until the date on which the relevant payment is made or, if earlier, the seventh day after the date on which the Registrar and the I&P Agent (Offshore) (if relevant), receives the funds required to make such payment (provided that notice of such circumstance is given to the Holders in accordance with Condition 12 (*Notices*)) except to the extent that there is failure in the subsequent payment thereof to the relevant Holder.

*Zero Coupon MTNs*

- 6.6 If the amount due and payable in respect of a non-interest bearing MTN ("**Zero Coupon MTN**") on the redemption date is not paid when due, the Interest Rate for any such overdue principal is a rate per annum (expressed as a percentage) based on the default rate specified in the relevant Pricing Supplement and if no default rate is specified, the Amortisation Yield specified in the relevant Pricing Supplement.

**7 Redemption and purchase**

*Redemption on maturity*

- 7.1 Unless previously redeemed, or purchased and cancelled or unless such MTN is stated in the relevant Pricing Supplement as having no fixed maturity date, each MTN will be redeemed or repaid (as the case may be) on its Maturity Date at its Maturity Redemption Amount.

*Purchase of MTNs*

- 7.2 The relevant Issuer may at any time after the initial distribution of the MTNs purchase MTNs in the open market or otherwise and at any price. All unmatured MTNs purchased in accordance with this Condition 7.2 may be held, resold, reissued or cancelled at the discretion of the relevant Issuer, subject to compliance with all legal and regulatory requirements.

*Redemption for taxation reasons*

- 7.3 If the relevant Issuer on the occasion of the next payment due in respect of the MTNs, would be required to make any withholding or deduction referred to in Condition 9.5 (*Taxation and fiscal laws*), or if the Guarantor would be required to make any withholding or deduction referred to in the Guarantee if it were required to make payment under the Guarantee (whether or not it

is in fact required to make such payment), then the relevant Issuer may give not more than 60 nor less than 15 days' notice to the Registrar, the I&P Agent (Offshore) (if relevant) and the relevant Holders in accordance with Condition 12 (*Notices*), and upon expiry of such notice shall redeem all (but not some only) of the MTNs at their Early Termination Amount with accrued interest (if any) applicable to each MTN accrued to the due date for redemption.

Prior to publication of any such notice of redemption, the relevant Issuer shall deliver to the Registrar a certificate signed by an authorised person of the Issuer showing that the conditions precedent to the right of the Issuer so to redeem have occurred and an opinion of legal advisers of recognised standing to the relevant Issuer in its jurisdiction of incorporation to the effect that the relevant Issuer would be required to make any such withholding or deduction.

Such notice shall be given promptly upon the occurrence of any of the above events.

Any notice given under this Condition 7.3 is irrevocable and obliges the relevant Issuer to redeem the MTNs at the time and in the manner specified in the notice.

*Early redemption at the option of an Issuer*

- 7.4 If this Condition 7.4 is specified in the relevant Pricing Supplement as being applicable then the relevant Issuer having given at least the minimum period (if any) (but not more than the maximum period (if any)) of notice specified in the relevant Pricing Supplement to the relevant Holders in accordance with Condition 12 (*Notices*) (which notice must comply with the following paragraph and shall be irrevocable) and subject to satisfaction of any relevant conditions specified in the relevant Pricing Supplement, may redeem all (but not, unless and to the extent that the relevant Pricing Supplement specifies otherwise, some only) of the MTNs on any Business Day (being, in the case of interest bearing MTNs (unless otherwise specified in the relevant Pricing Supplement), an Interest Payment Date) at their early redemption amount applicable for calls by the relevant Issuer ("**Early Redemption Amount (Call)**") (which is their Outstanding Principal Amount or such other Early Redemption Amount (Call) as is specified in, or determined in accordance with, the relevant Pricing Supplement) together with (unless otherwise specified in the relevant Pricing Supplement) accrued interest (if any) thereon.

The notice referred to in the preceding paragraph shall specify:

- (a) the Series of MTNs subject to redemption;
- (b) subject to the relevant Pricing Supplement specifying that a partial redemption is permissible, whether such Series is to be redeemed in whole or in part only and, if in part only, the aggregate principal amount of the MTNs of the relevant Series which are to be redeemed;
- (c) the due date for redemption;
- (d) the Early Redemption Amount (Call) at which such MTNs are to be redeemed; and
- (e) whether or not accrued interest is to be paid upon redemption and, if so, the amount thereof or the basis or method of calculation thereof, all as provided in the relevant Pricing Supplement.

In the case of a partial redemption of MTNs, the MTNs to be redeemed will be selected by the Registrar, and notice of the MTNs selected for redemption will be given in accordance with Condition 12 (*Notices*) not less than 15 days prior to the date fixed for redemption.

Any notice given under this Condition 7.4 is irrevocable and obliges the relevant Issuer to redeem the MTNs at the time and in the manner specified in the notice.

### *Early redemption at the option of the relevant Holders*

- 7.5 If this Condition 7.5 is specified in the relevant Pricing Supplement as being applicable and provided the relevant Holders have given at least the minimum period (if any) (but not more than the maximum period (if any)) of notice specified in the relevant Pricing Supplement to the relevant Issuer (as the case may be) in accordance with Condition 12 (*Notices*) (which notice must be in the form of the redemption notice mentioned in the paragraph below and shall be irrevocable), then, subject to satisfaction of any relevant conditions specified in the relevant Pricing Supplement, at the option of the Holder, the relevant Issuer will redeem the relevant MTN(s) on any Business Day (being, in the case of interest bearing MTNs (unless otherwise specified in the relevant Pricing Supplement) an Interest Payment Date) at their early redemption amount applicable for puts ("**Early Redemption Amount (Put)**") (which is its Outstanding Principal Amount or such other Early Redemption Amount (Put) as is specified in, or determined in accordance with, the relevant Pricing Supplement) together with (unless otherwise specified in the relevant Pricing Supplement) accrued interest (if any) thereon.

To exercise such option, the Holder must complete, sign and deliver to the specified offices of each of the relevant Issuer and the Registrar not less than 45 days before the redemption date (or, if a minimum period of notice is specified in the relevant Pricing Supplement, such minimum period of notice), a redemption notice (in the form obtainable from the Registrar) together with such evidence as the Registrar may require to establish the rights of that Holder to the relevant MTNs.

## **8 Events of Default**

### *Events of Default*

- 8.1 Each of the following is an Event of Default in respect of a Series of MTNs:
- (a) any amount due under the MTNs has not been paid within 8 days from the relevant due date; or
  - (b) failure on the part of the relevant Issuer duly to observe or perform any obligations under the MTN Terms and Conditions for a period of 30 days after the date on which written notice by any Holder of such MTNs of such failure, requiring that Issuer to remedy the same, had been sent to that Issuer; or
  - (c) the Guarantor breaches any obligations under the Guarantee for a period of 30 days after the date on which written notice by any Holder of such MTNs of such failure, requiring the Guarantor to remedy the same, had been sent to the relevant Issuer or the Guarantor; or
  - (d) the relevant Issuer or the Guarantor announces its inability to meet its financial obligations; or
  - (e) a court opens bankruptcy or other insolvency proceedings against the relevant Issuer or the Guarantor or such proceedings are instituted and have not been discharged or stayed within 30 days or the relevant Issuer or the Guarantor applies for or institutes such proceedings or offers or makes an arrangement for the benefit of its creditors generally or, in the case of the Issuer, an administrator is appointed to the Issuer under the Corporations Act 2001 of Australia; or
  - (f) the relevant Issuer or the Guarantor goes into liquidation unless this is done in connection with a merger, consolidation or other form of combination with another company and such other or new company assumes all obligations contracted by the relevant Issuer or the Guarantor, as the case may be, in connection with the issue of the MTNs; or
  - (g) the Guarantee ceases to be in full force and effect.

### *Consequences of an Event of Default*

- 8.2 Subject to Condition 8.3 (*Rectification*), if any Event of Default occurs in relation to the relevant MTNs, then any Holder of MTNs may by written notice to the relevant Issuer (with a copy to the Registrar) declare the Early Termination Amount (together with all accrued interest (if any)) applicable to each relevant MTN held by the Holder to be due and payable immediately or on such other date specified in the notice.

#### *Rectification*

- 8.3 A relevant Holder's right to declare such MTNs due terminates if the situation giving cause to it has been cured before such right is exercised.

#### *Notification of Event of Default*

- 8.4 If an Event of Default occurs, the relevant Issuer must promptly after becoming aware of it notify the Registrar of the occurrence of the Event of Default (specifying details of it) and procure that the Registrar promptly notifies the relevant Holders of the occurrence of the Event of Default by registered post to the address of the relevant Holder recorded in the Register.

## **9 Payments**

#### *Record Date*

- 9.1 Payments to Holders will be made according to the particulars recorded in the Register on the relevant Record Date.

#### *Joint holders*

- 9.2 When an MTN is held jointly, payment will be made to the holders in their joint names unless requested otherwise.

#### *Method of payments*

- 9.3 Payments in respect of each MTN issued by the relevant Issuer will be made:
- (a) where the MTNs are in the Austraclear System, in accordance with the Austraclear Regulations; or
  - (b) if the relevant MTNs are not in the Austraclear System, by crediting on the Payment Date the amount then due to an account previously notified by the Holder in respect of that MTN to the relevant Issuer and the Registrar. If the Holder has not notified the relevant Issuer and the Registrar of such an account by close of business on the relevant Record Date or upon application by the Holder of the relevant MTN to the relevant Issuer and the Registrar no later than close of business on the relevant Record Date, payments in respect of the relevant MTN will be made by cheque, mailed on the Business Day immediately preceding the relevant Interest Payment Date in the case of payments of interest or on the due date for redemption or repayment, in the case of payments of principal, at the risk of the Holder (or to the first named of joint registered Holders) of such MTN at the address appearing in the Register as at the Record Date. Cheques to be despatched to the nominated address of a Holder will in such cases be deemed to have been received by the Holder on the relevant Payment Date and no further amount will be payable by the relevant Issuer in respect of the relevant MTN as a result of payment not being received by the Holder on the due date.

#### *Business Days*

- 9.4 All payments in respect of an MTN will be made in accordance with the Applicable Business Day Convention.

### *Taxation and fiscal laws*

- 9.5 Payments in respect of principal and interest on the MTNs are subject in all cases to applicable provisions of fiscal and other laws, regulations and directives. Unless this Condition 9.5 is specified in the relevant Pricing Supplement as not being applicable, all payments of principal and interest in respect of the MTNs will be made without set-off or counterclaim and free and clear of, and without deduction of or withholding on account of any taxes, levies, duties, charges, deductions or withholding of any nature (together, "**Taxes**") now or hereafter imposed, levied, collected, withheld or assessed in or on behalf of the Commonwealth of Australia or the Issuer's place of incorporation (if different) or any political subdivision thereof or any taxing authority therein having the power to tax unless such withholding or deduction is required by law. Subject to Condition 9.6 (*Additional Amounts*), nothing imposes any obligation or liability whatsoever on the relevant Issuer to reimburse, compensate or make any payment to a Holder for, or in respect of, such withholding or deduction.

### *Additional Amounts*

- 9.6 In the event a Tax is levied and payable on a payment of principal or interest in respect of an MTN by the Commonwealth of Australia or the Issuer's place of incorporation (if different) or any political subdivision thereof or any taxing authority therein having the power to tax, then the relevant Issuer will pay such additional amounts ("**Additional Amounts**") as may be necessary in order that the net amount received by the Holder after such withholding or deduction equals the respective amounts which would otherwise have been receivable in respect of the relevant MTNs in the absence of such withholding or deduction, except that no Additional Amounts are payable in relation to any payments in respect of any MTN:
- (a) to, or to a third party on behalf of, a Holder who is liable to such Taxes in respect of such MTN by reason of the Holder having some connection with the Commonwealth of Australia or the Issuer's place of incorporation (if different) or any political subdivision thereof or any taxing authority therein having power to tax other than the mere holding of such MTN or receipt of principal or interest in respect of it. A Holder is not regarded as being connected with the Commonwealth of Australia for the reason that such a holder is a resident of the Commonwealth of Australia within the meaning of the Tax Act where, and to the extent that, such tax is payable by reason of section 128B(2A) of the Tax Act; or
  - (b) in respect of any Tax imposed on, or calculated having regard to, the net income of a Holder (or a person having an interest in an MTN); or
  - (c) where the Tax is payable otherwise than by deduction or withholding at source from payments on the MTNs or are payable by reason of the Holder having, or having had, some personal or business connection with the Federal Republic of Germany other than the mere fact of his holding the MTNs or not merely by reason of the fact that payments in respect of the MTNs or under the Guarantee are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in the Federal Republic of Germany; or
  - (d) to, or to a third party on behalf of, a Holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or similar cause for exemption to any tax authority in the place where payment under the MTN is made; or
  - (e) presented for payment more than 30 days after the Relevant Date except to the extent that a Holder would have been entitled to Additional Amounts on presenting the same for payment on the last day of the period of 30 days assuming, whether or not such is in fact the case, that day to have been a Business Day; or

- (f) to, or to a third party on behalf of, a Holder who is liable to the Taxes in respect of the MTN by reason of the Holder being an *associate* of the relevant Issuer within the meaning of section 128F(9) of the Tax Act; or
- (g) to, or to a third party on behalf of an Australian resident Holder, if that person has not supplied an appropriate tax file number, Australian Business Number or details of an applicable exemption from these requirements; or
- (h) where the Tax is payable by any person acting as custodian bank or collecting agent on behalf of a Holder or otherwise in any manner which does not constitute a deduction or withholding by the relevant Issuer from payments of principal or interest made by it; or
- (i) presented for payment or held by, or by a third party on behalf of, a person who is a resident of Australia or a non-resident who is engaged in carrying on business in Australia at or through a permanent establishment of that non-resident in Australia (the expressions "resident of Australia", "non-resident" and "permanent establishment" having the meanings given to them by the Australian Tax Act) if, and to the extent that, section 126 of the Australian Tax Act (or any equivalent provision) requires the Issuer to pay income tax in respect of interest payable on such MTN and the income tax would not be payable were the person not a "resident of Australia" or "non-resident" so engaged in carrying on business;
- (j) where the Tax is payable by reason of a change in law (or by reason of any application or official interpretation of any law or regulation) that becomes effective more than 30 days after the relevant payment becomes due, or, if this occurs later, is placed at the disposal of the Registrar and notice thereof is given in accordance with Condition 12; or
- (k) to, or to a third party on behalf of, a Holder 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 Tax Act or section 260-5 of Schedule 1 to the Taxation Administration Act 1953 of Australia or any similar law; or
- (l) (if applicable) where the Tax is deducted or withheld by the I&P Agent (Offshore) from a payment if the payment could have been made by another I&P Agent (Offshore) without such deduction or withholding; or
- (m) where the Tax is deducted or withheld pursuant to:
  - (i) any European Union directive or regulation concerning the taxation of interest income; or
  - (ii) any international treaty or understanding relating to such taxation and to which the Federal Republic of Germany or the European Union is a party; or
  - (iii) any provision of law implementing, or complying with, or introduced to conform with, such directive, regulation, treaty or understanding; or
- (n) in such other circumstances as may be specified in the relevant Pricing Supplement.

Notwithstanding any other provision of these MTN Terms and Conditions, if the Issuer, or any other person through whom payments on the MTNs are made, is required to withhold or deduct amounts under or in connection with, or in order to ensure compliance with FATCA, the Issuer shall be entitled to make such withholding or deduction and shall have no obligation to gross up

any payment under these MTN Terms and Conditions or to pay any Additional Amount or other amount for such withholding or deduction.

#### *Currency indemnity*

- 9.7 The relevant Issuer waives any right it has in any jurisdiction to pay an amount other than in the currency in which it is due. However, if a Holder receives an amount in a currency other than that in which it is due:
- (a) it may convert the amount received into the due currency (even though it may be necessary to convert through a third currency to do so) on the day and at such rates (including spot rate, same day value rate or value tomorrow rate) as it reasonably considers appropriate taking into account the costs of conversion); and
  - (b) the relevant Issuer satisfies its obligation to pay in the due currency only to the extent of the amount of the due currency obtained from the conversion after deducting the costs of the conversion.

### **10 Further issues**

The relevant Issuer may, from time to time, without the consent of any Holder, issue further MTNs having the same terms and conditions as the MTNs of any Series in all respects (or in all respects except for the first payment of interest, if any, on them and/or their denomination) so as to form a single Series with the MTNs of that Series.

### **11 Time limit for claims**

A claim against the relevant Issuer for a payment under an MTN is void unless such claim is made within ten years after the due date, or, if later, the date on which the payment is fully provided for by the relevant Issuer making payments to the Registrar in accordance with Condition 9.3 (*Method of payments*).

### **12 Notices**

*To the relevant Issuer, the Guarantor and the Registrar*

- 12.1 A notice or other communication in connection with an MTN to the relevant Issuer, the Guarantor, the relevant Registrar or the relevant I&P Agent (Offshore) (if relevant) must be in writing and may be given by prepaid post or delivery to the address of the addressee or by facsimile to the facsimile number of the addressee specified:
- (a) in the Information Memorandum; or
  - (b) as otherwise agreed between those parties from time to time and notified to the Holders.

*To Holders*

- 12.2 A notice or other communication in connection with an MTN to the Holder must be in writing and may be given by:
- (a) an advertisement published in The Australian Financial Review or any other newspaper or newspapers circulating in Australia generally;
  - (b) if an additional or alternate newspaper is specified in the relevant Pricing Supplement, that newspaper; or
  - (c) prepaid post (airmail if posted to or from a place outside Australia) or delivery to the address or facsimile address, as the case may be, of each Holder or any relevant

Holder as shown in the Register at the close of business three Business Days prior to the dispatch of the relevant notice or communication,

provided that in relation to MTNs which are entered in the Austraclear System, notice to Holders will not be effective unless such notice has been given in accordance with Condition 12.2(c).

*Effective on receipt*

- 12.3 Unless a later time is specified in it, a notice, approval, consent or other communication takes effect from the time it is received, except that if it is received after 5:00pm in the place of receipt or on a non-business day in that place, it is to be taken to be received at 9:00am on the next succeeding business day in that place.

*Proof of receipt*

- 12.4 Subject to Condition 12.3 (*Effective on receipt*), proof of posting of a letter or of dispatch of a facsimile or of publication of a notice is proof of receipt:
- (a) in the case of a letter, on the third (or seventh, if outside Australia) day after posting;
  - (b) in the case of a facsimile, on receipt by the sender of a successful transmission report (provided that the sender promptly confirms its dispatch of the facsimile by prepaid post (airmail if posted to or from a place outside Australia)) unless the recipient notifies the sender within one Business Day that the transmission was not received in its entirety or in legible form; and
  - (c) in the case of publication, on the date of such publication.

*Non-receipt of notice*

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

### **13 Substitution of an Issuer**

*Substitution*

- 13.1 An Issuer may, on 30 days' notice to, but without the consent of, the Holders if there is no subsisting Event of Default, at any time substitute for itself as Issuer, a wholly-owned Subsidiary of the Guarantor (including, without limitation, a special purpose company) as principal debtor ("**Substituted Debtor**") in respect of all obligations arising from or in connection with one or more Series of MTNs ("**Relevant MTNs**"). The relevant Issuer may only do this if:
- (a) the Substituted Debtor assumes all obligations of the relevant Issuer under the Relevant MTNs and the other Transaction Documents applicable to those MTNs;
  - (b) the Substituted Debtor is not the Guarantor, the Guarantor unconditionally and irrevocably guarantees the obligations to be assumed by the Substituted Debtor on terms identical to those contained in the Guarantee;
  - (c) the Substituted Debtor has obtained all necessary Authorisations (including from the authorities in the country where the Substituted Debtor is domiciled or resident);
  - (d) the Substituted Debtor has, if necessary, appointed an agent for the service of process in New South Wales;
  - (e) there have been delivered to the relevant Registrar opinions of lawyers of recognised standing in:

- (i) New South Wales and the Commonwealth of Australia; and
- (ii) the place of incorporation of the Substituted Debtor (if not the Commonwealth of Australia),

which are collectively to the effect that:

- (iii) the matters referred to in paragraphs (a), (b) and (c) above have been satisfied;
  - (iv) the Substituted Debtor is validly existing;
  - (v) the obligations assumed by the Substituted Debtor are valid and binding on it;
  - (vi) the substitution is not in breach of any law or regulation or the constitution of the Substituted Debtor; and
  - (vii) the choice of governing law and submission to jurisdiction are valid; and
- (e) the relevant MTNs continue to have a credit rating from at least one internationally recognised rating agency at least equal to the relevant rating from that rating agency immediately prior to the substitution.

*Notice*

- 13.2 The Substituted Debtor must give notice of any substitution made under this Condition 13 to the relevant Holders in accordance with Condition 12 (*Notices*). The notice must provide the contact details of the Substituted Debtor for the purposes of receiving notices under Condition 12 (*Notices*).

*Effective Date*

- 13.3 A substitution under this Condition 13 takes effect on and from the date specified in the notice given under Condition 13.2 (*Notice*) ("**Effective Date**"), which must be a date not earlier than 30 days after the date on which the notice is given.

*Effect of substitution*

- 13.4 On, and with effect from, the Effective Date:
- (a) the Substituted Debtor assumes all of the obligations of the relevant Issuer with respect to the Relevant MTNs (whether accrued before or after the Effective Date); and
  - (b) any reference in the Conditions of the Relevant MTNs to:
    - (i) the relevant Issuer shall from then on be deemed to refer to the Substituted Debtor; and
    - (ii) the country in which the relevant Issuer is domiciled or resident for taxation purposes shall from then on be deemed to refer to the country of domicile or residence for tax purposes of the Substituted Debtor.

**14 Meetings of Holders**

- 14.1 Meetings of Holders may be convened in accordance with the Meetings Provisions. Any such meeting may consider any matters affecting the interests of Holders, including, without limitation, the variation of the terms of the MTNs by the relevant Issuer and the Guarantor (if applicable) and the granting of approvals, consents and waivers, and the declaration of an Event of Default.

- 14.2 A resolution duly passed at a meeting convened in accordance with the Meetings Provisions will be binding on all the Holders (whether present at the meeting or not).

## **15 Amendments**

### *On a Series-by-Series basis*

- 15.1 These MTN Terms and Conditions may be amended or supplemented to the extent to which they apply to a Series of MTNs by the terms of such Pricing Supplements as may be applicable to that Series.

### *To cure ambiguities*

- 15.2 These MTN Terms and Conditions and the relevant Pricing Supplement may be amended by the relevant Issuer in so far as they apply to MTNs issued by it after the date of amendment. The Agency and Registry Services Agreement and the I&P Agency Agreement (Offshore) may be amended by the parties to such document without the consent of any Holder for the purposes of curing any ambiguity, or correcting or supplementing any defective or inconsistent provisions therein provided that such amendment does not adversely affect the interests of the relevant Holders.

### *Approval by Holders*

- 15.3 These MTN Terms and Conditions, the relevant Pricing Supplement, the relevant Agency and Registry Services Agreement and the relevant I&P Agency Agreement (Offshore) (if any) may otherwise be varied by the relevant Issuer and the Guarantor (as applicable) in so far as they apply to MTNs issued by it with the approval of the Holders by Extraordinary Resolution. No other variation to these MTN Terms and Conditions has effect in relation to the Holders who hold relevant MTNs at the date of any amending deed, unless they otherwise agree in writing. A variation which affects only a particular Series or Tranche of MTNs may be approved solely by the Holders of the relevant Series or Tranche and will take effect in relation to, and bind, all subsequent Holders.

## **16 Registrar**

### *Role of the Registrar*

- 16.1 In acting under the relevant Agency and Registry Services Agreement in connection with the MTNs, the relevant Registrar acts solely as agent of the relevant Issuer and does not assume any obligations towards or relationship of agency or trust for or with any of the Holders, save insofar as that any funds received by that Registrar in accordance with the relevant Agency and Registry Services Agreement shall, pending their application in accordance with that Agency and Registry Services Agreement, be held by it in a segregated account which shall be held on trust for the persons entitled thereto.

### *Change of Registrar*

- 16.2 The relevant Issuer reserves the right at any time to terminate the appointment of the relevant Registrar in accordance with the relevant Agency and Registry Services Agreement and to appoint successor or additional registrars, provided, however, that the relevant Issuer must at all times maintain the appointment of a registrar with its specified office in Australia. Notice of any such termination of appointment will be given to the Holders in accordance with Condition 12 (*Notices*).

### *Appointment of replacement Registrar*

- 16.3 If a then current Registrar ceases to be Registrar (whether as a result of termination under Condition 16.2 (*Change of Registrar*), resignation as a result of the MTNs ceasing to be lodged in the Austraclear System or otherwise), the relevant Issuer must ensure that a replacement Registrar is appointed with effect from the relevant date.

**17 No Benefit**

Nothing in these MTN Terms and Conditions, express or implied, is intended or will be construed to confer upon, or to give or grant to, any person or entity (other than the relevant Issuer, the Guarantor, the relevant Registrar and the Holders) any right, remedy or claim under or by reason of these MTN Terms and Conditions or any covenant, condition or stipulation set out in these MTN Terms and Conditions, and all covenants, stipulations, promises and agreements in these MTN Terms and Conditions contained by and on behalf of the Issuers shall be for the sole and exclusive benefit of the Issuers, the Guarantor, the relevant Registrar and the Holders.

**18 Governing law, jurisdiction and service of process**

*Governing law*

18.1 The MTNs are governed by the law in force in New South Wales.

*Jurisdiction*

18.2 Each Issuer irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of New South Wales and courts of appeal from them.

*Service of process*

18.3 Without preventing any other mode of service, any document in an action (including, without limitation any writ of summons or other originating process or any third or other party notice) may be served on:

- (a) the Initial Issuer by being delivered to or left for it at its address for service of notices specified in Condition 12 (*Notices*);
- (b) any new issuer appointed under clause 5.1 (*New Issuer*) of the Deed Poll by being delivered to or left for it at its address for service of notices as specified in the relevant Issuer Accession Letter; and
- (c) any Substituted Debtor by being delivered to or left for it at its address for service of notices as notified under Condition 13 (*Substitution of an Issuer*).

# FORM OF GUARANTEE

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## Guarantee

Dated 24 January 2003

by Volkswagen Financial Services Aktiengesellschaft, Braunschweig, Federal Republic of Germany (the "**Guarantor**"), in favour of the holders of Notes (the "**Notes**") issued by Volkswagen Financial Services Australia Pty Limited<sup>4</sup> (ABN 20 097 071 460) (the "**Issuer**") under the A\$1,000,000,000 Debt Issuance Programme (the "**Programme**").

The Guarantor hereby unconditionally and irrevocably guarantees to the holders of the Notes issued by the Issuer under the Programme (the "**Noteholders**") the due payment of all amounts payable on the respective Notes in accordance with the respective terms applicable to such Notes. For the avoidance of doubt, the terms of the short term notes and medium term notes issued by the Issuer under the Programme are the terms set out in schedules 1 and 2 respectively of the Deed Poll executed by the Issuer on 24 January 2003 as amended by any relevant STN Supplement or Pricing Supplement (each as defined in the relevant terms) and the terms of the electronic promissory notes issued by the Issuer under the Programme are the terms set out in the Austraclear Regulations (as defined in schedule 1 to the Deed Poll).

The intent and purpose of this Guarantee is to ensure that the Noteholders under all circumstances, whether factual or legal, and regardless of the motives or considerations by reason of which the Issuer (or any company that may have been substituted for the same or for Volkswagen Financial Services Aktiengesellschaft in its capacity as issuer of Notes under the Programme, pursuant to the terms of the respective Notes) may fail to effect payment, shall receive all amounts payable on the dates provided for in the terms applicable to the respective Notes.

If the Guarantor should be required by law to deduct or withhold from any payment under this Guarantee any taxes, duties or governmental charges whatsoever, imposed or levied by or on behalf of the Federal Republic of Germany or any taxing authority therein, then, except as otherwise provided in the terms of the Notes, the Guarantor shall pay such additional amounts as may be necessary in order that the net amounts after such deduction or withholding shall equal the amounts of interest and principal that would have been payable if no such deduction or withholding had been made.

The Guarantor further undertakes with the Noteholders, as long as Notes under the Programme are outstanding, not to provide any security upon its assets for any other Bond Issue, including any guarantee or indemnity in respect thereof, without at the same time having the Noteholders of the aforesaid Notes share equally and rateably in such security. For purposes of this Guarantee, "**Bond Issue**" shall mean an issue of debt securities which is, or is intended to be, or is capable of being, quoted, listed or dealt in on any stock exchange, over-the counter or other securities market.

The rights arising from this Guarantee as well as from any security which may have been given pursuant to the aforesaid undertaking shall, to the extent legally possible, be held and exercised exclusively by the Noteholders, or any person commissioned by a Noteholder to act on its behalf or in its stead. The Guarantor shall at any time upon a Noteholder's written demand and without any other requirement promptly pay all amounts requisite under this Guarantee.

The rights and obligations arising from this Guarantee shall in all respects be determined in accordance with German law. Place of performance and non-exclusive place of jurisdiction shall be Frankfurt am Main.

A notice or other communication under this Guarantee to the Guarantor must be in writing and may be given by prepaid post, facsimile or delivery to Gifhorner Strasse 57, D-38112 Braunschweig, Federal Republic of Germany, Attention Treasury/R-TR, Facsimile: (49) 531 212 3853.

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<sup>4</sup> On 18 May 2006 the Initial Issuer changed its status to a proprietary company and changed its name from Volkswagen Financial Services Australia Limited to Volkswagen Financial Services Australia Pty Limited.

## Confirmation of Guarantee

Dated 22 March 2019

To:

The holders of Notes issued and to be issued by the Issuer under the Programme (“Noteholders”) and the dealers to the Dealer Agreement dated 24 January 2003, as amended from time to time, relating to the Programme (“Dealers”).

**Volkswagen Financial Services Australia Pty Limited (ABN 20 097 071 460) (“Issuer”)  
Volkswagen Financial Services AG (“Guarantor”)  
A\$5,000,000,000 Debt Issuance Programme (“Programme”)  
Increase in Programme Limit from A\$3,000,000,000 to A\$5,000,000,000 and Programme Update  
2019**

The Guarantor refers to the Guarantee dated 24 January 2003 (a copy of which is attached to this confirmation), issued by us in favour of the Noteholders. The Programme Limit had been increased from A\$3,000,000,000 to A\$5,000,000,000 with effect from 22 March 2019. We hereby confirm to the Dealers and the Noteholders that the Guarantee continues to apply to the Notes issued on or after that date, up to an aggregate outstanding principal amount of A\$5,000,000,000.

We hereby confirm that the Guarantor expressly guarantees the payment of principal of, and interest, if any, on, all Notes issued with reference to the Programme. Under the Guarantee, the Guarantor undertakes with the Noteholders, as long as Notes under the Programme are outstanding, not to provide any security upon its own assets for any other Bond Issue (as defined herein), including any guarantee or indemnity in respect thereof, without at the same time having the Noteholders of the aforesaid Notes share equally and rateably in such security, unless such collateralisation is required by law or by an authority. For the avoidance of doubt, this undertaking shall not apply to security provided in connection with asset backed securities issued by a Guarantor’s subsidiary, or by a special purpose vehicle where a Guarantor’s subsidiary is the originator of the underlying assets. For purposes of the Guarantee, “**Bond Issue**” shall mean an issue of debt securities by an Issuer under the Programme which is, or is intended to be, or is capable of being, quoted, listed or dealt in on any stock exchange, over-the counter or other securities market.

The rights and obligations arising from this letter shall in all respects be determined in accordance with German law. Place of performance and non-exclusive place of jurisdiction shall be Frankfurt am Main.

## SUBSCRIPTION AND SALE

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*Pursuant to the Dealer Agreement dated 24 January 2003 between Volkswagen Financial Services Australia Pty Limited<sup>5</sup>, the Guarantor, the Co-Arrangers and the Dealers named as parties therein (as amended) (“**Dealer Agreement**”) and subject to the relevant Conditions contained in the Information Memorandum, the Notes will be offered by an Issuer through the Co-Arrangers and Dealers. The relevant Issuer will have the sole right to accept any offers from a Dealer to purchase Notes and may reject any such offer in whole or (subject to the terms of such offer) in part. Each Dealer has the right, in its discretion, to reject any offer to purchase Notes made to it in whole or (subject to the terms of such offer) in part. The Issuers are entitled under the Dealer Agreement to appoint one or more Dealers as a dealer for a particular Tranche of Notes or the Programme generally. At the time of any appointment, each such Dealer will be required to represent and agree to the selling restrictions applicable at that time.*

*Each Dealer and each further Dealer appointed under the Programme will be required to agree to comply with any applicable law, regulation or directive in any jurisdiction in which it may subscribe for, offer, sell, or transfer Notes, and that it will not, directly or indirectly, offer, subscribe for, sell or transfer Notes or distribute any Information Memorandum or other offering material relating to the Notes, in any jurisdiction, except in accordance with these selling restrictions, any additional selling restrictions which are set out in the relevant Pricing Supplement and any applicable law, regulation or directive of that jurisdiction.*

*None of the relevant Issuer, the Guarantor, the Co-Managers or any Dealers have represented that any Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, nor pursuant to any available exemption, or assumes any responsibility for facilitating such sale.*

*The following selling restrictions apply:*

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### 1 General

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

Persons into whose hands this Information Memorandum comes are required by the Issuer and Dealers to comply with all applicable laws, regulations and directives in each country or jurisdiction in which they purchase, offer, sell, resell, reoffer or deliver Notes or have in their possession or distribute or publish the Information Memorandum or other offering material and to obtain any authorisation, consent, approval or permission required by them for the purchase, offer, sale, reoffer, resale or delivery by them of any Notes under any applicable law, regulation or directive in force in any jurisdiction to which they are subject or in which they make such purchases, offers, sales, reoffers, resales or deliveries, in all cases at their own expense, and neither the Issuer nor the Arranger or any Dealer has responsibility for such matters. In accordance with the above, any Notes purchased by any person which it wishes to offer for sale or resale may not be offered in any jurisdiction in circumstances which would result in the Issuer being obliged to register any further prospectus or corresponding document relating to the Notes in such jurisdiction.

In these selling restrictions, “**directive**” includes 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.

In particular, there are restrictions on the distribution of this Information Memorandum and the offer or sale of Notes in Australia, the United States of America, the United Kingdom, Hong

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<sup>5</sup> On 18 May 2006 the Initial Issuer changed its status to a proprietary company and changed its name from Volkswagen Financial Services Australia Limited to Volkswagen Financial Services Australia Pty Limited.

Kong, Japan, New Zealand and Singapore and a prohibition of sales to European Economic Area retail investors as set out below.

For the purposes of these selling restrictions, references to:

- (a) “Notes” include interests or rights in those Notes held in the Austraclear System or any other Clearing System; and
- (b) “directive” includes a treaty, 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.

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## 2 Australia

No prospectus or other disclosure document (as defined in the Corporations Act) in relation to the Programme or any Notes has been or will be lodged with ASIC. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that, unless the relevant STN Supplement or applicable Pricing Supplement (or another supplement to any Information Memorandum) otherwise provides, it:

- (a) has not (directly or indirectly) offered or invited applications, and will not offer or invite applications, for the issue, sale or purchase of any Notes in or from Australia (including an offer or invitation which is received by a person in Australia); and
- (b) has not distributed or published, and will not distribute or publish, any Information Memorandum or any STN Supplement, Pricing Supplement or any other offering material or advertisement relating to the Notes in Australia,

unless:

- (i) the aggregate consideration payable by each offeree or invitee is at least A\$500,000 (or the equivalent in another currency, and in either case, disregarding moneys lent by the offeror or its associates) or the offer or invitation (including any resulting issue) does not otherwise require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act;
- (ii) the offer or invitation does not constitute an offer to a “retail client” within the meaning of section 761G of the Corporations Act;
- (iii) such action complies with all applicable laws, regulations and directives; and
- (iv) such action does not require any document to be lodged with ASIC.

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## 3 The United States of America

The Notes have not been and will not be registered under the Securities Act.

Terms used in the following four paragraphs have the meanings given to them by Regulation S under the Securities Act (“**Regulation S**”).

The Notes may not be offered, sold, delivered or transferred within the United States of America, its territories or possessions or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S or in transactions exempt from the registration requirements of the Securities Act.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, except as permitted under the Dealer Agreement, it will not offer, sell or deliver the Notes:

- (a) as part of their distribution at any time; and
- (b) otherwise until 40 days after completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant Lead Manager,

within the United States of America or to, or for the account or benefit of, U.S. persons.

Each Dealer has represented, and agreed and each further Dealer appointed under the Programme will be required to represent and agree, that it will have sent to each dealer or other distributor to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States of America or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the completion of the distribution of all Notes of the Tranche of which such Notes are a part, an offer or sale of Notes within the United States of America by any Dealer or other distributor (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an applicable exemption from registration under the Securities Act.

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#### **4 The United Kingdom**

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

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

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#### **5 European Economic Area**

##### **Prohibition of Sales to EEA Retail Investors**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Information Memorandum as completed by the STN

Supplement or Pricing Supplement in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or
  - (ii) a customer within the meaning of Directive 2002/92/EC (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the “**Prospectus Directive**”); and
- (b) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

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## 6 Hong Kong

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

- (a) it has not offered or sold, and will not offer or sell, in Hong Kong, by means of any document, any Notes other than:
  - (i) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) (as amended) of Hong Kong and any rules made under that Ordinance; or
  - (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) (as amended) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (b) it has not issued, or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of the issue, (in each case whether in Hong Kong or elsewhere, any advertisement, invitation, other offering material or other document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

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## 7 Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (“**Financial Instruments and Exchange Act**”) and accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold, and will not offer or sell, any Notes directly or indirectly in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance

with, the Financial Instruments and Exchange Act and any other applicable laws, directives and ministerial guidelines of Japan.

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## **8 New Zealand**

This Programme is a wholesale programme. No action has been taken to permit the Notes to be offered or sold to any retail investor, or otherwise under any regulated offer, in terms of the Financial Markets Conduct Act 2013 of New Zealand ("**NZ FMCA**"). In particular, no product disclosure statement under the NZ FMCA has been prepared or lodged in New Zealand in relation to the Notes.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold, and will not offer or sell, any Notes in New Zealand, other than to wholesale investors within the meaning of clause 3(2)(a), (c) or (d) of Schedule 1 of the NZ FMCA, which includes a person who is an "investment business", "large", or a "government agency", in each case as defined in Schedule 1 to the NZ FMCA, provided (for the avoidance of doubt) that Notes may not be issued to any "eligible investor" (as defined in clause 41 of Schedule 1 to the NZ FMCA) or to any person who, under clause 3(2)(b) of Schedule 1 to the NZ FMCA, meets the investment activity criteria specified in clause 38 of that Schedule.

In addition, each holder of Notes is deemed to represent and agree that it will not distribute this Information Memorandum, and Supplement or any other advertisement (as defined in the NZ FMCA) in relation to any offer of the Notes in New Zealand other than to such persons as referred to above.

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## **9 Singapore**

This Information Memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore.

Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that, unless a relevant STN Supplement or Pricing Supplement (or another supplement to this Information Memorandum) otherwise provides, it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Information Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the Notes, whether directly or indirectly, to any person in Singapore other than:

- (a) to an institutional investor (as defined in section 4A of the Securities and Futures Act (Chapter 289 of Singapore), as modified or amended from time to time (the "**SFA**")) pursuant to section 274 of the SFA;
- (b) to a relevant person (as defined in section 275(2) of the SFA) pursuant to section 275(1) of the SFA, or any person pursuant to section 275(1A) of the SFA, and in accordance with the conditions specified in section 275 of the SFA; or
- (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under section 275 of the SFA by a relevant person which is:

- (1) a corporation (which is not an accredited investor (as defined in section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (2) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in section 275(1A) or section 276(4)(i)(B) of the SFA;
- (iii) where no consideration is, or will be given, for the transfer;
- (iv) where the transfer is by operation of law;
- (v) as specified in section 276(7) of the SFA; or
- (vi) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

# TAXATION

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The information provided below does not purport to be a comprehensive description of all tax considerations which may be relevant to a decision to purchase Notes. In particular, it does not consider any specific facts of circumstances that may apply to a particular purchaser.

## Australian Taxation

*The following is a summary of certain Australian withholding tax consequences under the Income Tax Assessment Acts of 1936 and 1997 of Australia (together, “Australian Tax Act”), at the date of this Information Memorandum, of payments of interest (as defined in the Australian Tax Act) by the Initial Issuer on the MTNs and STNs and certain other Australian tax matters. References to the “Issuer” in this Australian Taxation section are to the Initial Issuer only, and not to any other Issuers that may be added to the Programme.*

*Sections 1 and 2 are a summary of the Australian taxation treatment of payments of interest (as defined in the Australian Tax Act) on the Notes (other than EPNs) to be issued by the Issuer under the Programme. In particular, it does not, and nor is it intended to, deal with the tax position applicable to the Holders of EPNs. It is unclear whether EPNs are debentures for the purposes of section 128F of the Australian Tax Act and, therefore, whether EPNs qualify for exemption from IWT under section 128F of the Australian Tax Act. Holders of EPNs should consult their professional advisers with regards to the matters covered in sections 1 and 2.*

*Section 3 is a summary of certain other Australian taxation matters in relation to the Notes.*

*The summary is not exhaustive and, in particular, does not deal with the position of certain classes of holders (including, without limitation, dealers in securities, custodians or other third parties who hold Notes on behalf of any other persons and holders who otherwise hold Notes on revenue account). In addition, unless expressly stated, this summary does not consider the Australian tax consequences for persons who hold interests in the Notes through a clearing system.*

*Prospective holders of the Notes should also be aware that particular terms of issue of any Series of Notes may affect the tax treatment of that and other Series of Notes. Information regarding taxes in respect of the Notes may also be set out in the applicable STN Supplement or Pricing Supplement.*

*This summary is not intended to be, nor should it be construed as legal or tax advice to any particular holder of the Notes. Prospective holders of Notes who are in any doubt as to their tax position should consult their professional advisers on the tax implications of an investment in the Notes for their particular circumstances.*

### 1. Introduction

The Australian Tax Act characterises securities as either “debt interests” (for all entities) or “equity interests” (for companies), including for the purposes of Australian interest withholding tax imposed under Division 11A of Part III of the Australian Tax Act (“**Australian IWT**”) and dividend withholding tax. For Australian IWT purposes, “interest” is defined to include amounts in the nature of, or in substitution for, interest and certain other amounts. The Issuer intends to issue STNs and MTNs which are to be characterised as “debt interests” for the purposes of the tests contained in Division 974 and the returns paid on the STNs and MTNs are to be “interest” for the purpose of section 128F of the Australian Tax Act.

An exemption from Australian IWT is available in respect of interest paid on STNs or MTNs issued by the Issuer under the Programme if (a) the STNs or MTNs are characterised as “debentures” and not “equity interests” and the requirements of section 128F of the Australian Tax Act are met, or (b) the requirements of an applicable double tax convention are satisfied.

If STNs or MTNs are issued which do not satisfy the requirements of section 128F of the Australian Tax Act, further information on the material Australian tax consequences of payments of interest and certain other amounts on those STNs or MTNs will be specified in the relevant STN Supplement or Pricing Supplement (as the case may be) (or another relevant supplement to this Information Memorandum).

## **2. Interest withholding tax**

An exemption from Australian IWT under section 128F of the Australian Tax Act is available in respect of interest paid on the STNs and MTNs issued by the Issuer if the following conditions are met:

- (a) the Issuer is a company and either a resident of Australia or a non-resident of Australia carrying on business at or through a permanent establishment in Australia when it issues those STNs and MTNs and when interest (as defined in section 128A(1AB) of the Australian Tax Act) is paid. Interest is defined to include amounts in the nature of, or in substitution for, interest and certain other amounts;
- (b) those STNs and MTNs are “debentures” (as defined for the purposes of section 128F) and are not “equity interests” for Australian income tax purposes;
- (c) those STNs and MTNs are issued in a manner which satisfies the public offer test in section 128F of the Australian Tax Act. In relation to the STNs and MTNs, there are five principal methods of satisfying the public offer test, the purpose of which is to ensure that lenders in capital markets are aware that the Issuer is offering those STNs and MTNs for issue. Only one of the five methods needs to be satisfied. In summary, the five methods are:
  - offers to 10 or more unrelated persons carrying on a business of providing finance, or investing or dealing in securities, in the course of operating in financial markets;
  - offers to 100 or more investors of a certain type;
  - offers of listed STNs and MTNs;
  - offers via publicly available information sources; or
  - offers to a dealer, manager or underwriter who offers to sell those STNs and MTNs within 30 days by one of the preceding methods;
- (d) the Issuer does not know, or have reasonable grounds to suspect, at the time of issue, that those STNs and MTNs, or interests in those STNs and MTNs, were being, or would later be, acquired, directly or indirectly, by an “associate” of the Issuer (within the meaning of section 128F(9)), except as permitted by section 128F(5) of the Australian Tax Act; and
- (e) at the time of the payment of interest, the Issuer does not know, or have reasonable grounds to suspect, that the payee is an “associate” of the Issuer (within the meaning of section 128F(9)), except as permitted by section 128F(6) of the Australian Tax Act.

### *Compliance with section 128F of the Australian Tax Act*

Unless otherwise specified in any relevant STN Supplement or Pricing Supplement (or another relevant supplement to this Information Memorandum), the Issuer intends to issue STNs and MTNs in a manner which will satisfy the requirements of section 128F of the Australian Tax Act.

### *Exemptions under double tax conventions*

The Australian government has signed double tax conventions (“**Specified Tax Treaties**”) with particular countries (each a “**Specified Country**”) that contain certain exemption from Australian IWT.

In broad terms, the Specified Tax Treaties effectively prevent Australian IWT applying to interest derived by:

- the government of the relevant Specified Country and certain governmental authorities and agencies in the Specified Country; or
- a “financial institution” which is a resident of a “Specified Country” and which is unrelated to and dealing wholly independently with the Issuer. The term “financial institution” refers to either a bank or other form of enterprise which substantially derives its profits by carrying on a business of raising and providing finance. However, interest under a back-to-back loan or an economically equivalent arrangement will not qualify for this exemption.

#### *Notes in bearer form*

Section 126 of the Australian Tax Act imposes a type of withholding tax (currently at the rate of 45%) on the payment of interest on debentures (such as the Notes) in bearer form if the issuer fails to disclose the names and addresses of the holders of the debentures to the Australian Taxation Office (“**ATO**”).

Section 126 does not, however, apply to the payment of interest on Notes in bearer form held by non-Australian residents who do not carry on business at or through a permanent establishment in Australia where the issue of those Notes has satisfied the requirements of section 128F or Australian IWT is payable.

In addition, the ATO has confirmed that for the purposes of section 126, the holder of debentures in bearer form is the person in possession of the debentures. Section 126 is, therefore, limited in its application to persons in possession of Notes in bearer form who are residents of Australia or non-Australian residents who are engaged in carrying on business at or through a permanent establishment in Australia.

#### *Payment of additional amounts*

As set out in more detail in the relevant Conditions for the STNs and MTNs (Condition 7.6 (“Additional Amounts”) of the STN Terms and Conditions and Condition 9.6 (“Additional Amounts”) of the MTN Terms and Conditions), and unless expressly provided to the contrary in the applicable STN Supplement or Pricing Supplement (or another relevant supplement to this Information Memorandum), if the Issuer is at any time required by law to deduct or withhold an amount in respect of any withholding taxes imposed or levied by Australia or any political subdivision thereof or any authority therein or thereof having the power to tax in respect of the STNs or MTNs, the Issuer must, subject to certain exceptions, pay such additional amounts as shall result in receipt by the holders of those STNs or MTNs of such amounts as would have been received by them had no such deduction or withholding been required. In broad terms, if the Issuer is required in relation to any MTNs to make any withholding or deduction referred to in Condition 9.5 (“Taxation and fiscal laws”) of the MTN Terms and Conditions, or if the Guarantor would be required to make any withholding or deduction referred to in the Guarantee if it were required to make payment under the Guarantee (whether or not it is in fact required to make such payment), the Issuer will have the option to redeem all (but not some only) of those MTNs in accordance with the relevant Conditions.

### **3. Other Australian tax matters**

Under Australian laws as presently in effect, and unless specified in a relevant STN Supplement or Pricing Supplement:

- (a) *death duties* - no Notes will be subject to death, estate or succession duties imposed by Australia, or by any political subdivision or authority therein having power to tax, if held at the time of death;
- (b) *stamp duty and other taxes* - no *ad valorem* stamp, issue, registration or similar taxes are payable in any Australian State or Territory on the issue, transfer or redemption of any Notes;
- (c) *TFN withholding taxes* - withholding tax is imposed at the rate of (currently) 47 per cent. on the payment of interest on certain registered securities unless the relevant payee has quoted an Australian tax file number, (in certain circumstances) an Australian Business Number or proof of some other exception (as appropriate).

Such withholding should not apply to payments to a holder that is a non-resident of Australia that does not hold Notes in carrying on business at or through an Australian permanent resident;

- (d) *additional withholdings from certain payments to non-residents* - the Governor-General may make regulations requiring withholding from certain payments to non-residents of Australia (other than payments of interest and other amounts which are already subject to the current Australian IWT rules or specifically exempt from those rules). Regulations may only be made if the responsible Minister is satisfied the specified payments are of a kind that could reasonably relate to assessable income of foreign residents. The possible application of any future regulations to the proceeds of any sale of the Notes will need to be monitored;
- (e) *supply withholding tax* - payments in respect of the Notes can be made free and clear of the "supply withholding tax" imposed under section 12-190 of Schedule 1 to the Taxation Administration Act 1953 of Australia;
- (f) *goods and services tax ("GST")* - neither the issue nor receipt of the Notes will give rise to a liability for GST in Australia on the basis that the supply of Notes will comprise either an input taxed financial supply or a GST-free supply (in the case of an offshore subscriber of a Note that is a non-resident). Furthermore, neither the payment of principal or interest by the Issuer, nor the disposal or redemption of the Notes, would give rise to any GST liability in Australia;
- (g) *garnishee directions by the Commissioner of Taxation* – the Commissioner may give a direction requiring the Issuer to deduct from any payment to a holder of the Notes any amount in respect of Australian tax payable by the holder. If the Issuer is served with such a direction, then the Issuer will comply with that direction and make any deduction required by that direction.

## German Taxation

The following is a general discussion of certain German tax consequences of the acquisition and ownership of Notes. This discussion does not purport to be a comprehensive description of all tax considerations which may be relevant to a decision to purchase Notes. In particular, this discussion does not consider any specific facts or circumstances that may apply to a particular purchaser. This summary is based on the laws of the Federal Republic of Germany currently in force and as applied at the date of this Information Memorandum. The applicable legal situation and its interpretation by the tax authorities may be subject to change, and under some circumstances these changes may also be retroactive or retrospective.

**PROSPECTIVE PURCHASERS OF NOTES ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF NOTES, INCLUDING THE EFFECT OF ANY STATE OR LOCAL TAXES, UNDER THE TAX LAWS OF THE FEDERAL REPUBLIC OF GERMANY AND EACH OTHER COUNTRY OF WHICH THEY ARE RESIDENTS.**

### 1. Income tax

#### (a) Notes held by private individuals tax resident in Germany as private assets

##### (i) Taxation of interest

Payments of interest on the Notes to Holders who are private individuals tax resident in Germany (i.e., persons whose residence or habitual abode is located in Germany) are subject to German income tax. In each case where German income tax arises, a solidarity surcharge (*Solidarit t zuschlag*) is levied in addition. Furthermore, church tax may be levied, if applicable.

On payments of interest on the Notes to private individuals tax resident in Germany income tax is generally levied as a flat income tax rate of 25 per cent. (plus solidarity surcharge in an amount of 5.5 per cent. of such tax, resulting in a total tax charge of 26.375 per cent.). If church tax is applied, the flat income tax rate and solidarity surcharge are reduced such that the total tax charge also amounts to 26.375 per cent. The total investment income of an individual will be decreased by a lump sum deduction (*Sparer-Pauschbetrag*) of EUR 801 (EUR 1,602 for married couples and for partners in accordance with the registered partnership law (*Gesetz  ber die Eingetragene Lebenspartnerschaft*) filing jointly), not by a deduction of expenses actually incurred.

If the Notes are held in a custodial account which the Holder maintains with a German branch of a German or non-German bank or financial services institution or with a securities trading business or a securities trading bank in Germany (the “**Disbursing Agent**”) the flat income tax rate will be levied by way of withholding at the aforementioned rate from the gross interest payment to be made by the Disbursing Agent. For individuals subject to church tax an electronic information system for church withholding tax purposes applies in relation to investment income, with the effect that church tax will be collected automatically by the Disbursing Agent by way of withholding unless the Holder has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt f r Steuern*) in which case the investor will be assessed to church tax.

In general, no withholding tax will be levied if the Holder is an individual who filed a withholding exemption certificate (*Freistellungsauftrag*) with the Disbursing Agent but only to the extent the interest income derived from the Note together with other investment income does not exceed the maximum exemption amount shown on the withholding exemption certificate. Similarly, no withholding tax will be deducted if the Holder has submitted to the Disbursing Agent a certificate of non-assessment (*Nichtveranlagungs-Bescheinigung*) issued by the relevant local tax office.

If no Disbursing Agent is involved in the payment process the Holder will have to include its income on the Notes in its tax return and the flat income tax rate of 25 per cent. plus solidarity surcharge (and if church tax is applicable, the total tax charge amounts to 26.375 per cent.) will be collected by way of assessment.

Payment of the flat income tax rate will generally satisfy any income tax liability of the Holder in respect of such investment income. Holders may apply for a tax assessment on the basis of general rules applicable to them if the resulting income tax burden is lower than 25 per cent.

(ii) *Taxation of capital gains*

Capital gains realised by individual tax residents of the Federal Republic of Germany from the disposition, redemption or repayment of the Notes will be subject to the flat income tax rate of 25 per cent. (plus solidarity surcharge in an amount of 5.5 per cent. of such tax, resulting in a total tax charge of 26.375 per cent. including church tax if applicable), irrespective of any holding period. This will also apply to Notes on which the principal is effectively repaid in whole or in part although the repayment was not guaranteed. In addition, the separation (e.g. by first time assignment) of an interest claim from the Note as well as the contribution into a corporation by way of hidden contribution are generally treated like a sale.

If the Notes are held in a custodial account which the Holder maintains with a Disbursing Agent the flat income tax rate will be levied by way of withholding from the difference between the redemption amount (or the proceeds from the disposition) and the issue price (or the purchase price) of the Notes. If the Notes have been transferred into the custodial account of the Disbursing Agent only after their acquisition, and no evidence on the acquisition data has been provided to the new Disbursing Agent by the Disbursing Agent which previously kept the Notes in its custodial account, withholding tax will be levied on 30 per cent. of the proceeds from the disposition or redemption of the Notes.

If the Notes are not kept in a custodial account with a Disbursing Agent and proceeds from the disposition or redemption of the Notes are paid or credited upon delivery of the Notes to the Holder of such Notes (other than a non-German bank or financial services institution), a flat income tax rate of 25 per cent. plus solidarity surcharge (and if church tax is applicable, the total tax charge amounts to 26.375 per cent.) must be levied by the paying agent on the gross amount of the proceeds.

If no Disbursing Agent is involved in the payment process the Holder will have to include capital gains from the disposition or redemption of the Notes in its tax return and the flat income tax rate of 25 per cent. plus solidarity surcharge (and if church tax is applicable, the total tax charge amounts to 26.375 per cent.) will be collected by way of assessment.

Payment of the flat income tax rate will generally satisfy any income tax liability of the Holder in respect of such investment income. Holders may apply for a tax assessment on the basis of general rules applicable to them if the resulting income tax burden is lower than 25 per cent.

**(b) Notes held by tax residents as business assets**

Payments of interest on Notes and capital gains from the disposition or redemption of Notes held as business assets by German tax resident individuals or corporations (including via a partnership, as the case may be), are generally subject to German income tax or corporate income tax (in each case plus solidarity surcharge; if tax payer is not a corporation church tax may apply). The interest and capital gain will also be subject to trade tax.

If the Notes are held in a custodial account which the Holder maintains with a Disbursing Agent tax at a rate of 25 per cent. (plus a solidarity surcharge of 5.5 per cent. of such tax) will also be

withheld from interest payments on Notes and generally also from capital gains from the disposition or redemption of Notes held as business assets. In these cases the withholding tax does not satisfy the income tax liability of the Holder from the respective investment income, as in the case of the flat income tax rate, but will be credited as advance payment against the personal income or corporate income tax liability and the solidarity surcharge liability of the Holder.

No withholding on interest and capital gains will generally be required if the Notes are held by corporations resident in Germany which are either exempt from corporate income tax or are subject to public law and are able to provide the respective certificate of the competent tax office. With regard to capital gains, no withholding will be levied if the Notes are held by a corporation with unlimited tax liability in Germany (not a German bank or financial services institution) or by individuals or partnerships as business assets. In the latter case the withholding exemption only applies upon notification by use of the officially prescribed form towards the Disbursing Agent.

**(c) Notes held by non-residents**

Interest and capital gains are not subject to German taxation in the case of non-residents, *i.e.*, persons having neither their residence nor their habitual abode nor legal domicile nor place of effective management in Germany, unless the Notes form part of the business property of a permanent establishment maintained in Germany. Interest may, however, also be subject to a limited German income tax liability if the income from the Note qualifies for other reasons as taxable German source income (e.g. income from certain capital investments directly or indirectly secured by German situs real estate).

If non-residents of Germany are subject to tax with the interest and capital gains in Germany, basically, similar rules apply as set out above with regard to German tax resident persons (see "*Notes held by tax residents as business assets*" or "*Notes held by private individuals tax resident in Germany as private assets*").

If the Notes are not kept in a custodial account with a Disbursing Agent such payments will also be subject to withholding tax to the extent and at a rate as explained above at "*Notes held by private individuals tax resident in Germany as private assets*".

**2. Inheritance and Gift Tax**

No inheritance or gift taxes with respect to any Note will generally arise under the laws of Germany, if, in the case of inheritance tax, neither the decedent nor the beneficiary, or, in the case of gift tax, neither the donor nor the donee, is a resident of Germany and such Note is not attributable to a German trade or business for which a permanent establishment is maintained, or a permanent representative has been appointed, in Germany. Exceptions from this rule apply to certain German citizens who previously maintained a residence in Germany.

**3. Other Taxes**

No stamp, issue, registration or similar taxes or duties will be payable in Germany in connection with the issuance, delivery or execution of the Notes. Currently, net assets tax (*Vermögensteuer*) is not levied in Germany.

## U.S. Foreign Account Tax Compliance Act and OECD Common Reporting Standard

### 1. FATCA

The Foreign Account Tax Compliance Act provisions of the U.S. Hiring Incentives to Restore Employment Act of 2010 (“**FATCA**”) establish a due diligence, reporting and withholding regime. FATCA aims to detect U.S. taxpayers who use accounts with “foreign financial institutions” (“**FFIs**”) to conceal income and assets from the U.S. Internal Revenue Service (“**IRS**”).

#### *FATCA withholding*

Under FATCA, a 30% withholding may be imposed (i) in respect of certain payments of U.S. source income and (ii) in respect of “foreign passthru payments” (a term which is not yet defined under FATCA), which are, in each case, paid to or in respect of entities that fail to meet certain certification or reporting requirements (“**FATCA withholding**”).

A FATCA withholding may be required if (i) an investor does not provide information sufficient for the Issuer or any other financial institution through which payments on the Notes are made to determine whether the investor is subject to FATCA withholding or (ii) an FFI to or through which payments on the Notes are made is a “non-participating FFI”.

If the Notes are treated as debt for U.S. federal income tax purposes and the payment is made under a grandfathered obligation, FATCA withholding is not expected to apply. Generally, a grandfathered obligation is any obligation issued on or before the date that is six months after the date on which final regulations defining the term “foreign passthru payment” are filed with the U.S. Federal Register.

In any event, FATCA withholding is not expected to apply on payments made before the date that is two years after the date on which final regulations defining the term “foreign passthru payments” are filed with the U.S. Federal Register.

#### *Australian IGA*

Australia and the United States signed an intergovernmental agreement (“**Australian IGA**”) in respect of FATCA on 28 April 2014. The Australian Government has enacted legislation amending, among other things, the Taxation Administration Act 1953 of Australia to give effect to the Australian IGA (“**Australian IGA Legislation**”).

Australian financial institutions which are Reporting Australian Financial Institutions under the Australian IGA must comply with specific due diligence procedures to identify their account holders (e.g. the Noteholders) and provide the ATO with information on financial accounts (for example, the Notes) held by U.S. persons and recalcitrant account holders. The ATO is required to provide such information to the IRS. Consequently, Noteholders may be requested to provide certain information and certifications to the Issuer and to any other financial institutions through which payments on the Notes are made in order for the Issuer and such other financial institutions to comply with their FATCA obligations.

A Reporting Australian Financial Institution that complies with its obligations under the Australian IGA will not generally be subject to FATCA withholding on amounts it receives, and will not generally be required to deduct FATCA withholding from payments it makes with respect to the Notes, other than in certain prescribed circumstances.

#### *No additional amounts paid as a result of FATCA withholding*

In the event that any amount is required to be withheld or deducted from a payment on the Notes as a result of FATCA, pursuant to the terms and conditions of the Notes, no additional amounts will be paid by the Issuer as a result of the deduction or withholding.

*FATCA is particularly complex legislation.*

*Investors should consult their own tax advisers to determine how FATCA and the Australian IGA may apply to them under the Notes.*

## **2. Common Reporting Standard**

The OECD Common Reporting Standard for Automatic Exchange of Financial Account Information (“**CRS**”) requires certain financial institutions to report information regarding certain accounts (which may include the Notes) to their local tax authority and follow related due diligence procedures. Noteholders may be requested to provide certain information and certifications to ensure compliance with the CRS. A jurisdiction that has signed a CRS Competent Authority Agreement may provide this information to other jurisdictions that have signed the CRS Competent Authority Agreement. The Australian Government has enacted legislation amending, among other things, the Taxation Administration Act 1953 of Australia to give effect to the CRS.

## DIRECTORY

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### Initial Issuer

#### **Volkswagen Financial Services Australia Pty Limited**

(ABN 20 097 071 460)

Level 1

24 Muir Road

Chullora NSW 2190

Australia

Telephone: (612) 9695 6303

Facsimile: (612) 9695 6399

Attention: Wilson Leung

### Guarantor

#### **Volkswagen Financial Services AG**

Gifhorner Strasse 57

D-38112 Braunschweig

Federal Republic of Germany

Telephone: (49) 531 212 3882/4593/2459

Facsimile: (49) 531 212 3853

### Co-Arrangers

#### **Australia and New Zealand Banking Group Limited**

(ABN 11 005 357 522, AFSL 234527)

Level 5, ANZ Tower

242 Pitt Street

Sydney NSW 2000

Australia

Telephone: (61 2) 8037 0200

Facsimile: (61 2) 8937 7115

Attention: Head of Bond Syndicate, Global  
Markets

#### **Citigroup Global Markets Australia Pty Limited**

(ABN 64 003 114 832, AFSL 240992)

Level 23

Citigroup Centre

2 Park Street

Sydney NSW 2000

Australia

Telephone: (61 2) 8225 4072

Facsimile: (61 2) 8225 5466

Attention: Head of Capital Markets Origination

## Dealers

### **Australia and New Zealand Banking Group Limited**

(ABN 11 005 357 522, AFSL 234527)  
Level 5, ANZ Tower  
242 Pitt Street  
Sydney NSW 2000  
Australia

Telephone: (61 2) 8037 0200  
Facsimile: (61 2) 8937 7115  
Attention: Head of Bond Syndicate, Global Markets

### **Deutsche Bank AG, Sydney Branch**

(ABN 13 064 165 162, AFSL 238153)  
Level 16  
Deutsche Bank Place  
Corner of Hunter and Phillip Streets  
Sydney NSW 2000  
Australia

Telephone: (61 2) 8258 2657  
Facsimile: (61 2) 8258 2220  
Attention: Head of Debt Capital Markets

### **Merrill Lynch (Australia) Futures Limited**

(ABN 34 003 639 674, AFSL 235143)  
Level 34, Governor Phillip Tower  
1 Farrer Place  
Sydney NSW 2000  
Australia

Telephone: (61 2) 9226 5564  
Facsimile: (61 2) 9225 6773  
Attention: Debt Capital Markets

### **Citigroup Global Markets Australia Pty Limited**

(ABN 64 003 114 832, AFSL 240992)  
Level 23  
Citigroup Centre  
2 Park Street  
Sydney NSW 2000  
Australia

Telephone: (61 2) 8225 4072  
Facsimile: (61 2) 8225 5466  
Attention: Head of Capital Markets Origination

### **The Hongkong and Shanghai Banking Corporation Limited, Sydney Branch**

(ABN 65 117 925 970, AFSL 301737)  
Level 36, Tower 1, International Towers Sydney  
100 Barangaroo Avenue  
Sydney NSW 2000  
Australia

Telephone: (61 2) 9225 2203  
Facsimile: (61 2) 9006 5906  
Attention: Head of AUD Debt Syndication

### **Mizuho Securities Asia Limited**

14-15/F., K11 Atelier  
18 Salisbury Road  
Tsim Sha Tsui, Kowloon  
Hong Kong

Telephone: + 852 2685 2000  
Facsimile: + 852 2685 2410  
Attention: Debt Capital Markets

### **Royal Bank of Canada**

(ABN 86 076 940 880, AFSL 246521)  
Level 47  
2 Park Street  
Sydney NSW 2000  
Australia

Telephone: (61 2) 9033 3033  
Facsimile: (61 2) 9264 2855  
Attention: Head of Debt Capital Markets

## Registrar

### **Austraclear Services Limited**

(ABN 28 003 284 419)  
Level 4  
20 Bridge Street  
Sydney NSW 2000  
Australia

Telephone: (61 2) 8298 8476  
Facsimile: (61 2) 9256 0456  
Attention: Manager, Clearing and Settlement Operations