

ASX ANNOUNCEMENT*Monday, 21 May 2012***NAB SUBORDINATED NOTES – AMENDED DEED POLL**

Further to today's announcement of the opening of the NAB Subordinated Notes Offer, attached is the Deed Poll dated 14 May 2012, and amended and restated as at 21 May 2012, in respect of the NAB Subordinated Notes.

For further information:

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The information provided in this ASX Announcement is not investment advice and has been prepared without taking into account individual investment objectives, financial situation or particular needs (including financial and taxation issues). Investors should consider the NAB Subordinated Notes Offer Document in full and seek advice from a financial adviser or other professional adviser in deciding whether to apply for NAB Subordinated Notes.

The statement does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. In particular, the NAB Subordinated Notes have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold or resold in the United States or to, or for the account or benefit of, any "U.S. Person" (as defined in Regulation S under the Securities Act) absent registration or an applicable exemption from the registration requirements.

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NAB Subordinated Notes Deed Poll – Amending Deed

Dated 21 May 2012

in relation to the subordinated notes of
National Australia Bank Limited (ABN 12 004 044 937)

*The NAB Subordinated Notes have not been and will not be registered under the US Securities Act of 1933, as amended (the “**Securities Act**”), or the securities laws of any state in the United States. The NAB Subordinated Notes may not be offered or sold at any time within the United States or to, or for the account of, U.S. persons (as defined in Regulation S under the Securities Act), unless such NAB Subordinated Notes are registered under the Securities Act or an exemption from the registration requirements thereof is available.*

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NAB Subordinated Notes Deed Poll – Amending Deed Details

Parties	Issuer	
Issuer	Name	National Australia Bank Limited
	ABN	12 004 044 937
	Address	Level 4 (UB 4440), 800 Bourke Street, Docklands VIC 3008
	Fax	+ 61 1300 099 249
	Attention	Company Secretary
Date of Amending Deed	21 May 2012	

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NAB Subordinated Notes Deed Poll – Amending Deed

General terms

1 Interpretation

These meanings apply unless the contrary intention appears:

Effective Date means the date of this deed.

Original Document means the NAB Subordinated Notes Deed Poll with National Australia Bank Limited as Issuer dated 14 May 2012.

2 Amendments

As from the Effective Date, the Original Document is amended and restated as set out in the document attached as Schedule 1 of this Deed.

3 Governing law and jurisdiction

This deed is governed by the law in force in Victoria, Australia and each party submits to the non-exclusive jurisdiction of the courts in that place.

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Schedule 1 – Amended and Restated
NAB Subordinated Note Deed Poll

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NAB Subordinated Notes Deed Poll

Dated 14 May 2012 and amended and restated as at 21 May 2012

in relation to the subordinated notes of
National Australia Bank Limited (ABN 12 004 044 937)

*The NAB Subordinated Notes have not been and will not be registered under the US Securities Act of 1933, as amended (the "**Securities Act**"), or the securities laws of any state in the United States. The NAB Subordinated Notes may not be offered or sold at any time within the United States or to, or for the account of, U.S. persons (as defined in Regulation S under the Securities Act), unless such NAB Subordinated Notes are registered under the Securities Act or an exemption from the registration requirements thereof is available.*

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NAB Subordinated Notes Deed Poll

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NAB Subordinated Notes Deed Poll

Details

Interpretation – Definitions are at the end of this deed before the schedules.

Parties	NAB as described below.	
NAB	Name	National Australia Bank Limited
	ABN	12 004 044 937
	Address	Level 4 (UB 4440), 800 Bourke Street, Docklands VIC 3008
	Fax	+ 61 1300 099 249
	Attention	Company Secretary
In favour of	Each person who is from time to time a Holder (as defined in the Terms).	
Recitals	A	NAB proposes to issue the NAB Subordinated Notes.
	B	The NAB Subordinated Notes will be issued in registered form by inscription in the Register.
Date	14 May 2012 and amended and restated as at 21 May 2012	

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General terms

1 The NAB Subordinated Notes

1.1 Creation of NAB Subordinated Notes

The obligations of NAB under the NAB Subordinated Notes are constituted by, specified in and owing under this deed. Each NAB Subordinated Note will be issued by inscription in the Register.

1.2 Terms of NAB Subordinated Notes

Each NAB Subordinated Note is issued on, and subject to, the provisions of this deed and the Terms.

1.3 Undertaking to pay

NAB irrevocably undertakes with each Holder:

- (a) to pay, in respect of each NAB Subordinated Note held by the Holder, the Face Value, any interest and any other money payable in respect of each NAB Subordinated Note in accordance with the Terms; and
- (b) otherwise to comply with the Terms.

1.4 Appointment of Registrar

NAB agrees to appoint a Registrar and to procure that the Registrar establishes and maintains during its term of appointment a principal Register in Victoria, Australia or any other place as NAB and the Registrar may agree.

2 Rights and obligations of Holders

2.1 Benefit and entitlement

This deed is executed as a deed poll. Each Holder has the benefit of, and is entitled to enforce, this deed even though it is not a party to, or is not in existence at the time of execution and delivery of, this deed.

2.2 Rights independent

Without prejudice to any provision in this deed or the Terms that requires an Extraordinary Resolution or an Ordinary Resolution, each Holder may enforce its rights under this deed independently from the Registrar and each other Holder.

2.3 Holders bound

Each Holder and any person claiming through or under a Holder is bound by this deed, the Terms and the Offer Document. The NAB Subordinated Notes are issued subject to and on the basis that each Holder is taken to have notice of, and be bound by, all the provisions of this deed, the Terms and the Offer Document.

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2.4 Meeting Provisions

The Meeting Provisions relating to a meeting of Holders are set out in the Schedule 2 ("Meeting Provisions") to this deed.

2.5 Directions to hold Deed Poll

Each Holder is taken to have irrevocably instructed NAB that this deed is to be delivered to and held by the Registrar and appointed and authorised the Registrar to hold this deed in Victoria or such other place as NAB and the Registrar may agree, on its behalf.

3 Governing law, jurisdiction and service of process

3.1 Governing law and jurisdiction

This deed is governed by the law in force in Victoria, Australia.

3.2 Jurisdiction

NAB submits, and each Holder is taken to have submitted, to the non-exclusive jurisdiction of the courts of Victoria, Australia and the courts of appeal from them. NAB waives any right it has to object to an action being brought in those courts including by claiming that the action has been brought in an inconvenient forum or that those courts do not have jurisdiction.

3.3 Serving documents

Without preventing any other method of service, any document in any action may be served on NAB by being delivered or left at NAB's address set out in the Details.

4 Interpretation

4.1 Incorporation of defined terms

Unless the contrary intention appears, a term which has a defined meaning in the Terms has the same meaning when used in this deed.

4.2 Definitions

Unless the contrary intention appears, a reference in this deed to:

- (a) **Details** means the section of this deed headed "Details";
- (b) **NAB** means the person so described in the Details;
- (c) **Offer Document** means the offer document in connection with the issue of the NAB Subordinated Notes lodged with ASX on or about the date of this deed; and
- (d) **Terms** means the terms and conditions applicable to the NAB Subordinated Notes set out in Schedule 1 ("Terms").

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4.3 Interpretation

Clauses 16.2, 16.3, 16.4 and 16.5 ("Interpretation") of the Terms apply to this deed as if they were fully set out in this deed and as if a reference to the Terms were a reference to this deed.

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NAB Subordinated Notes Deed Poll

Schedule 1 - Terms

1 Form and Face Value

1.1 Form

The NAB Subordinated Notes are subordinated, unsecured notes of NAB issued in registered form by entry in the Register.

1.2 Face Value

The NAB Subordinated Notes have a Face Value in Australian Dollars of A\$100.

1.3 CHESS

The NAB Subordinated Notes will be registered in CHESS. While the NAB Subordinated Notes remain in CHESS:

- a. the rights and obligations of a person holding the NAB Subordinated Notes; and
- b. all dealings (including transfers, transmissions and payments) in relation to the NAB Subordinated Notes within CHESS,

will be subject to and governed by the rules and regulations of CHESS. To the extent of any inconsistency with these Terms in any such context, the rules and regulations of CHESS will prevail.

No certificates will be issued to Holders unless NAB determines that certificates should be available or if certificates are required by any applicable law or directive.

1.4 Quotation

NAB agrees to use all reasonable endeavours to procure that the NAB Subordinated Notes are quoted on ASX until their Maturity Date or any earlier Redemption Date (as applicable).

1.5 Independent obligations

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

2 Status

2.1 Status and ranking

The NAB Subordinated Notes constitute direct and unsecured obligations of NAB, which are subordinated in right of repayment to all depositors and unsubordinated creditors of NAB, and rank:

- a. equally among themselves;
- b. equally with all claims against NAB that rank or are expressed to rank equally with the Holders' claims for amounts owing by NAB in connection with the NAB Subordinated Notes;
- c. behind all claims of Unsubordinated Creditors; and

- d. ahead of all claims against NAB that rank or are expressed to rank behind the Holders' claims for amounts owing by NAB in connection with the NAB Subordinated Notes.

The NAB Subordinated Notes do not limit the amount of senior debt, deposits or any other obligations ranking in priority to, equally with or junior to the NAB Subordinated Notes that may be incurred or assumed by NAB at any time.

2.2 Solvency condition to payment

At any time before a winding up:

- a. payment by NAB of interest, principal or any other amount owing to a Holder in connection with a NAB Subordinated Note is conditional upon NAB being Solvent at the time the payment is due; and
- b. NAB must not pay an amount owing to a Holder in connection with a NAB Subordinated Note except to the extent that NAB may pay that amount and still be Solvent immediately after paying that amount.

2.3 Certificate as to Solvency

A certificate as to whether NAB is Solvent signed by:

- a. two directors of NAB;
- b. the auditors of NAB; or
- c. on a winding up of NAB, NAB's liquidator,

is, in the absence of manifest error, conclusive evidence of the matters certified.

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In the absence of such certificate, a Holder is entitled to assume (unless the contrary is proved) that NAB is and will, immediately after any payment, be Solvent.

2.4 Amounts unpaid remain debts

Any amount not paid due to clause 2.2 ("Solvency condition to payment") above or clause 8.2(a)(i) ("Consequences of an Event of Default") below accumulates without compounding and remains a debt owing to the Holder by NAB until it is paid and will be payable on the first date on which that clause is satisfied (whether or not such date is otherwise a payment date).

2.5 Nature of obligations

The NAB Subordinated Notes do not constitute deposit liabilities of NAB and are not protected accounts for the purposes of the Banking Act or any other accounts. In addition, the NAB Subordinated Notes are not guaranteed or insured by any government, Government Agency or compensation scheme of the Commonwealth of Australia or any other jurisdiction, by any member of the Group or by any other party.

3 Interest

3.1 The NAB Subordinated Notes bear interest

Each NAB Subordinated Note bears interest on its Face Value from (and including) its Issue Date to (but excluding) its Maturity Date or any earlier Redemption Date (as applicable).

3.2 Interest Payment Dates

Interest accrues daily at the Interest Rate and is payable in arrears on each of 18 September, 18 December, 18 March and 18 June, commencing on 18 September 2012 ("Interest Payment Date"). If an Interest Payment Date is not a Business Day, then the Interest Payment Date will be the next Business Day.

3.3 Interest Rate

The "Interest Rate" (expressed as a percentage per annum) in respect of a NAB Subordinated Note for an Interest Period is the sum of the Margin and the Bank Bill Rate for that Interest Period, where:

Margin (expressed as a percentage per annum) means 2.75%.

Bank Bill Rate (expressed as a percentage per annum) means, for an Interest Period, the average mid-rate for bills of a term of 90 days, which average rate is displayed on Reuters page BBSW (or any page which replaces that page) on:

- a. in the case of the first Interest Period, the Issue Date; and
- b. in the case of any other Interest Period, the first Business Day of that Interest Period,

or if there is a manifest error in the calculation of that average rate or that average rate is not displayed by 10.30am on that date, the rate specified in good faith by NAB at or around that time on that date having regard, to the extent possible, to:

- c. the rates otherwise bid and offered for bills of that term or for funds of that tenor displayed on Reuters page BBSW (or any page which replaces that page) at that time on that date; and
- d. if bid and offer rates for bills of that term are not otherwise available, the rates otherwise bid and offered for funds of that tenor at or around that time on that date.

3.4 Calculation of interest on the NAB Subordinated Notes

The amount of interest payable in respect of each NAB Subordinated Note for an Interest Period or any other period is calculated in accordance with the following formula:

$$\text{Amount of interest} = \frac{\text{Interest Rate} \times \text{Face Value} \times N}{365}$$

where "N" is the number of days in the Interest Period or other relevant period.

3.5 NAB to determine and notify Interest Rate and amount of interest

In respect of each Interest Period, NAB must:

- a. determine the Interest Rate and the amount of interest for that Interest Period in respect of any NAB Subordinated Note; and

- b. notify the Registrar, ASX and the Holders as soon as practicable after its determination but, in any event, no later than the second Business Day after the first day of the Interest Period.

3.6 Interest continues to accrue

Notwithstanding clause 3.1 ("The NAB Subordinated Notes bear interest"), if payment of the Face Value of a NAB Subordinated Note is improperly withheld or refused when due and payable, interest will continue to accrue (after as well as before any demand or judgment) on the Face Value of that NAB Subordinated Note at the Interest Rate in the manner provided in this clause 3 ("Interest") to the date on which payment in full of the amount improperly withheld or refused is made.

4 Redemption

4.1 Redemption on Maturity Date

NAB agrees to redeem each NAB Subordinated Note on the Maturity Date by payment of its Face Value (together with any accrued but unpaid interest), unless the NAB Subordinated Note has previously been redeemed, or purchased by NAB or a Related Entity and cancelled.

4.2 Early redemption at the option of NAB

Subject to clause 4.9 ("Consent of APRA"), NAB may redeem all or some of the NAB Subordinated Notes before their Maturity Date by payment of their Face Value (together with any accrued but unpaid interest) on 18 June 2017 (or, if that date is not a Business Day, the next Business Day) or on any Interest Payment Date falling after that date.

However, NAB may only do so if NAB has given at least 30 days' (and no more than 60 days') notice to the relevant Holders, the Registrar and ASX.

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4.3 Early redemption for taxation reasons

Subject to clause 4.9 ("Consent of APRA"), NAB may redeem all (but not some) of the NAB Subordinated Notes before their Maturity Date by payment of their Face Value (together with any accrued but unpaid interest) if NAB is required under clause 7.2 ("Payment of additional amounts") to increase the amount of a payment in respect of a NAB Subordinated Note.

However, NAB may only do so if NAB has given at least 30 days' (and no more than 60 days') notice to the relevant Holders, the Registrar and ASX.

4.4 Early redemption following a Regulatory Event

Subject to clause 4.9 ("Consent of APRA"), NAB may redeem all (but not some) of the NAB Subordinated Notes before their Maturity Date by payment of their Face Value (together with any accrued but unpaid interest) if a Regulatory Event occurs.

However, NAB may only do so if NAB has given at least 30 days' (and no more than 60 days') notice to the relevant Holders, the Registrar and ASX.

4.5 No early redemption at the option of Holders

A Holder cannot require NAB to redeem all or some of the NAB Subordinated Notes held by that Holder before their Maturity Date.

4.6 Effect of notice of redemption

Any notice of redemption given under this clause 4 ("Redemption") is irrevocable.

4.7 Partial redemptions

If only some of the NAB Subordinated Notes are to be redeemed under this clause 4 ("Redemption"), the NAB Subordinated Notes to be redeemed will be specified in the notice and selected:

- a. in a fair and reasonable manner; and
- b. in compliance with any applicable law, directive or requirement of ASX.

4.8 Purchases

Subject to clause 4.9 ("Consent of APRA"), NAB and any Related Entities may at any time purchase the NAB Subordinated Notes in the open market or otherwise and at any price. Any NAB Subordinated Notes purchased under this clause 4.8 ("Purchases") are not extinguished (unless held beneficially by NAB at the Maturity Date) and may be held, resold or cancelled at the discretion of NAB, subject to compliance with law.

4.9 Consent of APRA

NAB may not redeem any NAB Subordinated Notes under clauses 4.2 ("Early redemption at the option of NAB"), 4.3 ("Early redemption for taxation reasons") or 4.4 ("Early redemption following a Regulatory Event") or purchase, or procure that any of its Related Entities purchase, any NAB Subordinated Notes under clause 4.8 ("Purchases") without the prior written approval of APRA.

NAB will not be permitted to redeem any NAB Subordinated Notes unless:

- a. the NAB Subordinated Notes are replaced concurrently or beforehand with a capital instrument of the same or better quality; or
- b. APRA is satisfied that NAB's capital position is well above its minimum capital requirements after NAB elects to redeem the NAB Subordinated Notes.

5 Title and transfer

5.1 Title

Title to a NAB Subordinated Note passes when details of the transfer are entered in the Register.

5.2 Effect of entries in the Register

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

- a. an irrevocable undertaking by NAB to the Holder to:
 - i. pay the Face Value, any interest and any other amount in accordance with these Terms; and

- ii. comply with the other Terms of the NAB Subordinated Note; and

- b. an entitlement to the other benefits given to the Holder in respect of the NAB Subordinated Note under these Terms.

5.3 Register conclusive as to ownership

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

5.4 Non-recognition of interests

Except as required by law or directive, NAB and the Registrar must treat the person whose name is entered in the Register as the holder of a NAB Subordinated Note as the absolute owner of that NAB Subordinated Note. This clause 5.4 ("Non-recognition of interests") applies whether or not a NAB Subordinated Note is overdue and despite any notice of ownership, trust or interest in the NAB Subordinated Note.

5.5 Joint holders

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

5.6 Transfer

Subject to the ASX Listing Rules, the NAB Subordinated Notes will be transferable only in accordance with these Terms and the rules and regulations of CHESS. A Holder may not transfer part of a NAB Subordinated Note.

5.7 Instruments of transfer

A Holder may transfer a NAB Subordinated Note:

- a. by a proper transfer according to the rules and regulations of CHESS;
- b. by a proper transfer under any other computerised or electronic system recognised by the Corporations Act;

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- c. under any other method of transfer which operates in relation to the trading of securities on any securities exchange outside Australia on which the NAB Subordinated Notes are quoted and which is applicable to NAB; or
- d. by any proper or sufficient instrument of transfer of marketable securities under applicable law.

5.8 Transfer on occurrence of certain events

The Registrar must register a transfer of a NAB Subordinated Note to or by a person who is entitled to make or receive the transfer as a consequence of:

- a. death, bankruptcy, liquidation or winding up of a Holder; or
- b. a vesting order by a court or other body with power to make the order,

on receipt of such evidence of entitlement that the Registrar or NAB requires.

6 Payments

6.1 Payments to Holders

Each payment in respect of a NAB Subordinated Note will be made to the person that is recorded in the Register as the Holder of that NAB Subordinated Note as at 7.00pm on the Record Date for that payment.

6.2 Payments to accounts

Payments will be made by crediting on the relevant payment date the amount due to an Australian Dollar bank account maintained in Australia with a financial institution, specified by the Holder to the Registrar by close of business on the Record Date for that payment.

6.3 Uncompleted payments

If:

- a. a Holder has not notified the Registrar by close of business on the Record Date of an Australian Dollar bank account maintained in Australia with a financial institution to which payments in respect of the NAB Subordinated Note may be credited; or
- b. the transfer of any amount for payment to the credit of the nominated account does not complete for any reason,

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

- i. the Holder nominates a suitable Australian dollar account maintained in Australia with a financial institution to which the payment may be credited;
- ii. claims may no longer be made in respect of that amount, in which case the monies shall be paid to and be the property of NAB; or
- iii. NAB becomes entitled or obliged to deal with the amount in accordance with the law relating to unclaimed monies.

No additional interest is payable in respect of any delay in payment.

6.4 Time limit on claims

A claim against NAB for a payment under a NAB Subordinated Note is void unless made within 10 years (in the case of Face Value) or 5 years (in the case of interest and other amounts) from the date on which payment first became due.

6.5 Determination and calculation final

Except where there is fraud or a manifest error, any determination or calculation which NAB makes in accordance with these Terms is final and binds NAB, the Registrar and each Holder.

6.6 Rounding

For the purposes of any calculations required under these Terms:

- a. all percentages resulting from the calculations must be rounded, if necessary, to the nearest one hundred thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.);
- b. all figures must be rounded to four decimal places (with halves being rounded up); and

- c. all amounts that are due and payable must be rounded to the nearest cent (with halves being rounded up).

6.7 Joint Holders

A payment to any one joint holder of a NAB Subordinated Note will discharge NAB's liability in respect of the payment.

6.8 No set-off

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

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

6.9 Payments subject to law

All payments are subject to applicable law, but without prejudice to the provisions of clause 7 ("Taxation").

6.10 Payments on Business Days

If a payment:

- a. is due on a NAB Subordinated Note on a day which is not a Business Day, then the due date for payment will be postponed to the next day that is a Business Day; or
- b. is to be made to an account on a Business Day on which banks are not open for general banking business in the place in which the account is located, then the due date for payment will be the next day on which banks are open for general banking business in that place,

and in either case, the Holder is not entitled to any additional payment in respect of that delay.

7 Taxation

7.1 No deductions

NAB must make all payments in respect of the NAB Subordinated Notes without any withholding or deduction in respect of Taxes, unless the withholding or deduction is required by law.

7.2 Payment of additional amounts

Subject to clause 7.3 ("Exceptions to requirement to pay additional amounts"), if a law requires NAB to withhold or deduct an amount in respect of Taxes from a payment in respect of the NAB Subordinated Notes such that a Holder would not receive on the due date the full amount provided for under the NAB Subordinated Notes then, if the amount deducted or withheld is in respect of Taxes imposed by or within the Commonwealth of Australia or by any Australian authority having power to tax, NAB agrees to pay such additional amounts as will result in such Holder receiving (at the time the payment is due) the amount the Holder would have received if no deductions or withholding had been required to be made.

7.3 Exceptions to requirement to pay additional amounts

NAB is not required to pay any additional amounts under clause 7.2 ("Payment of additional amounts") if the obligation to do so arises as a result of any one or more of the following:

- a. the deduction is required in respect of Taxes by reason of the Holder or beneficial holder having some connection with the Commonwealth of Australia other than the mere holding of the NAB Subordinated Note or receipt of payment in respect of the NAB Subordinated Note;
- b. the deduction is required as a result of the payment being to an associate of NAB within the meaning of the Australian Tax Act;
- c. the deduction is required as a consequence of a determination having been made under Part IVA of the Australian Tax Act that withholding tax is payable in respect of a payment in circumstances where the payment would not have been subject to withholding tax in the absence of the scheme which was the subject of that determination;
- d. the deduction is required on the basis that the Holder is a fiduciary or partnership or other than the sole beneficial owner of any such payment to the extent that a beneficiary or settlor with respect to such fiduciary, a member of such a partnership or

any other beneficial owner would not have been entitled to the additional amounts had such beneficiary, settlor, member or beneficial owner been the Holder;

- e. the deduction is required under a notice to withhold under section 255 of the Australian Tax Act or section 260-5 of Schedule 1 of the Taxation Administration Act 1953 (Cth); or
- f. the deduction is required as a result of Taxes which would not be required to be deducted if the Holder (or a person acting on its behalf) ensured that any third party complied with any other statutory requirements (such as making a declaration of non-residence or similar claim) for any relevant tax exemption.

7.4 Tax file number

NAB will deduct tax from payments of interest on the NAB Subordinated Notes at the highest marginal tax rate plus the highest Medicare levy if an Australian resident investor or a non-resident investor carrying on business in Australia at or through a permanent establishment of the non-resident in Australia has not supplied an appropriate tax file number, Australian Business Number or exemption details.

7.5 Subordination of additional amounts

Any additional amounts due in respect of the NAB Subordinated Notes will be subordinated in right of payment as described in clause 9 ("Subordination").

8 Events of Default

8.1 Events of Default

An "Event of Default" occurs if:

- a. (payment default) either:
 - i. NAB does not pay any Face Value of the NAB Subordinated Notes due in respect of the NAB Subordinated Notes within 7 days of its due date; or
 - ii. NAB does not pay any interest or other amount due in respect of the NAB Subordinated Notes within 30 days of its due date, (a "Payment Default"); or

- b. (winding up default) a Winding Up occurs other than for the purposes of a consolidation, amalgamation, merger or reconstruction which has been approved by an Extraordinary Resolution of the Holders or in which the surviving entity has assumed or will assume expressly or by law all obligations of NAB in respect of the NAB Subordinated Notes (a "Winding Up Default").

8.2 Consequences of an Event of Default

If an Event of Default occurs and is continuing:

- a. in the case of a Payment Default, a Holder may bring proceedings:
 - i. to recover any amount then due and payable but unpaid on its NAB Subordinated Notes (subject to NAB being able to make the payment and remain Solvent);
 - ii. to obtain an order for specific performance of any other obligation in respect of its NAB Subordinated Notes; or
 - iii. for the winding up of NAB.

To the extent that a payment is not required to be made because of the solvency condition to payment in clause 2.2 ("Solvency condition to payment"), the amount is not due and payable and a Payment Default cannot occur; or

- b. in the case of a Winding Up Default, in addition to taking any of the actions specified in clause 8.2(a) ("Consequences of an Event of Default") above, the Holders may resolve by Ordinary Resolution to declare by notice to NAB (with a copy to the Registrar) that the Face Value of each NAB Subordinated Note (together with all interest accrued to the date of payment determined as if the date of payment were an Interest Payment Date) is payable on a date specified in the notice and, subject to clause 9 ("Subordination"), may prove in the winding up of NAB for that amount.

The Holders may not exercise any other remedies (including any right to sue for damages which has the same economic effect as acceleration) as a consequence of an Event of Default or other default

other than as specified in this clause 8.2 ("Consequences of an Event of Default").

8.3 Notification

If an Event of Default occurs, NAB must promptly after becoming aware of it notify the Registrar, the Holders and ASX of the occurrence of the Event of Default (specifying details of it).

9 Subordination

9.1 Acknowledgment

Each Holder, by its subscription for or purchase of a NAB Subordinated Note, is taken to acknowledge that NAB's obligations in respect of that NAB Subordinated Note are subordinated to the payment of the Unsubordinated Debt to Unsubordinated Creditors, in the manner provided in clause 9.2 ("Subordination").

9.2 Subordination

- a. **(winding up)** In a winding up of NAB, a Holder's claim for an amount owing by NAB in connection with a NAB Subordinated Note is subordinated to the claims of Unsubordinated Creditors of NAB, in that:
 - i. all claims of Unsubordinated Creditors must be paid in full before the Holder's claim is paid; and
 - ii. until the Unsubordinated Creditors have been paid in full, the Holder must not claim in the winding up in competition with the Unsubordinated Creditors so as to diminish any distribution, dividend or payment which, but for that claim, the Unsubordinated Creditors would have been entitled to receive.
- b. **(debt subordination)** Each Holder irrevocably acknowledges and agrees that this clause 9.2 ("Subordination") is a debt subordination for the purposes of section 563C of the Corporations Act.
- c. **(voting)** Each Holder must not exercise its voting rights as an unsecured creditor in the winding up or administration of NAB to defeat the subordination in this clause 9.2 ("Subordination").

- d. **(not otherwise affected)** Each Holder irrevocably acknowledges and agrees that the debt subordination effected by this clause 9.2 ("Subordination") is not affected by any act or omission of NAB or an Unsubordinated Creditor which might otherwise affect it at law or in equity.
- e. **(clawback)** Each Holder irrevocably acknowledges and agrees that it must pay or deliver to the liquidator any amount or asset received on account of its claim in the winding up of NAB in connection with a NAB Subordinated Note in excess of its entitlement under clause 9.2(a) ("Subordination") above.
- f. **(consent of unsubordinated creditors not required)** Nothing in this clause 9.2 ("Subordination") shall be taken to require the consent of any Unsubordinated Creditor to any amendment of this clause 9.2 ("Subordination").

10 Meetings of Holders

10.1 Meeting Provisions

The Meeting Provisions contain provisions for convening meetings of the Holders to consider any matter affecting their interests.

NAB:

- a. may convene a meeting at any time; and
- b. must convene a meeting upon the request in writing of Holders holding not less than 10% of the Outstanding NAB Subordinated Notes.

The Meeting Provisions contain provisions governing notice, quorum requirements and other matters relevant to the conduct of a meeting.

The Meeting Provisions also contain provisions for the passing of resolutions in writing signed by defined majorities of Holders.

10.2 Resolutions binding

Any resolution passed at any meeting of the Holders or by writing is binding on all Holders, whether or not they are present at the meeting.

11 Variation

11.1 Variation with consent

Subject to clause 11.2 ("Variation without consent") and clause 11.4 ("No variation which affects Tier 2 eligibility"), NAB may vary the Deed Poll and these Terms with the approval of the Holders by Extraordinary Resolution.

11.2 Variation without consent

Subject to clause 11.4 ("No variation which affects Tier 2 eligibility"), NAB may vary the Deed Poll and these Terms without the approval of the Holders if, in the reasonable opinion of NAB, the variation:

- a. is necessary or advisable to comply with any law;
- b. is necessary to correct a manifest error, or is otherwise of a formal, technical or administrative nature;
- c. is made to cure any ambiguity or correct or supplement any defective or inconsistent provision;
- d. is necessary or advisable to maintain the quotation of the NAB Subordinated Notes on ASX; or
- e. in any other case, is not materially prejudicial to the interests of the Holders as a whole.

11.3 Holder approval not required

NAB does not require the approval of Holders to vary or terminate any registry agreement or other deed or agreement (other than the Deed Poll and the Terms) in respect of any NAB Subordinated Notes.

11.4 No variation which affects Tier 2 eligibility

NAB must not vary the Deed Poll or these Terms in a way which affects the eligibility of the NAB Subordinated Notes as Tier 2 Capital without the prior written approval of APRA.

11.5 Meaning of vary

In this clause 11 ("Variation"), **vary** includes amend, modify, cancel, alter or add to and **variation** has a corresponding meaning.

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11.6 Notice to Holders

NAB must notify Holders of any variation to the Deed Poll or these Terms.

12 Further issues and no other rights

12.1 Further issues

NAB may from time to time, without the consent of the Holders, issue further NAB Subordinated Notes having the same Terms as the NAB Subordinated Notes in all respects (or in all respects except for the first payment of interest). References in these Terms to the NAB Subordinated Notes include (unless the context requires otherwise) any other NAB Subordinated Notes issued pursuant to these Terms and forming a single series with the NAB Subordinated Notes.

12.2 No other rights

A Holder of the NAB Subordinated Notes has:

- a. no right to participate in the issue of any other securities of NAB; and
- b. no right to vote at any meeting of members of NAB.

13 Notices

13.1 Notices to Holders

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

- a. sent by prepaid post (airmail if appropriate) or left at the address of the relevant Holder (as shown in the Register at the close of business on the day which is 3 Business Days before the date of the relevant notice or communication); or
- b. except for a notice of meeting in accordance with clause 10 ("Meetings of Holders") and subject to clause 15 ("Code of Banking Practice"):
 - i. so long as the NAB Subordinated Notes are quoted on ASX, given by publication of an announcement on ASX; or

- ii. given by an advertisement published in the *Australian Financial Review* or *The Australian*.

13.2 Notices to NAB and the Registrar

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

13.3 When effective

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

13.4 Receipt – publication on ASX

If published by an announcement on ASX, communications are taken to be received when the announcement is made on ASX.

13.5 Receipt – publication in newspaper

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

13.6 Receipt – postal

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

13.7 Non-receipt of notice

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

14 Governing law and jurisdiction

14.1 Governing law

The NAB Subordinated Notes are governed by the law in force in Victoria, Australia.

14.2 Jurisdiction

NAB submits to the non-exclusive jurisdiction of the courts of Victoria and courts of appeal from them. NAB waives any right it has to object to an action being

brought in those courts including by claiming that the action has been brought in an inconvenient forum or that those courts do not have jurisdiction.

14.3 Serving documents

Without preventing any other method of service, any document in any action may be served on NAB by being delivered or left at NAB's address in the Deed Poll.

15 Code of Banking Practice

NAB has adopted the Code of Banking Practice and relevant provisions of the Code of Banking Practice apply to the NAB Subordinated Notes to the extent that a Holder is a retail client (as defined in Chapter 7 of the Corporations Act).

16 Interpretation

16.1 Definitions

In these Terms the following expressions have the following meanings:

APRA means the Australian Prudential Regulation Authority (ABN 79 635 582 658) or any successor body responsible for prudential regulation of NAB.

Assets means, in respect of NAB, its total non-consolidated gross assets as shown by its latest published audited financial statements but adjusted for events subsequent to the date of such financial statements in such manner and to such extent as its directors, its auditors or its liquidator may determine to be appropriate.

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

ASX Listing Rules means the listing rules of ASX from time to time with any modifications or waivers in their application to NAB which ASX may grant.

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

Banking Act means the Banking Act 1959 (Cth).

Basel III Consultation Paper means the consultative document titled "A global regulatory framework for more resilient

banks and banking systems" which was released by the Basel Committee on Banking Supervision on 16 December 2010 and revised in June 2011 and any related releases, papers, proposals (including, without limitation, the release of 13 January 2011) and any related prudential standards or guidelines of the Basel Committee on Banking Supervision or APRA.

Business Day means a day which is a business day within the meaning of the ASX Listing Rules.

CHES means the Clearing House Electronic Subregister System operated by ASX or its affiliates.

Code of Banking Practice means the Australian Bankers' Association Code of Banking Practice (May 2004 version) as amended by any subsequent amendment NAB adopts.

Corporations Act means the Corporations Act 2001 of Australia.

Deed Poll means the deed poll entitled "NAB Subordinated Notes Deed Poll" executed by NAB on 14 May 2012 and amended and restated as at 21 May 2012.

Directors means the directors of NAB.

Draft APS 160 means the draft Prudential Standard APS 160 entitled "Capital Adequacy: Basel III Transitional Arrangements" issued by APRA in March 2012.

Event of Default has the meaning given in clause 8.1 ("Events of Default").

Extraordinary Resolution has the meaning given in the Meeting Provisions.

Face Value means, in respect of the NAB Subordinated Notes, the face value and denomination of the NAB Subordinated Notes as specified in clause 1.2 ("Face Value").

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

Group means NAB and its controlled entities.

Holder means, for a NAB Subordinated Note, each person whose name is entered in the Register as the holder of that NAB Subordinated Note.

Interest Payment Date has the meaning given in clause 3.2 ("Interest Payment Dates"), as adjusted in accordance with these Terms.

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

- a. the first Interest Period commences on (and includes) the Issue Date; and
- b. the final Interest Period ends on (but excludes) the first to occur of the Maturity Date and the Redemption Date.

Interest Rate has the meaning given in clause 3.3 ("Interest Rate").

Issue Date means the date on which a NAB Subordinated Note is issued.

Liabilities means, in respect of NAB, its total non-consolidated gross liabilities as shown by its latest published audited financial statements but adjusted for events subsequent to the date of such financial statements in such manner and to such extent as its directors, its auditors or its liquidator may determine to be appropriate.

Maturity Date means 18 June 2022 or, if that date is not a Business Day, the next Business Day.

Meeting Provisions means the provisions for the convening of meetings of, and passing of resolutions by, Holders set out in Schedule 2 to the Deed Poll.

NAB means National Australia Bank Limited (ABN 12 004 044 937).

NAB Subordinated Note means a registered, unsecured, subordinated debt obligation of NAB constituted by, and owing under the Deed Poll and issued on these Terms, the details of which are recorded in, and evidenced by, entry in the Register.

Ordinary Resolution has the meaning given in the Meeting Provisions.

Outstanding means all of the NAB Subordinated Notes other than:

- a. NAB Subordinated Notes which have been redeemed or satisfied in full by NAB; or
- b. NAB Subordinated Notes for which funds equal to their aggregate Face Value are on deposit with the Registrar in respect of which the

Registrar holds an irrevocable direction to apply funds in repayment of NAB Subordinated Notes to be redeemed on that day; or

- c. NAB Subordinated Notes in respect of which a Holder is unable to make a claim as a result of the operation of clause 6.4 ("Time limit on claims").

Payment Default has the meaning given in clause 8.1(a) ("Events of Default").

Record Date means, in the case of:

- a. payments of interest, the date which is 8 days before the date of payment (or as otherwise prescribed by the ASX Listing Rules or if not prescribed by the ASX Listing Rules, a date determined by NAB and notified to ASX); and
- b. payments of the Face Value, a date determined by NAB and notified to ASX (or such other date as may be prescribed by ASX).

Redemption Date means the day on which NAB Subordinated Notes are to be redeemed before their Maturity Date in accordance with clause 4 ("Redemption").

Register means a register of holders of NAB Subordinated Notes established and maintained by the Registrar. The term Register includes:

- a. any sub-register maintained by, or on behalf of NAB under the Corporations Act, the ASX Listing Rules or the rules and regulations of CHES; and
- b. any branch register, provided that, in the event of any inconsistency, the principal register will prevail over any sub-register or branch register.

Registrar means Computershare Investor Services Pty Limited (ABN 48 078 279 277) or any other person appointed by NAB to maintain the Register and perform any payment and other duties as specified in that agreement.

Regulatory Event means a determination by the Directors that:

- a. NAB is not or will not be entitled to treat all of the NAB Subordinated Notes as Tier 2 Capital (including, without limitation, as a result of the Basel III Consultation Paper insofar as it applies to NAB or any of its controlled entities), except where the reason NAB is not entitled to

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treat all NAB Subordinated Notes as Tier 2 Capital is because NAB has exceeded a limit on the recognition of Tier 2 Capital which was in effect on the Issue Date or because of a limit set out in Table 1 of Draft APS 160; or

- b. transitional arrangements for recognising regulatory capital as a result of the Basel III Consultation Paper are or will be applied to the NAB Subordinated Notes in a manner which is in any way more adverse than that set out in Draft APS 160.

Related Entity has the meaning it has in the Corporations Act.

Solvent means that each of the following is the case:

- a. NAB is able to pay its debts as they fall due; and
- b. its Assets exceed its Liabilities.

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

Terms means these terms of issue.

Tier 2 Capital means:

- a. prior to 1 January 2013, Lower Tier 2 capital as defined by APRA from time to time; and
- b. on and from 1 January 2013, Tier 2 capital as defined by APRA from time to time.

Unsubordinated Creditor means a creditor (including a depositor) of NAB to whom NAB is indebted in respect of Unsubordinated Debt.

Unsubordinated Debt means all present and future claims against NAB (including but not limited to claims of all depositors of NAB) which:

- a. would be entitled to be admitted in the winding up of NAB; and
- b. do not rank and are not by their terms expressed to rank equally with, or behind, the claims of the Holders.

Winding Up means:

- a. a court order is made for the winding up of NAB which is not successfully appealed or permanently stayed within 60 days of the making of such court order; or
- b. an effective resolution is passed by shareholders or members for the winding up of NAB.

Winding Up Default has the meaning given in clause 8.1(b) ("Events of Default").

16.2 References to certain general terms

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

- a. a group of persons is a reference to any two or more of them jointly and to each of them individually;
- b. another grammatical form of a defined word or expression has a corresponding meaning;
- c. a reference to a document includes all schedules or annexes to it;
- d. a reference to a clause or paragraph is to a clause or paragraph of these Terms;
- e. a reference to a statute, ordinance, code, rule, directive or law (however described) includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- f. a document (including these Terms) includes any variation or replacement of it;
- g. law means common law, principles of equity and statutes of any relevant jurisdiction (and statute laws include federal or state laws and regulations and other instruments under them, and consolidations, amendments, re-enactments or replacements of any of them), orders of a court of competent jurisdiction and so long as NAB Subordinated Notes are quoted on ASX, in relation to those NAB Subordinated Notes, the ASX Listing Rules;

- h. a reference to a directive includes a treaty, official directive, request, regulation, guideline or policy (whether or not in any case having the force of law) with which responsible participants in the relevant market generally comply;
- i. Australian Dollars or A\$ or cents is a reference to the lawful currency of Australia;
- j. a time of day is a reference to Melbourne time;
- k. if these Terms require an event to occur on a Business Day, and the date specified by these Terms for the occurrence of that event is not a Business Day, then that event is taken to occur on the next Business Day following that date;
- l. the word "person" includes an individual, a firm, a body corporate, an unincorporated association and an authority;
- m. a particular person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- n. an agreement, representation or warranty in favour of two or more persons is for the benefit of them jointly and each of them individually;
- o. anything (including any amount) is a reference to the whole and each part of it;
- p. the words "including", "for example" or "such as" when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind;
- q. a reference to an amount of interest or Face Value includes any additional amount due in respect of that amount under clause 7.2 ("Payment of additional amounts");
- r. any provision which refers to the requirements of APRA or any other prudential regulatory requirements will apply to NAB only if NAB is an entity subject to regulation and supervision by APRA at the relevant time;

- s. any provision which requires APRA's consent or approval will apply only if APRA requires that such consent or approval be given at the relevant time; and
- t. any provisions in these Terms requiring the prior approval of APRA for a particular course of action to be taken by NAB do not imply that APRA has given its consent or approval to the particular action as of the Issue Date.

16.3 Number

The singular includes the plural and vice versa.

16.4 Headings

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

16.5 Inconsistency with ASX Listing Rules

So long as NAB Subordinated Notes are quoted on ASX, these Terms as they relate to those NAB Subordinated Notes are to be interpreted in a manner consistent with applicable ASX Listing Rules.

NAB Subordinated Notes Deed Poll

Schedule 2 - Meeting Provisions

The following are the Meeting Provisions which are applicable to the convening of meetings of Holders and the passing of resolutions by them.

Interpretation

- 1 (a) Expressions and terms having a defined meaning in the Terms have the same meaning when used in these provisions and the following words have these meanings in these provisions, in each case unless the contrary intention appears:

Circular Resolution means a written resolution of Holders made in accordance with paragraph 29.

Extraordinary Resolution means a resolution:

- (i) passed at a Meeting by a majority of at least 75% of the votes cast; or
- (ii) made in writing by Holders in accordance with paragraph 29(b).

Form of Proxy means a notice in writing in the form available from the Registrar.

Meeting is deemed to include:

- (i) if there is only one Holder, the attendance of that person or its Proxy on the day and at the place and time specified in accordance with these provisions;
- (ii) the presence of persons physically, by conference telephone call or by video conference; and
- (iii) (other than in paragraphs 7, 9 and 13) any adjourned meeting.

Notification Date means the date stated in the copies of a resolution to be made in writing sent for that purpose to Holders, which must be no later than the date on which that resolution is first notified to Holders in the manner provided in the Terms.

Ordinary Resolution means a resolution:

- (i) passed at a Meeting by a simple majority of the votes cast; or
- (ii) made in writing by Holders in accordance with paragraph 29(a).

Proxy means a person so appointed under a Form of Proxy.

Special Quorum Resolution means an Extraordinary Resolution for the purpose referred to in paragraph 33(a), (b), (c) and (d), any amendment of this definition or the provisions of the table in paragraph 11 expressed to relate to a "Special Quorum Resolution".

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Terms means the terms and conditions applicable to the NAB Subordinated Notes set out in Schedule 1 ("Terms") to the Deed Poll.

- (b) If there is only one Holder of the NAB Subordinated Notes that person must be treated as two persons for the purposes of any quorum requirements of a Meeting.
- (c) The time and date for determining the identity of a Holder who may be counted for the purposes of determining a quorum or attend, speak and vote at a Meeting or sign a Circular Resolution is at the close of business in the place where the Register is kept 8 days prior to the date of the Meeting or, for a Circular Resolution, the Notification Date.
- (d) In determining whether the provisions relating to quorum, meeting and voting entitlements and procedures are complied with, any NAB Subordinated Notes beneficially held in the name of NAB or any of its Related Entities (other than a life insurance company in respect of a statutory fund) must be disregarded.
- (e) Any notice required to be given under these provisions to Holders must be given in the manner set out in the Terms.
- (f) If a notice of Meeting must be given within a certain period of days, the day on which the notice is given, and the day on which the Meeting is to be held, are not to be counted in calculating that period.

Proxies

- 2 A Holder entitled to attend and vote at a Meeting may appoint a Proxy to attend and act on that Holder's behalf in connection with any Meeting or propose a meeting of Holders by a Form of Proxy signed by the Holder or, in the case of a corporation, executed in accordance with the Corporations Act or in such other manner as is acceptable to the Registrar and NAB.
- 3 Forms of Proxy are valid for so long as the NAB Subordinated Notes to which they relate are registered in the name of the appointor but not otherwise. While the Form of Proxy is valid the Proxy is, for all purposes in connection with any Meeting, deemed to be the Holder of the NAB Subordinated Notes to which that Form of Proxy relates.
- 4 A Proxy:
 - (a) need not be a Holder; and
 - (b) may be an officer, employee, representative of or otherwise connected with NAB or a Related Entity of NAB.
- 5 A Form of Proxy may not be treated as valid unless it is (together with any power of attorney or other authority under which it is signed, or a copy of power or authority certified in such manner as the Registrar may require) received by the Registrar at the office of the Registrar specified in the Form of Proxy not less than 48 hours before the time appointed for holding the Meeting to which the Form of Proxy relates. If the Form of Proxy specifies a fax number to which these documents may be sent, the documents are taken to be received at the time shown in the fax transmission report as the time the whole fax was sent.
- 6 Any vote given in accordance with the terms of a Form of Proxy is valid despite the previous revocation or amendment of the Form of Proxy or of any instructions of the Holder under which it was executed, unless notice in writing of that revocation or amendment is received from the Holder who has executed such

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Form of Proxy at the principal office of NAB not less than 24 hours before the commencement of the Meeting at which the Form of Proxy is used.

Convening Meetings

- 7 A Meeting:
- (a) may be convened at any time by NAB or the Registrar at the place and time appointed by the convenor; and
 - (b) must be convened by the Registrar at a place and time appointed by it if it is requested to do so:
 - (i) by NAB; or
 - (ii) by Holders of NAB Subordinated Notes representing in the aggregate at least 10% of the Outstanding NAB Subordinated Notes.

Postponing and cancelling Meetings

- 8 NAB may postpone or cancel a Meeting at its discretion by notice to Holders and the Registrar (except where NAB is obliged to convene the Meeting pursuant to paragraph 7(b)(ii)).

Notice of Meeting

- 9 Unless otherwise agreed in writing by each Holder, at least 21 days' notice specifying the day, time and place of the Meeting must be:
- (a) given to the Holders; and,
 - (b) if not given by the Registrar, copied to the Registrar; or,
 - (c) if not given by NAB, copied to NAB.

The notice must state generally the nature of the business to be transacted at the Meeting but (except for an Extraordinary Resolution) need not specify the terms of the resolutions to be proposed and must include statements to the effect that Proxies may be appointed until 48 hours before the time fixed for the Meeting but not after that time.

The convenor of the Meeting may amend or supplement the notice of meeting by any further information or materials it considers appropriate by further notice given in accordance with this paragraph at least 7 days prior to the time fixed for the Meeting.

A Meeting is duly convened and proceedings at it are valid, notwithstanding:

- (a) the accidental omission to give notice (or any amending or supplementary notice) to, or the non-receipt of notice by, any person entitled to receive notice; or
- (b) the omission to give notice (or any amending or supplementary notice) to a Holder whose country of residence (as shown in the Register) is outside Australia and where the giving of notice to such Holder is not permitted by applicable law, or applicable only after compliance with conditions which NAB in its discretion considers unduly onerous.

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Chairman

- 10 The convenor of the Meeting must nominate in writing a person (who may, but need not, be a Holder) as the chairman at every Meeting convened by it. If a Meeting is held and:
- (a) a chairman has not been nominated by the convenor; or
 - (b) the person nominated is not present within 15 minutes after the time appointed for the holding of the Meeting, or is unable or unwilling to chair the Meeting,

the Holders or Proxies present must choose one of their number to be chairman. The chairman of an adjourned Meeting need not be the same person as was the chairman of the Meeting from which the adjournment took place.

Quorum

- 11 At any Meeting any Holder or Proxy present form a quorum for the purposes of passing the resolutions shown in the table below only if they alone or together hold (or in the case of Proxies, represent Holders who hold) NAB Subordinated Notes which represent at least the proportion of the Outstanding NAB Subordinated Notes shown in the table below.

Column 1	Column 2	Column 3
Type of resolution	Required proportion for any Meeting except one referred to in Column 3	Required proportion for Meeting previously adjourned because of lack of quorum
Special Quorum Resolution	66%	33%
Any other Extraordinary Resolution	50%	25%
Any Ordinary Resolution	10%	Any

- 12 No business (other than the choosing of a chairman) may be transacted at any Meeting unless the requisite quorum is present at the commencement of the relevant business.

Adjournment where no quorum

- 13 If within 15 minutes from the time appointed for any Meeting a quorum is not present for the transaction of any particular business then, subject and without prejudice to the transaction of any business for which a quorum is present, the Meeting:
- (a) if convened on the requisition of Holders, is dissolved; and
 - (b) in any other case, stands adjourned until the day, time and place appointed by the chairman (such date being not less than 14 days nor more than 42 days after the date of the Meeting from when the adjournment took place).
- 14 If within 15 minutes from the time appointed for any adjourned Meeting a quorum is not present for the transaction of any particular business then, subject and without prejudice to the transaction of any business for which a quorum is present, the chairman may dissolve the Meeting. If the adjourned Meeting is not

dissolved in accordance with this paragraph 14, the chairman may adjourn the Meeting to a new day, time and place.

Adjournment for other reasons

- 15 The chairman may with the consent of (and must if directed by) any Meeting adjourn that Meeting or any business, motion, question, debate or discussion being considered or remaining to be considered by the Meeting either to a later time at the same Meeting or to an adjourned Meeting at any day, time and place.

Business at adjourned Meeting

- 16 Only business which might validly (but for the lack of required quorum) have been transacted at the original Meeting may be transacted at the adjourned Meeting.

Notice of adjourned Meeting

- 17 Unless otherwise agreed in writing by each Holder, at least 10 days' notice of any Meeting adjourned because of lack of a quorum must be given in the same manner as the notice of the original Meeting. The notice must state the quorum required at the adjourned Meeting but need not contain any further information. It is not necessary to give notice of an adjournment unless a Meeting is adjourned because of lack of a quorum.

Attendees

- 18 NAB, the Registrar and the Holders (in person or through their respective representatives and Proxies) and their respective financial and legal advisers are entitled to attend and speak at any Meeting. Otherwise, no person may, except for the chairman, attend or speak at any Meeting.

Voting at Meetings

- 19 Every resolution put to a vote at a Meeting must be decided by a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by:

- (a) the chairman;
- (b) NAB; or
- (c) one or more persons who alone or together hold (or represent Holders who hold) NAB Subordinated Notes which represent at least 2% of the number of Outstanding NAB Subordinated Notes.

- 20 Unless a poll is properly demanded and the poll is not withdrawn, a declaration by the chairman that a resolution has been carried or carried by a particular majority or lost or not carried by any particular majority is conclusive evidence of the fact. The chairman and the minutes do not need to state, and it is not necessary to prove, the number or proportion of the votes recorded in favour of or against the resolution.

Poll

- 21 If a poll is properly demanded, it must be taken in the manner and at the date, time and place directed by the chairman, provided that the chairman must direct that such poll be taken immediately or at another time determined by the chairman which is no later than 30 days from the date of the Meeting.
- 22 A poll demanded on the election of a chairman or on a question of adjournment must be taken immediately.

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- 23 A demand for a poll may be withdrawn.
- 24 The result of the poll is the resolution of the Meeting at which the poll was taken. The demand for a poll does not prevent the continuance of the Meeting for the transaction of any business other than the question on which the poll has been demanded.

Chairman's casting vote

- 25 If there is an equality of votes the chairman has, both on a show of hands and on a poll, a casting vote in addition to any votes to which the chairman is entitled as a Holder or Proxy.

Voting entitlements

- 26 A Holder (or, in the case of a NAB Subordinated Note registered as being owned jointly, the person whose name appears first on the Register as one of the owners of the Subordinated Note) may be present and vote in person at any Meeting in respect of the Subordinated Note or be represented by Proxy.
- 27 Except where these Meeting Provisions provide otherwise, at any Meeting:
- (a) on a show of hands, each Holder present in person and each other person present as a Proxy has one vote; and
 - (b) on a poll, each Holder or Proxy present has one vote in respect of each Outstanding Subordinated Note which is registered in that person's name or in respect of which that person is a Proxy.
- 28 Without affecting the obligations of the Proxies named in any Form of Proxy, any person entitled to more than one vote need not use all votes (or cast all the votes) to which that person is entitled in the same way.

Circular Resolutions

- 29 The Holders may, without a Meeting being held, pass:
- (a) an Ordinary Resolution, if within one month after the Notification Date, Holders representing more than 50% of the Outstanding NAB Subordinated Notes as at the Notification Date sign a document containing a statement that they are in favour of the resolution set out in the document; or
 - (b) an Extraordinary Resolution, if within one month after the Notification Date stated in the copies of the resolution sent for that purpose to Holders, Holders representing at least 75% of the Outstanding NAB Subordinated Notes as at the Notification Date sign a document containing a statement that they are in favour of the resolution set out in the document.

The resolution is passed when the last Holder signs it (as evidenced on its face).

- 30 The accidental omission to give a copy of the Circular Resolution to, or the non-receipt of a copy by, any Holder does not invalidate the Circular Resolution.
- 31 A Circular Resolution may be contained in one or more documents in like form each signed by one or more Holders.

Matters requiring an Extraordinary Resolution

- 32 The Holders have in addition to the powers set out above but without affecting any powers of any other person, the following powers exercisable only by Extraordinary Resolution:
- (a) to sanction any proposal by NAB for any modification, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Holders against NAB whether those rights arise under the NAB Subordinated Notes or otherwise and which is not otherwise specifically referred to in the following sub-paragraphs of this paragraph;
 - (b) to assent to any modification of the provisions of the Deed Poll or the Terms proposed by NAB or any Holder;
 - (c) to waive or authorise any breach or proposed breach by NAB of any of its obligations under the Deed Poll or the Terms;
 - (d) to authorise any person to concur in and do anything necessary to carry out and give effect to an Extraordinary Resolution;
 - (e) to sanction any scheme for the reconstruction of NAB or the amalgamation of NAB with any other corporation;
 - (f) to give any authority, direction or sanction or exercise any right, power or discretion which is required to be given or exercised by Extraordinary Resolution; and
 - (g) to appoint any persons (whether Holders or not) as a committee or committees to represent the interests of the Holders and to confer on the committee or committees any powers or discretions which the Holders could themselves exercise by Extraordinary Resolution.

Matters requiring a Special Quorum Resolution

- 33 The following matters require a Special Quorum Resolution:
- (a) to approve any amendment of the dates of maturity or redemption of the NAB Subordinated Notes or any date on which a payment of principal or interest is due on the NAB Subordinated Notes;
 - (b) to approve any reduction or cancellation of an amount payable or, where applicable, modification of the method of calculating the amount payable or modification of the date of payment in respect of the NAB Subordinated Notes (other than where the reduction, cancellation or modification is provided for in the Terms or where the modification is bound to result in an increase in the amount payable);
 - (c) to approve the alteration of the currency in which payments in respect of the NAB Subordinated Notes are made; and
 - (d) to approve the alteration of the majority required to pass an Extraordinary Resolution.

Action which affects Tier 2 Eligibility

- 34 An action which in any way affects the eligibility of the NAB Subordinated Notes as Tier 2 Capital cannot be sanctioned or approved by Holders under paragraph 32 or paragraph 33 without the prior written approval of APRA.

Matters requiring an Ordinary Resolution

35 The Holders have the power exercisable by Ordinary Resolution to do anything which is required to be done by Ordinary Resolution and to do anything else for which an Extraordinary Resolution is not required.

Effect and notice of resolution

36 A resolution passed at a Meeting duly convened and held (or by Circular Resolution) in accordance with these provisions is binding on all Holders, whether present or not present and whether or not voting at the Meeting (or signing or not signing the written resolution), and each Holder is bound to give effect to it accordingly. The passing of the resolution is conclusive evidence that the circumstances of the resolution justify its passing.

37 NAB must give notice to the Holders of the result of the voting on a resolution within 14 days of the result being known but failure to do so does not invalidate the resolution.

Minutes

38 The Registrar (failing which NAB) must keep minute books in which it records:

- (a) proceedings and resolutions of Meetings; and
- (b) Circular Resolutions.

39 The Registrar must ensure that:

- (a) minutes of a Meeting are signed by the chairman of the Meeting or by the chairman of the next Meeting; and
- (b) Circular Resolutions are signed by an authorised officer of the Registrar or NAB.

40 A minute or Circular Resolution that is so recorded and signed is, unless the contrary is proved, evidence:

- (a) of the matters contained in it;
- (b) that the Meeting has been duly convened and held or copies of the proposed Circular Resolution have been duly sent; and
- (c) that all resolutions passed or proceedings transacted have been duly passed and transacted.

Further procedures

41 NAB (with the approval of the Registrar) may prescribe further regulations for the holding of, attendance and voting at Meetings as are necessary or desirable and do not adversely affect the interests of the Holders.

NAB Subordinated Notes Deed Poll – Amending Deed

Signing page

DATED: 21 May 2012

SIGNED, SEALED AND DELIVERED)

by *Christian Jannidis*)

as attorney for NATIONAL)
AUSTRALIA BANK LIMITED under)
power of attorney dated 11 May 2012)
in the presence of:)

[Handwritten Signature]

.....)
Signature of witness)

ROSS EDWARDS

.....)
Name of witness (block letters))

[Handwritten Signature]

.....)
By executing this deed the attorney)
states that the attorney has received no)
notice of revocation of the power of)
attorney)

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