

ANZ's BONUS OPTION PLAN

Set out below are ANZ's Bonus Option Plan (BOP) Terms and Conditions.

Please read these Terms and Conditions carefully if you are considering making an election to participate in the BOP.

It is also very important to note that:

(i) participation in the BOP is available only in respect of ANZ's ordinary shares – no other ANZ securities may participate;

(ii) if a shareholder makes an election to participate in the BOP and also a separate election to participate in ANZ's Dividend Reinvestment Plan (DRP), the BOP election will have priority over the DRP election to the extent there is any conflict; and

(iii) if you make an election for the ANZ ordinary shares held by you on a particular holding to participate in the BOP and/or DRP, that election will continue to apply with respect to that holding unless and until that election is terminated or varied in accordance with the terms and conditions of the BOP/DRP. For example, if you sell all your ANZ ordinary shares on that holding and then, some time later, you acquire new ANZ ordinary shares on that same holding, your original BOP/DRP election will continue to apply to the newly acquired ANZ ordinary shares.

Terms and Conditions - Bonus Option Plan

1. Participation in the BOP

1.1 Participation by Shareholders

Participation by Shareholders in the BOP is optional, non transferable and subject to these Terms and Conditions.

The degree of a Shareholder's participation may, subject to the restrictions and procedures provided for in these Terms and Conditions, be varied or terminated by the Shareholder or the Company at any time.

1.2 Shareholders not eligible to participate

A Shareholder who is subject to the laws of a country or place other than Australia may not be eligible to participate in the BOP because of legal requirements that apply in that country or place or in Australia. Allotment of Shares to Shareholders who are not resident in Australia at the time of allotment will be subject to all necessary government approvals. It is the responsibility of each Shareholder to obtain any such approvals. Before electing to participate in the BOP, Shareholders who are not resident in Australia should seek professional advice to ascertain if any restrictions apply.

The Board may determine at any time that the right to participate in the BOP shall not be available to a Shareholder whose registered address is in a country or place where, in the absence of a registration statement or other formality, the offer of a right to so participate would or might be unlawful.

Until the Board otherwise determines, participation in the BOP is not available directly or indirectly to any entity or person, including any legal or beneficial owner of Shares,
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who is (or who is acting on behalf of or for the account or benefit of an entity or person who is) in or resident in the United States of America, its possessions or territories, or Canada. Copies of BOP documents shall not be mailed or otherwise distributed or sent into the United States of America, its possessions or territories, or Canada.

2. Application to participate

Application to participate in the BOP is to be made on the Election Form. Upon receipt by the Share Registrar of the Election Form correctly completed, a Shareholder will, subject to rule 12.1, participate commencing in respect of the next relevant Eligible Dividend.

If a Shareholder is shown on the Share Registry as holding more than one parcel of Shares and has been allocated a separate, unique holder identification number or security reference number for each of those parcels:

- (a) a separate Election Form is required for each of those parcels; and
- (b) these Terms and Conditions apply as if each of those parcels were registered in the name of a separate Shareholder.

3. Degree and limits of participation

3.1 Degree of participation

Participation in the BOP may be either "full" or "partial" for:

- (a) all of the Shares registered in the name of the Shareholder on a relevant Record Date, or
- (b) the number of Shares registered in the name of the Shareholder specified in an Election Form.

An Election Form which does not specify the degree of participation shall be deemed to be a request for full participation in the BOP of all Shares registered in the name of the Shareholder.

An Election Form which specifies a number of Shares which is greater than a Shareholder's total holding on a relevant Record Date, shall be deemed to be a request for full participation in the BOP of all Shares registered in the name of the Shareholder for the purposes of the Eligible Dividend relating to that Record Date.

Shares issued under the BOP will be added to those already participating in the BOP and these will automatically forego future dividends and generate further bonus shares until the Shareholder notifies the Share Registrar otherwise.

3.2 Limit on BOP participation

The Board may determine from time to time that not more than a specified number or percentage of Shares registered in a Shareholder's name may participate in the BOP. If the Board does so, the Company must notify Shareholders accordingly. Once notified, each BOP Participant's participation will be subject to that maximum and, if any BOP Participant's participating Shares exceeds the maximum determined by the Board, the number of Shares participating will be that maximum number determined by the Board.

If:

- (a) the Board determines to impose a limit on the number or percentage of a Shareholder's Shares that may participate in the BOP; and
- (b) Shares are held in a broker's clearing account (as defined in the Listing Rules) or by a trustee or nominee,

the broker, trustee or nominee will be permitted to participate up to such limit in respect of each person whose Shares are held that way, subject to the restrictions and procedures provided for in these Terms and Conditions.

4. Operation of the BOP

4.1 Application of dividend

The amount of each Eligible Dividend otherwise payable to a BOP Participant (but for participation in the BOP) on the BOP Participant's BOP Shares will be foregone by the BOP Participant. However, the Board shall issue and allot to the BOP Participant the number of Shares determined under rule 4.4.

4.2 Bound by Constitution

By applying to participate in the BOP a Shareholder agrees to be bound by the Constitution in respect of all Shares allotted to the Shareholder under the BOP.

4.3 BOP Account

The Company will establish and maintain a BOP Account for each BOP Participant. The Company will record in each BOP Participant's BOP Account the number of BOP Shares held by the BOP Participant, from time to time, including any Shares allotted under rule 4.4.

4.4 Number of BOP Shares to be allotted

The number of Shares (**N**) which may be allotted to a BOP Participant in relation to an Eligible Dividend is the quotient (**Q**) determined in accordance with the following formula after rounding Q down to the nearest whole number:

$$Q = [(S \times D) + PB] \text{ divided by } AP$$

Where:

S is the number of BOP Shares held by the BOP Participant in the BOP Participant's BOP Account on the Record Date in relation to the Eligible Dividend;

D is the amount in cents per Share of the Eligible Dividend that the BOP Participant has foregone in respect of the BOP Participant's BOP Shares;

PB is the amount expressed in cents (if any) determined in accordance with rule 4.5; and

AP is the Acquisition Price (expressed in cents) in relation to the Eligible Dividend.

4.5 Previous BOP balances

For the purpose of determining under rule 4.4 the number of Shares which may be allotted to a BOP Participant in respect of an Eligible Dividend (the **applicable Eligible Dividend**), if **N** as determined in accordance with rule 4.4 for a BOP Participant for the previous Eligible Dividend is in any case less than the quotient (**Q**) determined in accordance with the formula in rule 4.4 for that previous Eligible Dividend, then, **PB** in respect of the applicable Eligible Dividend shall be the amount in cents calculated in accordance with the following formula:

$$PB = (Q - N) \times AP$$

Where:

PB is the amount in cents;

Q is the quotient as determined by applying the formula in rule 4.4 in relation to the previous Eligible Dividend (which for the avoidance of doubt is before rounding to the nearest whole number);

N is the whole number determined pursuant to rule 4.4 in relation to the previous Eligible Dividend; and

AP is the amount determined as AP pursuant to rule 4.4 in relation to the previous Eligible Dividend.

5. Shares Allotted under the BOP

Shares allotted under the BOP will be issued as bonus Shares and no consideration is payable for the issue of those Shares. The issued Shares will, from the date of allotment, rank equally in all respects with all other Shares in the Company, and will be allotted on, or as soon as practicable after, the payment date of the relevant Eligible Dividend.

An allotment of bonus Shares which BOP Participants become entitled to under the BOP shall be effected by the allotment and issue of such bonus Shares without any amount being credited to the Company's share capital account.

Shares allotted under the BOP will be registered on the Share Registry on which the BOP Participant's holding of BOP Shares is currently registered.

6. Costs to Shareholders

No brokerage, commission or other transaction costs will be payable by a Shareholder on Shares provided under the BOP and no stamp or other transaction duties will, under present law, be payable by a BOP Participant.

7. Plan Statements

The Company will send to each BOP Participant a BOP statement on or after the payment date of each Eligible Dividend providing full details of the BOP Participant's transactions in the BOP and the BOP Account.

8. Variation or Termination of Participation

Subject to rule 12.1, a BOP Participant may at any time give notice to the Company:

- (a) increasing or decreasing the number of the BOP Participant's Shares participating in the BOP; or

(b) terminating the BOP Participant's participation in the BOP.

If a BOP Participant dies or becomes bankrupt, the participation of that BOP Participant and any other Shareholder with whom the deceased or bankrupt BOP Participant was a joint Shareholder will be terminated upon receipt by the Company of notice of the death or bankruptcy, as the case may be.

Upon termination of participation in the BOP by a Shareholder for any reason (other than termination by the Company), the Shareholder will not be entitled to receive from the Company payment of any money in respect of a BOP Account at the time when participation by the Shareholder in the BOP is terminated or the Shareholder ceases to participate in the BOP.

9. Reduction or Termination of Participation where no notice is given

Where a BOP Participant with partial participation in the BOP disposes of part of the BOP Participant's holding of Shares then, unless the BOP Participant advises the Company otherwise, the Shares disposed of will be deemed to be Shares not participating in the BOP. If the number of Shares disposed of is greater than the number of the BOP Participant's Shares not participating in the BOP, the Shares disposed of will be deducted from the BOP Participant's holding of Shares in the following order:

- (a) Shares not participating in either the DRP or BOP;
- (b) Shares participating in the DRP; and
- (c) BOP Shares.

10. Modification, suspension and termination of the BOP

The BOP may be modified, suspended or terminated by the Company at any time upon the Company giving notice to Shareholders. In the case of a modification, it will be deemed that each existing BOP Participant will continue to participate under the modified BOP on the basis of the last Election Form received by the Company in accordance with these Terms and Conditions unless the Company is notified to the contrary by the BOP Participant in an Election Form.

If the BOP is suspended or terminated by the Company, a BOP Participant will not be entitled to receive from the Company payment of any money in respect of a BOP Account at the time when participation by the BOP Participant in the BOP is suspended or terminated. If the BOP is suspended and subsequently reinstated, subject to rule 8 and unless otherwise determined by the Board, each Shareholder who was a BOP Participant before the suspension is taken to continue to participate in the BOP when it recommences with, subject to these Terms and Conditions, the same degree of participation as immediately before the suspension.

11. Securities Exchange Listing

The Company will promptly make application for Shares allotted under the BOP to be listed on the official list of ASX and the New Zealand Stock Exchange (as applicable).

12. Applications and Notices

12.1 Applications and notices to the Company

Applications and notices to the Company shall be in writing and in accordance with the Election Form. Applications and notices will be effective upon receipt by the Share Registrar in accordance with any directions in the Election Form subject to:

- (a) these Terms and Conditions;
- (b) in the case of applications to participate in the BOP made on an Election Form, acceptance by the Company;
- (c) in relation to any Eligible Dividend, receipt by not later than 5.00pm (Melbourne time) (or such other time as the Board determines) on the BOP Election Date for that Eligible Dividend; and
- (d) any other restrictions that the Board may determine from time to time.

The Company will not accept an Election Form from any entity or person who does not represent that they are not (and that they are not acting on behalf or for the account or benefit of an entity or person who is) in or resident in the United States of America, its possessions or territories, or Canada, or any other jurisdiction which the Board may determine in its absolute discretion.

12.2 Notices from the Company

Any notice to Shareholders or announcement to be made by the Company or the Board in relation to the BOP (including in relation to any modification, suspension or termination, any discount or any other matter provided for in these Terms and Conditions) may be made:

- (a) by notice to ASX for release to the market and on the Company's website; or
- (b) by notice to Shareholders in accordance with the provisions of the Constitution which provide for notices to Shareholders.

Any such notice or announcement will be effective from the date given, or any other date provided for in these Terms and Conditions or referred to in the notice or announcement.

13. Taxation

Given the complex nature of taxation and of other legislation, the variety of jurisdictions involved, and the diverse taxation and financial circumstances applying to Shareholders, the Company cannot take any responsibility for any advice expressed or implied in this document.

Shareholders should obtain their own professional advice in relation to the financial and taxation implications of any of the dividend alternatives offered.

This document does not contain the information which would be contained in a prospectus. It is limited to information concerning the operation of the BOP.

Neither the Company nor any of its directors, officers, employees, representatives or agents accept any responsibility or assume any liability for any taxation liabilities incurred by or imposed upon any Shareholder as a consequence of the Shareholder participating in the BOP.

14. General

- (a) The BOP and its operation and these Terms and Conditions shall be governed by the laws of the State of Victoria.
- (b) The accidental omission to give any notice (including any notice of modification, suspension or termination) to, or the non-receipt of any notice by, any Shareholder shall not invalidate the notice, or the effect of the notice, including the modification, suspension or termination of the BOP as the case may be.
- (c) Any determination, notification or calculation to be made or given by the Board or the Company may be made or given by the Board or the Company respectively in its absolute discretion and in the absence of manifest error is binding on each Shareholder who elects to participate in the BOP.
- (d) The Company reserves the right to waive strict compliance with any of the provisions of these Terms and Conditions.
- (e) The Company has the power to settle or resolve any difficulties, anomalies or disputes which arise in connection with, or because of, the operation of the BOP, in the manner it thinks expedient either generally or in relation to a particular Shareholder or Share and the decision of the Company is binding on all Shareholders of the Company.

15. Interpretation

In these Terms and Conditions, the following definitions apply:

"Acquisition Price" in relation to an Eligible Dividend, means the arithmetic average of the daily volume weighted average sale price of all Shares sold on ASX in the ordinary course of trading on ASX during the Pricing Period less a discount (if any) determined by the Board from time to time and notified by the Company to Shareholders (with the arithmetic average, after deduction of any discount, rounded to the nearest whole cent but if the fraction is one half of a cent the amount is to be rounded down to the nearest whole cent). The Acquisition Price is to be calculated based on information obtained from ASX or its subsidiaries, and for this purpose the Company may determine at its discretion that a particular transaction is not to be included in the calculation because, in the Company's view, it is not within the ordinary course of trading on ASX.

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

"Board" means the directors of the Company acting collectively under the Constitution or a committee or person to whom the directors of the Company have delegated a relevant power in accordance with the Constitution or the *Corporations Act 2001* (Cth) (or both).

"BOP" means the Company's Bonus Option Plan the subject of these Terms and Conditions.

"BOP Account" means an account established and maintained under rule 4.3.

"BOP Election Date" means the date determined by the Board and announced to ASX for calculating participation in the BOP with respect to the relevant Eligible Dividend.

"BOP Participant" means a Shareholder who is not ineligible to participate as determined by rule 1.2 and:

- (a) whose Election Form has been received and accepted by the Company and is effective in accordance with rules 2 and 12; and

(b) who has not ceased to participate by operation of rules 8, 9 or 10.

"**BOP Share**" means a Share that is taken to be participating in the BOP pursuant to rules 3.1 and 3.2.

"**Company**" means Australia and New Zealand Banking Group Limited (ABN 11 005 357 522).

"**Constitution**" means the constitution of the Company from time to time.

"**DRP**" means the Company's Dividend Reinvestment Plan.

"**Election Form**" means an application to participate in the BOP in the form prescribed or approved by the Company from time to time, which form may be combined with or be a part of any other form or notice and may be electronic if the Company permits.

"**Eligible Dividend**" means each cash dividend determined by the Board in respect of Shares and (at the discretion of the Board) includes any special dividends.

"**Listing Rules**" means the Listing Rules of ASX as they apply to the Company from time to time.

"**Pricing Period**" means, in relation to any Eligible Dividend, the period of 7 trading days (or such other number of trading days as the Board may determine from time to time) commencing on the second trading day immediately following the Record Date in relation to that Eligible Dividend (or such other day as the Board may determine). For this purpose, trading day means (unless otherwise determined by the Board) a day which is defined to be a "Trading Day" in the Listing Rules, other than a day on which the Shares have been placed in a trading halt (as defined in the Listing Rules) or on voluntary suspension (as described in Listing Rule 17.2) for more than 2 hours.

"**Record Date**" means 5.00 pm (Melbourne time) (or such other time as the Board determines) on the date for calculating entitlements to the relevant Eligible Dividend.

"**Share**" means a fully paid ordinary share in the Company.

"**Share Registrar**" means the person appointed as registrar of the Share Registry from time to time.

"**Share Registry**" means the Company's share register maintained by the Share Registrar.

"**Shareholder**" means a holder of a Share or Shares from time to time.

16. Trading Rules

For so long as the Company remains admitted to the official list of ASX, despite anything else contained in these Terms and Conditions:

- (a) if the Trading Rules prohibit an act being done by the Company, the act shall not be done;
- (b) nothing contained in these Terms and Conditions prohibits an act being done by the Company that the Trading Rules require to be done;
- (c) if the Trading Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be);
- (d) if the Trading Rules require these Terms and Conditions to contain a provision and they do not contain that provision, these Terms and Conditions are taken to contain that provision;

- (e) if the Trading Rules require these Terms and Conditions not to contain a provision and they contain that provision, these Terms and Conditions are deemed not to contain that provision; and
- (f) if any of these Terms and Conditions are or become inconsistent with the Trading Rules, these Terms and Conditions are to be taken not to contain that provision to the extent of the inconsistency.

In this rule, **Trading Rules** mean:

- (a) the Listing Rules; and
- (b) the operating rules of ASX Settlement Pty Ltd ABN 49 008 504 532.