



Australian Government

Australian Office of Financial Management

AUSTRALIAN OFFICE OF FINANCIAL MANAGEMENT INVESTMENT FACILITY

CONDITIONS OF PANEL PARTICIPATION

FACILITY DESCRIPTION

The Australian Office of Financial Management (AOFM) operates an investment facility (the Facility) for the Australian Government. The Facility invests in a diversified portfolio of debt instruments denominated in Australian dollars.

THE CONDITIONS OF PANEL PARTICIPATION

These Conditions of Panel Participation (the Conditions) set out the terms and conditions associated with participation in the investment dealing panel (the Panel). A condition of panel membership is that Panel Members comply with the principles and conditions as set out in this document. This compilation of the Conditions is effective from 23 July 2008 and remains in force until any subsequent modification or amendment of the Conditions comes into force.

The Conditions are intended to form part of the contract between the AOFM and Panel Members. Rather than each party signing the Conditions and any variations, each Panel Member is required to sign a Panel Membership Agreement with the AOFM, and the Panel Membership Agreement incorporates the Conditions.

The Conditions should be read in conjunction with the Panel Membership Agreement, any other relevant notices or information published by the AOFM, agreements between AOFM or Panel Members and Bloomberg, and agreements between AOFM or Panel Members and Yieldbroker. However, in the event of any inconsistency between any of these documents, the Conditions will take precedence to the extent of the inconsistency, and next in precedence will be the Panel Membership Agreement.

The AOFM reserves the right to modify the Conditions at any time. Any changes to the Conditions will be communicated to all Panel Members. Panel Members agree that ongoing membership of the Panel is conditional upon Panel Members complying with the Conditions and any subsequent revisions.

The information contained herein has been prepared specifically and exclusively for the use of Panel Members. The AOFM believes the information is accurate, but notes that it is subject to those terms implied by statute which cannot lawfully be excluded, restricted or modified. No warranty of accuracy or reliability is given and no responsibility to any Panel Member or any other person is accepted for errors or omissions howsoever arising.

No officer, employee or agent of the AOFM has any authority to make representations or give warranties which are inconsistent with or differ from the information contained in the Conditions.

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1. DEFINITIONS

The following definitions apply to the Conditions:

Austraclear	Means Austraclear Limited.
Austraclear System	Means a system owned and operated by Austraclear Limited that facilitates, inter alia, settlement of transactions in debt securities.
Australian Office of Financial Management or AOFM	Means the Commonwealth of Australia acting through and represented by the Australian Office of Financial Management (AOFM). The AOFM is a prescribed agency under the <i>Financial Management and Accountability Act 1997</i> (Cwlth).
Bloomberg	Means Bloomberg L.P., a Delaware (United States of America) limited liability partnership, and its affiliates.
BLOOMBERG PROFESSIONAL® Service	Means the service or system of that name operated and owned by Bloomberg that facilitates, inter alia, electronic trading of debt securities.
Business Day	Means a day not being a Saturday, Sunday or public holiday on which Australian financial institutions are open for general banking business in Sydney.
Commonwealth	Means the Commonwealth of Australia.
Conditions	Means the Conditions of Panel Participation (this document).
Dematerialised Security	Has the same meaning as specified in the Austraclear System Regulations.
Panel	Means the investment dealing panel.
Panel Member	Means any person acting in its capacity as a member of the Panel, who: <ul style="list-style-type: none">(a) has been accepted by the AOFM under clause 4 of the Conditions as a member of the Panel;(b) has entered into a Panel Membership Agreement; and(c) whose membership has not been terminated in accordance with the Conditions.
Panel Membership Agreement	Means an agreement between a person accepted by the AOFM under clause 4 of the Conditions as a Panel Member and the AOFM.
Paper Security	Has the same meaning as specified in the Austraclear System

Regulations.

**Reserve Bank of
Australia or RBA**

Means the body corporate established by the *Reserve Bank Act 1959* (Cwlth).

Yieldbroker

Means Yieldbroker Pty Limited.

YIELBROKER DEBTS

Means a system owned and operated by Yieldbroker that facilitates, inter alia, electronic trading of debt securities.

2. EFFECT OF CONDITIONS OF PANEL PARTICIPATION

2.1. PANEL MEMBERS BOUND BY CONDITIONS OF PANEL PARTICIPATION

Panel Members acknowledge that they are bound to comply with the Conditions and to fulfil and perform every obligation and duty imposed on them by or pursuant to the Conditions. Each Panel Member acknowledges that, for the avoidance of doubt, its application to join the Panel and its subsequent provision of offers (in any capacity) to the AOFM constitute acceptance of the Conditions.

2.2. CHANGES TO THE CONDITIONS OF PANEL PARTICIPATION

The AOFM may make additions, modifications or amendments to the Conditions without the consent of Panel Members. Any such addition, modification or amendment will be notified by the AOFM to each Panel Member and shall come into effect one month after such notification unless an earlier or later date is fixed at the time by the AOFM, and shall have no force or effect before the date of such coming into effect.

A Panel Member may, at any time prior to a modification or amendment coming into effect, exercise its right to resign as a Panel Member under clause 4.3. However, failure of a Panel Member to resign prior to the coming into effect of a modification or amendment will mean that the Panel Member accepts the modification or amendment, and agrees that its Panel Membership Agreement is amended accordingly.

To avoid any doubt, the active participation of a Panel Member in a tender or a request for quote on or after the time of the modified Conditions coming in to effect shall be conclusive proof of the Panel Member's acceptance of the modified Conditions.

3. AOFM LIABILITY

3.1. LIMITATION OF LIABILITY

Save where the AOFM, its officers, employees or agents, is negligent or fraudulent, the AOFM and the Reserve Bank of Australia (RBA) in its capacity as settlement agent for the AOFM will not be liable for any loss to any Panel Member howsoever arising whether direct or consequential (including but not limited to loss of profits), or damage to persons or property, which arises out of any act or any failure or refusal to act (including without limitation any decision or calculation made) by the AOFM, its officers, employees or agents in good faith or out of reliance on:

- (a) any act, failure to act, conduct or consent of any other person;
- (b) any instructions, information or document provided to the AOFM, its officers, employees or agents by any other person;
- (c) any failure of the AOFM, its officers, employees or agents to receive any instructions, information or document from any other person; or
- (d) any technological failure of any sort (including without limitation any communications, computer, software or electrical failure).

The AOFM will not be liable for any loss to any person howsoever arising whether direct or consequential (including, but not limited to loss of profits) or damage to persons or property arising out of any addition, modification or amendment to the Conditions or the failure of any Panel Members to receive notification of any addition, modification or amendment to the Conditions.

The AOFM will not be liable for any loss to any person howsoever arising whether direct or consequential (including but not limited to loss of profits) or damage to persons or property arising out of the bona fide exercise of any discretion, right or power authorised, conferred upon or delegated to the AOFM, its officers, employees or agents, by the Conditions or by any Panel Member or by any other person including any such powers as are incidental thereto.

Conditions of Panel Participation

Without limiting any other provision of the Conditions, the AOFM will not be liable for any loss to any Panel Member howsoever arising whether direct or consequential (including but not limited to loss of profits) or damage to persons or property arising out of:

- (e) any addition, modification or amendment to the Conditions, or the accidental failure of the AOFM to give notification to any Panel Member or the failure of any Panel Member to receive notification of any addition, modification or amendment to the Conditions;
- (f) any breach of warranty or undertaking or representation, any breach of the Conditions or the terms of any other document relating to the Panel;
- (g) the termination or suspension of, or the resignation of a Panel Member;

Dealing Arrangements

- (h) any technological failure of any sort (including without limitation any communications, computer, software or electrical failure);
- (i) any breach of the security of the connection between a Panel Member and the computers on which the AOFM invites or receives offers, or a breach of the confidentiality of any passwords or access codes;
- (j) any unauthorised access to, or participation in, the facilities for inviting and receiving offers by any person other than an officer, employee or agent of the AOFM;
- (k) any error or omission in or modification to any document, information, calculation or advice issued, displayed, announced, transferred or transmitted by or on behalf of the AOFM;

Offering and Settlement

- (l) the terms of (including without limitation any errors or omissions in), or the AOFM's inability to act upon, any instructions, information or document given to the AOFM, its officers, employees or agents or entered by any Panel Member as part of a tender or request for quote; or,
- (m) the failure of the AOFM, its officers, employees or agents to receive any instructions, information or document from any other person by the relevant due time or date for receipt by the AOFM of such instructions, information or document.

4. THE INVESTMENT DEALING PANEL

Panel Members may offer for sale to the AOFM any of the asset types listed in Appendix B that are issued by, accepted by or can be sourced by, the Panel Member.

4.1. MEMBERSHIP CRITERIA

To be considered for appointment to the Panel, an applicant must satisfy all of the following criteria:

Criterion 1: The applicant is a member of the Australian Financial Markets Association.

Criterion 2: The applicant is a member of Austraclear.

Criterion 3: The applicant has a significant presence in the Australian money market and/or fixed income debt market and possesses the ability to regularly offer for sale and make two-way prices on a competitive basis in some or all of the asset types listed in the Appendix B.

Criterion 4: The applicant is willing to accept and comply with the Conditions and sign the Panel Membership Agreement.

4.2. MEMBERSHIP AGREEMENT

Applicants assessed as meeting the criteria specified in clause 4.1 are eligible to join the Panel. Once a Membership Agreement, in the form specified by the AOFM has been duly executed, an applicant becomes a member of the Panel and is eligible to participate in tenders.

Potential Panel Members are advised that the fact of their membership of the Panel will not be held confidential and will not attract the protection of clause 5.5 of these Conditions ('Confidentiality'). The AOFM may disclose the fact of their membership to other Panel Members from time to time.

4.3. TERMINATION AND RESIGNATION OF MEMBERSHIP OF THE PANEL

Membership of the Panel is dependent upon the Panel Member meeting and continuing to meet the criteria specified in clause 4.1. A Panel Member is obliged to inform the AOFM if it no longer meets any of the criteria specified in clause 4.1. At its discretion, the AOFM reserves the right to terminate membership of the Panel, by terminating the Panel Membership Agreement between the Commonwealth of Australia and the Panel Member, if the AOFM believes that a Panel Member no longer meets the membership criteria.

A repeated inability to competitively offer any asset types sought by the AOFM as listed in Appendix B may give rise to grounds for removal from the Panel. Other termination events may include, but are not limited to, ceasing to be a member of the Australian Financial Markets Association or cessation of Austraclear membership.

In an instance where membership has been terminated by the AOFM, notice to that effect will be given in writing and the Panel Member will not be invited to participate in any further tenders. Any decision exercised by the AOFM in terminating an agreement with a Panel Member is made by the AOFM at its absolute discretion. The decision in such matters shall be final and no correspondence shall be entered into.

A Panel Member may resign from the Panel at any time by providing the AOFM with notice in writing of its intention to do so. This terminates the Panel Membership Agreement between the Commonwealth of Australia and the Panel Member.

The AOFM may choose to discontinue the investment facility at any time by notice to all Panel Members. This action will terminate all Panel Membership Agreements between the Commonwealth of Australia and all Panel Members.

Termination or resignation shall not in any way prejudice, lessen or affect the rights, duties, liabilities and obligations of a Panel Member whether under the Conditions or otherwise accrued and existing at the time of such termination or cessation, or which arise, accrue or crystallise thereafter out of or by reason of facts or circumstances occurring or in existence at or before such time.

5. RIGHTS AND OBLIGATIONS OF PANEL MEMBERS

5.1. SOURCE OF RIGHTS AND OBLIGATIONS

A Panel Member shall be bound by and shall perform, observe and comply with all liabilities, duties and obligations imposed upon it by or pursuant to the Conditions, the Panel Membership Agreement and the Safe Custody Agreement (if applicable). A Panel Member shall be entitled to the benefit of the rights and privileges conferred upon it by or pursuant to the Conditions, the Panel Membership Agreement and the Safe Custody Agreement (if applicable) and shall undertake the liabilities, duties and obligations imposed upon it thereby or pursuant thereto.

5.2. AFMA CONVENTIONS, CODE OF ETHICS AND CODE OF CONDUCT

All Panel Members shall be members of AFMA. AFMA publishes Conventions that detail the standard market practices in Australia for certain financial market product types. AFMA also publishes a Code of Ethics and a Code of Conduct (the Codes). Panel Members agree to conform to the Conventions applying to each product type, and the Codes, and are entitled to rely upon the rights set out therein.

To avoid doubt, if any aspect of the AFMA Codes or Conventions contradicts an express clause in the Conditions, then the Conditions take precedence.

5.3. AUSTRACLEAR

All Panel Members shall be members of Austraclear and agree to be bound by the Austraclear System Regulations and the Austraclear System Operations Manual.

All transactions between the AOFM and the Panel Member through the Austraclear System shall be performed in accordance with Austraclear's governing rules and rules of operation.

To avoid doubt, if any aspect of the Austraclear System Regulations or Operations Manual contradicts an express clause in the Conditions, then the Austraclear System Regulations and Austraclear Procedures, Determinations and Practice Notes take precedence.

5.4. COMMON LAW

Nothing in the Conditions restricts the application of relevant common law, and all Panel Members agree that they will observe their statutory and common law obligations in effecting the transactions contemplated by this agreement.

5.5. CONFIDENTIALITY

Subject to the Conditions each Panel Member is entitled to deal confidentially with the AOFM. Accordingly, the AOFM will not divulge to third parties not otherwise entitled to receive it, any information concerning a Panel Member's participation in the Panel, except:

- (a) as required by law;
- (b) in connection with any relevant judicial or administrative proceedings;
- (c) in response to a request from the responsible Minister or a House or Committee of the Commonwealth Parliament;
- (d) if requested by a supervisory agency;
- (e) to AOFM's personnel solely in order to comply with obligations, or to exercise rights, under the Conditions;
- (f) to the AOFM's internal management personnel, solely to enable effective management or auditing of the investment facility;
- (g) as otherwise authorised by the Conditions; or
- (h) with the consent of the Panel Member concerned.

If the AOFM is compelled by law or proposes in connection with any relevant judicial, administrative or parliamentary proceeding to divulge any such information, the AOFM may at its absolute discretion and prior to such divulgence, inform the Panel Member concerned. The AOFM will be under no obligation to take any steps to defend or resist any such compulsion or proceedings.

5.6. DEALING WARRANTY

Each Panel Member warrants that all transactions entered into between the Panel Member and the AOFM through its representatives are valid and binding on the Panel Member.

5.7. ANAO AND AOFM ACCESS

The Panel Member agrees to allow the Australian National Audit Office (ANAO) and the AOFM to have reasonable access to all transaction records of the Panel Member regarding this investment facility from time to time.

5.8. DEALING EXCLUSIVITY

The AOFM agrees that, in purchasing on behalf of the Investment Facility any of the investment products listed in Appendix B, it will deal exclusively with Panel Members and the RBA.

6. RIGHTS AND OBLIGATIONS OF THE AOFM

6.1. SOURCE OF RIGHTS AND OBLIGATIONS

The AOFM shall be bound by and shall perform, observe and comply with all liabilities, duties and obligations imposed upon the AOFM by or pursuant to the Conditions, the Panel Membership Agreement and the Safe Custody Agreement (if applicable). The AOFM shall be entitled to the benefit of the rights and privileges conferred upon it by or pursuant to the Conditions, the Panel Membership Agreement and the Safe Custody Agreement (if applicable) and shall undertake the liabilities, duties and obligations imposed upon it thereby or pursuant thereto.

6.2. AFMA CONVENTIONS, CODE OF ETHICS AND CODE OF CONDUCT

The AOFM is a member of AFMA. AFMA publishes Conventions that detail the standard market practices in Australia for certain financial market product types. AFMA also publishes a Code of Ethics and a Code of Conduct ('the Codes'). AOFM agrees to conform to the relevant Conventions applying to each product type, and the Codes, and is entitled to rely upon the rights set out therein.

To avoid doubt, if any aspect of the AFMA Codes or Conventions contradicts an express clause in the Conditions, then the Conditions take precedence.

6.3. COMMON LAW

Nothing in the Conditions restricts the application of relevant common law, and the AOFM agrees that it will observe its statutory and common law obligations in effecting the transactions contemplated by this agreement.

6.4. CHANGES AND MODIFICATION TO THE CONDITIONS

Panel Members and the AOFM shall observe the Conditions. The AOFM may make additions, modifications or amendments to the Conditions without the consent of Panel Members. Any such addition, modification or amendment will be notified by the AOFM to each Panel Member and shall come into force one month after such notification unless an earlier or later date is fixed at the time by the AOFM, and shall have no force or effect before the date of such coming into force.

6.5. AUTHORISED REPRESENTATIVES

The AOFM shall lodge with each Panel Member a list of Authorised Representatives and may from time to time lodge a new list of Authorised Representatives which shall automatically revoke all earlier lists of Authorised Representatives. The persons named in a current list of Authorised Representatives shall be authorised and shall be the only persons authorised by the AOFM to bind the AOFM for the purpose of the Conditions.

7. DEALING ARRANGEMENTS AND INVESTMENT TYPES

7.1. DEALING ARRANGEMENTS

From time to time the AOFM will approach members of the Panel inviting submissions of offers for investment assets.

The approach may be in the form of an open tender, where all Panel Members are invited to submit offers, or in the form of a select tender or request for quote, where selected Panel Members are approached. Where a Panel Member does not normally deal in a particular type of investment sought at that time by the AOFM, the Panel Member will not be invited to submit offers.

Dealing arrangements are outlined in more detail in Appendix B.

7.2. INVESTMENT TYPES

From time to time the AOFM may seek offers for the investment types listed in Appendix B.

7.3. NAME UNDER WHICH INVESTMENTS ARE HELD

The AOFM acts for and is representative of the Commonwealth of Australia. Accordingly, all investments purchased by the AOFM are to be in the name of the Commonwealth of Australia.

7.4. EARLY REALISATION OF INVESTMENTS

From time to time the AOFM may be required to realise investments prior to maturity in circumstances including, but not limited to:

- (a) where immediate liquidity is required; or
- (b) where portfolio rebalancing is required.

In the event where early realisation of investments is required, the original seller or issuer (whichever is appropriate) may be offered the opportunity to repurchase the securities in the first instance.

8. SETTLEMENT, MATURITY AND SELLER SAFE CUSTODY

8.1. SETTLEMENT INSTRUCTIONS

Panel Members shall nominate in writing to the AOFM the accounts the Panel Member expects to use in respect of any settlement activity. The AOFM will provide Standard Settlement Instructions to all Panel Members.

8.2. MATURING INVESTMENTS, SETTLEMENT FAILURE AND COMPENSATION

The maturity date for an investment is subject to adjustment in accordance with the next Business Day convention.

The AOFM will always seek to meet its settlement obligations, irrespective of the settlement failure of another organisation.

Proceeds from maturing investments must be transferred by the responsible Panel Member into the AOFM's nominated accounts prior to 2.00 pm on the maturity date to avoid system liquidity and account overdraft issues.

Failure to meet this requirement may result in removal from the Panel.

Where a Panel Member or the AOFM is responsible for settlement failure, the responsible party is required to pay compensation utilising the Standard Inter-Organisation Compensation Rules as published by the Australian Payments Clearing Association. For the purposes of this section, Panel Members are only responsible for settlement failures on maturity in relation to securities issued or accepted by the Panel Member or where a Panel Member is purchasing securities from the AOFM and fails to deliver cash payment on the value date.

8.3. SAFE CUSTODY SECURITIES

The AOFM prefers to purchase assets that are Paper Securities or Dematerialised Securities lodged and settled in the Austraclear System. The AOFM will only purchase securities held outside the Austraclear System in safe custody by the seller where:

- (a) cash settlement occurs through Austraclear;
- (b) there is a clear pricing advantage over securities lodged in Austraclear;
- (c) the seller acts as custodian; and
- (d) the seller (as custodian) has signed a Safe Custody Agreement, as detailed in Appendix A.

9. MISCELLANEOUS

9.1. GOVERNING LAW

The Conditions are governed by and shall be construed in accordance with the law in force in the Australian Capital Territory. Panel Members and the AOFM agree to comply with all applicable laws and statutes.

9.2. NOTICES

Except where otherwise expressly provided in the Conditions:

- (a) every notice under the Conditions and the Panel Membership Agreement shall be given or made by letter or by facsimile;
- (b) every notice by letter shall either be:
 - (i) sent to the address shown in the relevant Panel Membership Agreement or such other address as notified from time to time, and shall be deemed to be served on the second Business Day after the letter correctly addressed and stamped is put in the post; or
 - (ii) delivered by courier or by hand to the address shown in the relevant Panel Membership Agreement or such other address as shall be notified from time to time, and shall be deemed to be served at the time of delivery;
- (c) every notice by facsimile shall be sent to the facsimile number shown in the relevant Panel Membership Agreement or such other facsimile number as shall be notified from time to time, and shall be deemed to be served when the facsimile is despatched; and
- (d) where the Conditions require the giving by the AOFM of a notice to all Panel Members then the omission to give a copy to or the non-receipt of a copy of such notice by any Panel Member shall not affect the validity of such notice or the effectiveness of such notice.

APPENDIX A – SAFE CUSTODY AGREEMENT

WARRANTIES BY PANEL MEMBER ACTING AS CUSTODIAN

A Panel Member that acts as custodian of a Paper Security warrants and represents that:

- (a) the Paper Security and the signatures (including any facsimile signature) of all parties appearing on its face are genuine and not fraudulent or forged;
- (b) the Panel Member has, or has a right to pass, good and unencumbered title to the Paper Security;
- (c) the Paper Security is duly drawn, accepted, or indorsed as appears on it;
- (d) the Paper Security has not been intentionally cancelled by a holder of that security;
- (e) the Paper Security has not, without the assent of all parties liable on it, been materially altered within the meaning of section 69 of the *Bills of Exchange Act 1909* (Cwlth); and
- (f) the Panel Member is liable for any apparent or concealed defects concerning the Paper Security no matter when those defects are discovered.

The Panel Member must release and discharge the Commonwealth of Australia from, and indemnify, and keep indemnified the Commonwealth of Australia against, any loss or claim where there is a breach of any of these warranties.

INDEMNITIES

The Panel Member acting as custodian of a Paper Security indemnifies the Commonwealth of Australia, and keeps the Commonwealth of Australia indemnified, against any loss or claim connected with that Paper Security.

SAFE KEEPING

The Panel Member must:

- (a) arrange for all paper securities to be kept in a secure manner; and
- (b) as soon as reasonably practicable after a Paper Security is transacted with the Commonwealth of Australia, deposit the security in the safe-keeping accommodation provided by the Panel Member.

RECORDING AND BAILMENT

The Panel Member must record a transacted Paper Security in its security record and once the Paper Security has been transacted hold the security as bailee for the Commonwealth of Australia.

The Panel Member must keep accurate records in order to:

- (a) identify the asset of the Commonwealth in the records;
- (b) distinguish the assets of the Commonwealth from the property of any other person; and

- (c) enable audit processes to verify the records.

LOSS, THEFT OR DESTRUCTION OF PAPER SECURITIES

If any transacted Paper Security is lost, stolen, destroyed or damaged:

- (a) The Panel Member must as soon as practicable after it becomes aware of the loss, theft, destruction or damage take all appropriate action required by law or custom for the replacement of that Paper Security and for the stopping of payment on it;
- (b) the Panel Member must do all things and sign all documents necessary for the purpose of paragraph (a); and
- (c) if the Panel Member is liable to the Commonwealth of Australia (in any capacity) in relation to any loss, theft, destruction of or damage to any Paper Security, the liability of the Panel Member shall not be limited to indemnify the Commonwealth of Australia (and no other person) to the face value of that Paper Security.

SURRENDER

The Panel Member shall surrender the Paper Securities to the Commonwealth of Australia upon a written request by an authorised representative of the AOFM.

FEEES

No fees are payable by the AOFM in relation to this agreement.

INSURANCE

The Panel Member shall maintain at all times such insurance cover it considers reasonable, appropriate and necessary having regard to the nature and extent of its obligations under this safe custody agreement. Upon reasonable request of the AOFM, the Panel Member shall furnish the AOFM with a certificate of insurance.

CERTIFICATE OF SAFE CUSTODY

For each Paper Security that the Panel Member acts as custodian for the Commonwealth of Australia the Panel Member shall forward a Certificate of Safe Custody at the time the transaction is entered into. The Certificate must be signed by an Authorised Signatory (see Authorised Signatory section below) unless it is a Computer Generated Confirmation (see Computer Generated Confirmations below). Cash settlement of the transaction will only occur after the Certificate of Safe Custody has been received by the AOFM. The Certificate must be received by the AOFM before noon on the agreed settlement date in order for settlement to occur.

The Certificate shall contain the following information as a minimum:

Security type	Maturity date
Serial number (Where relevant)	Face value
Drawer	Yield

Issuer/ Acceptor/ Maker
Transaction start date

Consideration
Safe custody location

CONFIRMATION OF FINANCIAL RECORDS

Each Thursday the custodian Panel Member shall furnish a report of Paper Securities held by the Panel Member as Bailee for the Commonwealth of Australia. The Report shall contain at least the same details in the Certificate of Safe Custody section (above) for all lines of Paper Securities held for and in the name of the Commonwealth of Australia.

AUTHORISED SIGNATORIES

For the purposes of this Safe Custody Agreement the Panel Member shall lodge with the AOFM a list of Authorised Signatories and may from time to time lodge a new list of Authorised Signatories which shall automatically revoke all earlier lists of Authorised Signatories. The persons named in a current list of Authorised Signatories shall be authorised and shall be the only persons authorised by such a Panel Member to bind such a Panel Member for the purpose of this Safe Custody Agreement unless the Panel Member uses Computer Generated Confirmations (see Computer Generated Confirmations below). It is the responsibility of the Panel Member to ensure that the list of Authorised Signatories is current and up-to-date.

COMPUTER GENERATED CONFIRMATIONS

Where the Panel Member uses Computer Generated Safe Custody Certificates, the Panel Member warrants and represents that such a Computer Generated Safe Custody Certificate:

- (a) is genuine and not fraudulent or forged; and
- (b) will bind the Panel Member for the purpose of this Safe Custody Agreement.

AGREEMENT

EXECUTED as a deed

Date: day of 202 .

AOFM

Signed by the Commonwealth of Australia, acting through and represented by the Australian Office of Financial Management in the presence of:

.....
Signature of witness

.....
Signature of authorised person

.....
Name of witness (print)

.....
Name of authorised person (print)

PANEL MEMBER

Signed by [Panel Member] in the presence of:

.....
Signature of first witness

.....
Signature of first Director/Secretary

.....
Name of first witness (print)

.....
Name of first Director/Secretary (print)

.....
Signature of second witness

.....
Signature of second Director/Secretary

.....
Name of second witness (print)

.....
Name of second Director/Secretary (print)

Signed under Company Seal (*if applicable*):

Alternatively for execution by Panel Member under power of attorney.

SIGNED, SEALED AND DELIVERED FOR AND ON BEHALF OF

.....
By

.....
Name of Attorney

.....
Signature of Attorney

Attorney appointed by power of attorney
dated [] and who by
executing this agreement states that the
attorney has received no notice of revocation
of the power of attorney.

.....
Signature of Witness

.....
Name of Witness

APPENDIX B - INVESTMENTS AND DEALING ARRANGEMENTS

TYPES OF INVESTMENTS SOUGHT

The Facility may invest in Australian dollar denominated investments only. From time to time the AOFM may request pricing on the following types of investments:

- (a) securities of the Commonwealth, or of an Australian State or Territory;
- (b) securities guaranteed by the Commonwealth, an Australian State or Territory;
- (c) bank accepted bills of exchange payable to the bearer with general acceptance;
- (d) negotiable certificates of deposit;
- (e) commercial paper;
- (f) asset and mortgage-backed securities;
- (g) debt securities issued or guaranteed by the government of a foreign country; or
- (h) debt securities issued by financial institutions or supranationals.

ELIGIBLE INVESTMENT LIST

Prior to purchasing securities the AOFM will conduct due diligence on issuers and issues (where relevant). After this process has concluded an approved security will be registered on the eligible investment list. The AOFM will only purchase securities registered on the eligible investment list. The eligible investment list will be circulated to all Panel Members and revised from time to time. Panel Members are encouraged to provide documentation on issuers and issues for the AOFM's consideration for future inclusion on the eligible investment list.

PANEL MEMBER DEALERS

Panel Members shall provide the AOFM with a list of dealers. The list should include contact details including telephone number(s) and email addresses.

DEALING ARRANGEMENTS FOR SHORT-TERM MONEY MARKET INVESTMENTS

For short-term money market investments the AOFM will generally email invitations to Panel Members to submit offers or seek offers by telephone from Panel Members. Email invitations will specify indicative maturity dates, the time at which dealing will commence (tender close), offer format and any other requirements or information the AOFM deems appropriate.

In general, dealing will be undertaken in the morning with same day settlement. However, dealing may also be undertaken in the afternoon with settlement and rate setting (if appropriate) to occur on the following Business Day.

Criteria in determining winning offers will include best yields (relative to credit rating levels) and available credit lines. The AOFM requires successful counterparties to provide front-office deal confirmation via email as soon as practical after the time the dealing has concluded.

Those Panel Members who are issuers with relatively large but irregular or seasonal short-term debt issuance requirements will not be approached for offers on a regular basis. Such Panel Members will only be approached for offers at times when they are expected to be issuing. It is the responsibility of such issuers to inform the AOFM of their forthcoming issuance intentions.

DEALING ARRANGEMENTS FOR MEDIUM AND LONG-TERM INVESTMENTS

For medium and long-term investment instruments the AOFM will generally deal via an electronic system such as the BLOOMBERG PROFESSIONAL ® Service or the YELDBROKER DEBTS system. The AOFM reserves the right to deal by telephone.

The AOFM will also consider on a reverse enquiry basis participation in primary or top-up offerings of debt securities by approved issuers.

The AOFM reserves the right to modify dealing arrangements at any time.