

27 August 2019

Market Announcements Office
ASX Limited
20 Bridge Street
Sydney NSW 2000

By e-lodgement

ASX Code: WBC

Dear Sir / Madam

Westpac Banking Corporation (“Westpac”) – issue of AUD1,000,000,000 Callable Floating Rate Subordinated Notes due 27 August 2029 (“Tier 2 Subordinated Notes”)

Notice under section 708A(12H)(e) of the Corporations Act 2001 (Cth) (“Act”) as inserted by ASIC Corporations (Regulatory Capital Securities) Instrument 2016/71 (“Instrument”)

1. Westpac has issued the Tier 2 Subordinated Notes today. Offers of the Tier 2 Subordinated Notes do not require disclosure to investors under Part 6D.2 of the Act.
2. The terms and conditions of the Tier 2 Subordinated Notes (“**Conditions**”) are set out on pages 46 to 94 of the Information Memorandum relating to Westpac’s Debt Issuance Programme dated 20 July 2018 (“**Information Memorandum**”), as supplemented by the Pricing Supplement dated 23 August 2019, the form of which is attached to this notice as Annexure A (“**Pricing Supplement**”). The Information Memorandum was released to the Australian Securities Exchange (“**ASX**”) on 20 July 2018 and may be viewed at www.asx.com.au.
3. The Tier 2 Subordinated Notes are expected to be treated as Tier 2 regulatory capital under the Basel III capital adequacy framework as implemented in Australia by the Australian Prudential Regulation Authority (“**APRA**”).
4. If APRA determines that Westpac is or would become non-viable, the Tier 2 Subordinated Notes may be:
 - (a) Converted into fully paid ordinary shares in the capital of Westpac; or
 - (b) immediately and irrevocably Written-off (and rights attaching to the Tier 2 Subordinated Notes terminated) if for any reason Conversion does not occur within five ASX Business Days of APRA notifying Westpac of the determination,in accordance with the Conditions.
5. In order to enable ordinary shares in the capital of Westpac issued on Conversion to be sold without disclosure under Chapter 6D of the Act, Westpac has elected to give this notice under section 708A(12H)(e) of the Act as inserted by the Instrument. The Conditions and the information in the attached Schedule are included in, and form part of, this notice.
6. Westpac confirms that:
 - (a) the information in this notice remains current as at today’s date;
 - (b) this notice complies with section 708A of the Act, as notionally modified by the Instrument; and

(c) this notice complies with the content requirements of section 708A(12I) of the Act as inserted by the Instrument.

7. Unless otherwise defined, capitalised expressions used in this notice have the meanings given to them in the Information Memorandum or Pricing Supplement.

Yours sincerely,



Timothy Hartin
Company Secretary
Westpac Banking Corporation

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This market announcement does not constitute an offer to sell or the solicitation of an offer to buy any securities in the United States or any other jurisdiction. The securities offered have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons absent registration or an applicable exemption from registration.

SCHEDULE

A. Effect on Westpac of the offer of the Tier 2 Subordinated Notes

The issuance of the Tier 2 Subordinated Notes is expected to raise Tier 2 regulatory capital to satisfy Westpac's regulatory requirements and maintain the diversity of Westpac's sources and types of capital funding.

The proceeds from the issue of the Tier 2 Subordinated Notes will be used for general corporate purposes. Those proceeds, less the costs of the issue, will be classified as loan capital in the financial statements of Westpac. The issue of the Tier 2 Subordinated Notes will not have a material impact on Westpac's financial position.

The proceeds of the issue, less the costs of the issue, are expected to increase Westpac's total capital ratio on a Level 2 basis by less than 0.3%.

B. Rights and liabilities attaching to the Tier 2 Subordinated Notes

The rights and liabilities attaching to the Tier 2 Subordinated Notes are set out in the Conditions as supplemented by the Pricing Supplement.

C. Effect on Westpac of the issue of the ordinary shares if the Tier 2 Subordinated Notes are required to be Converted¹

A key feature of APRA's requirements for Tier 2 regulatory capital instruments is that they absorb losses at the point of non-viability of the issuer. The Conditions include provisions that require the Tier 2 Subordinated Notes to be Converted into ordinary shares in the capital of Westpac or Written-off on the occurrence of a Non-Viability Trigger Event. A Non-Viability Trigger Event will occur when APRA notifies Westpac in writing that it believes that relevant non-viability circumstances (as described in the definition of "Non-Viability Trigger Event" in the Conditions) subsist, which could occur at any time.

If a Non-Viability Trigger Event occurs and Westpac Converts the Tier 2 Subordinated Notes and issues ordinary shares to Holders (as required under the Conditions), the effect of Conversion on Westpac would be to reduce loan capital by the principal amount, less any unamortised costs of the issue, of the Tier 2 Subordinated Notes being Converted and increase Westpac's shareholders' equity (ordinary share capital) by a corresponding amount. APRA has not provided guidance as to how it would determine non-viability. Non-viability could be expected to include serious impairment of Westpac's financial position and concerns about its capital, funding or liquidity levels and may occur before an authorised deposit-taking institution, such as Westpac, is at risk of becoming insolvent.

The number of ordinary shares issued on Conversion is variable, but is limited to the Maximum Conversion Number. Limiting the number of ordinary shares which may be issued to the Maximum Conversion Number means that it is likely that Holders will receive a number of ordinary shares that have a market value that is significantly less than the Outstanding Principal Amount of the Tier 2 Subordinated Notes.

The Maximum Conversion Number is calculated based on a VWAP set to reflect 20% of the Issue Date VWAP. The Maximum Conversion Number may be adjusted to reflect a consolidation, division or reclassification or pro rata bonus issue, of ordinary shares. However, no adjustment will be made to it on account of other transactions which may affect the price of ordinary shares, including for example, rights issues, returns of capital, buy-backs or special dividends.

The Maximum Conversion Number is 17,768.3014 Westpac ordinary shares per Tier 2 Subordinated Note (with a nominal value of AUD100,000), based on the Issue Date VWAP of AUD28.14. If Conversion of any Tier 2 Subordinated Notes does not occur for any reason within five ASX Business Days after the occurrence of the Non-Viability Trigger Event, the Tier 2 Subordinated Notes will be Written-off, and all corresponding rights and claims of Holders under the Conditions (including with respect to payments of interest, the repayment of the Outstanding Principal Amount and upon Conversion, the receipt of ordinary shares) will be

¹ If, in accordance with the Conditions, Westpac is replaced by an Approved Successor as debtor of the Tier 2 Subordinated Notes and the issuer of ordinary shares, Tier 2 Subordinated Notes may be Converted into fully paid ordinary shares in the capital of an Approved Successor in accordance with the Conditions. This notice also enables ordinary shares in the capital of an Approved Successor which is a NOHC for the purposes of the *Banking Act 1959 (Cth)* and the ultimate holding company of Westpac issued on Conversion to be sold without disclosure under Chapter 6D of the Act. Refer to the Conditions and the Instrument for further information.

immediately and irrevocably written-off and terminated, with effect on and from the Non-Viability Trigger Event Date in accordance with the Conditions, and investors will lose all or some of their investment and will not receive any compensation.

D. Rights and liabilities attaching to the ordinary shares in the capital of Westpac

Westpac was registered on 23 August 2002 as a public company limited by shares under the Act. Westpac's constitution was most recently amended at the general meeting held on 13 December 2012 ("**Constitution**", as amended from time to time). The ordinary shares in the capital of Westpac are admitted to trading on ASX. The rights attaching to the ordinary shares in the capital of Westpac are set out in the Act and the Constitution.

In addition, the rights and liabilities attaching to the ordinary shares in the capital of Westpac are described on pages 290 to 291 of the 2018 Westpac Group Annual Report². The Annual Report was released to ASX on 7 November 2018 and may be viewed at www.asx.com.au, and is also available on the Westpac website at www.westpac.com.au/investorcentre.

E. Additional information

Information about the Tier 2 Subordinated Notes is contained in the Information Memorandum and the Pricing Supplement.

Westpac is a disclosing entity for the purposes of the Act and, as a result, is subject to regular reporting and disclosure obligations under the Act and the ASX Listing Rules. In addition, Westpac must notify ASX immediately (subject to certain exceptions) if it becomes aware of information about Westpac that a reasonable person would expect to have a material effect on the price or value of its listed securities, including ordinary shares in the capital of Westpac.

Copies of documents lodged with the Australian Securities and Investments Commission ("**ASIC**") can be obtained from, or inspected at, an ASIC office and Westpac's ASX announcements may be viewed at www.asx.com.au.

Any person has the right to obtain copies of:

- Westpac's half-yearly and annual financial reports; and
- any continuous disclosure notices given by Westpac after the lodgement of the 2018 Westpac Group Annual Report, but before the date of this notice,

from www.westpac.com.au/investorcentre, or by request made in writing to Westpac at:

Westpac Group Secretariat
Level 18
Westpac Place
275 Kent Street
Sydney NSW 2000

² If, in accordance with the Conditions, Westpac is replaced by an Approved Successor as debtor of the Tier 2 Subordinated Notes and the issuer of ordinary shares, then on Conversion Holders will be issued with fully paid ordinary shares in the capital of the Approved Successor.

ANNEXURE A

Form of Pricing Supplement for AUD1,000,000,000 Callable Floating Rate Subordinated Notes due 27 August 2029 dated 23 August 2019

Series No.: 2019-7

Tranche No.: 1



Westpac Banking Corporation
(ABN 33 007 457 141)

Debt Issuance Programme

Issue of

A\$1,000,000,000 Callable Floating Rate Subordinated Notes due 27 August 2029
("Subordinated Notes")

The date of this Supplement is 23 August 2019.

This Supplement (as referred to in the Information Memorandum in relation to the above Programme dated 20 July 2018 ("**Information Memorandum**")) relates to the Tranche of Subordinated Notes referred to above. It is supplementary to, and should be read in conjunction with the Subordinated Note Deed Poll dated 5 March 2014 made by Westpac Banking Corporation ("**Deed Poll**") and the Information Memorandum.

This Supplement does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the Subordinated Notes or the distribution of this Supplement in any jurisdiction where such action is required.

Terms used but not otherwise defined in this Supplement have the meaning given in the applicable Conditions set forth in the Information Memorandum.

The particulars to be specified in relation to the Tranche of Subordinated Notes referred to above are as follows:

- | | |
|---|---|
| 1. Issuer | : Westpac Banking Corporation
(ABN 33 007 457 141) |
| 2. Lead Manager | : Westpac Banking Corporation
(ABN 33 007 457 141) |
| 3. Relevant Dealer | : Westpac Banking Corporation
(ABN 33 007 457 141) |
| 4. Registrar and Australian Paying Agent | : BTA Institutional Services Australia Limited (ABN 48 002 916 396) of Level 2, 1 Bligh Street, Sydney NSW 2000 |

5. **Calculation Agent** : BTA Institutional Services Australia Limited (ABN 48 002 916 396)
6. **Issuing and Paying Agent (Offshore)** : Not applicable
7. **If to form a single Series with an existing Series, specify date on which all Subordinated Notes of the Series become fungible, if not the Issue Date** : Not applicable
8. **Status** : Subordinated. The primary method of loss absorption is Conversion, subject to possible Write-off in accordance with Condition 5.3

For the purposes of:
 - the formula in Condition 6.1(a) to be used for calculating the Conversion Number, P is 0.99; and
 - Condition 6.10(b), the Clearing System Cut-off Date is 10 Business Days prior to the Non-Viability Trigger Event Date.
9. **Currency** : Australian dollars (“A\$”)
10. **Aggregate Principal Amount of Tranche** : A\$1,000,000,000
11. **If interchangeable with existing Series, Series No.** : Not applicable
12. **Issue Date** : 27 August 2019
13. **Issue Price** : 100 per cent. per Denomination
14. **Commissions Payable** : As set out in the Subscription Acknowledgement dated 23 August 2019 between the Issuer and the Lead Manager and Dealer
15. **Selling Concession** : Not applicable
16. **Purchase Price** : A\$100,000 fully paid per Denomination
17. **Denomination** : A\$100,000

The minimum aggregate consideration for offers or transfers of the Subordinated Notes in Australia must be at least A\$500,000 (disregarding moneys lent by the transferor or its associates to the transferee), unless the offer or invitation resulting in the transfer does not otherwise require disclosure to investors in accordance with Part 6D.2 or Chapter 7 of the Corporations Act 2001 of Australia.
18. **Partly Paid Senior Notes** : Not applicable

19. Type of Debt Instruments	: Floating Rate Subordinated Notes
20. If interest-bearing, specify which of the relevant Conditions is applicable, and then specify the matters required for the relevant Condition, namely	: Condition 7.3 is applicable
21. Fixed Rate Debt Instruments	: Not applicable
22. Floating Rate Debt Instruments	: Applicable
Interest Commencement Date, if not Issue Date	: Issue Date
Interest Rate	: Condition 7.3(b)(ii) (Screen Rate Determination) is applicable
Interest Payment Dates	: Each 27 February, 27 May, 27 August, and 27 November, commencing 27 November 2019 to and including the Maturity Date, subject to adjustment in accordance with the Applicable Business Day Convention
Applicable Business Day Convention	:
- for Interest Payment Dates:	Modified Following Business Day Convention
- for Interest Period End Dates:	Modified Following Business Day Convention
- for Maturity Date:	Modified Following Business Day Convention
- any other date:	Not applicable
Additional Business Centre(s)	: Sydney
Relevant Screen Page	: "AVG MID" on Thomson Reuters Screen BBSW Page
Relevant Time	: 10.30am, Sydney time
Reference Rate	: 3 month BBSW
Reference Banks	: Not applicable
Relevant Financial Centre	: Sydney
Interest Determination Date	: The first day of each Interest Period
Margin	: Plus 1.98 per cent. per annum
Day Count Fraction	: Actual/365 (Fixed)
Fallback Interest Rate	: Not applicable
23. Other rates	: Not applicable
24. Accrual of interest	: Not applicable
25. Reference Price	: Not applicable

26. Maturity Date	: 27 August 2029
27. Maturity Redemption Amount	: 100% of the Outstanding Principal Amount
28. Early Redemption Amount (Call)	
Specify if applicable	: Condition 8.3 is applicable, but only in respect of the Interest Payment Date scheduled to fall on 27 August 2024 and each Interest Payment Date thereafter
Specify minimum notice period	: 15 days
Specify maximum notice period	: 45 days
Specify any additional conditions to exercise the call option	: Not applicable
Specify first date on which the call option may be exercised in the case of Subordinated Notes	: 27 August 2024
Specify if Early Redemption Amount (Call) is not the Outstanding Principal Amount, together with accrued interest (if any) thereon of the Subordinated Notes, insert amount or full calculation provisions	: Not applicable
Specify whether redemption is permitted in respect of some only of the Subordinated Notes and, if so, any minimum aggregate principal amount and the means by which Subordinated Notes will be selected for redemption	: Yes, the Issuer may redeem all or some Subordinated Notes at its discretion under Condition 8.3
29. Early Redemption Amount (Adverse Tax Event)	
Specify if applicable	: Condition 8.4 is applicable
Specify minimum notice period	: 15 days
Specify maximum notice period	: 45 days
Specify any additional conditions to exercise of option	: Not applicable
Specify if Early Redemption Amount (Adverse Tax Event) is not the Outstanding Principal Amount, together with accrued interest (if any) thereon of the Subordinated Notes, insert amount or full calculation provisions	: Not applicable

Specify whether redemption is permitted in respect of some only of the Subordinated Notes and, if so, any minimum aggregate principal amount and the means by which Subordinated Notes will be selected for redemption	: Not applicable
30. Early Redemption Amount (Regulatory Event)	
Specify if applicable	: Condition 8.5 is applicable
Specify minimum notice period	: 15 days
Specify maximum notice period	: 45 days
Specify any additional conditions to exercise of option	: Not applicable
Specify if Early Redemption Amount (Regulatory Event) is not the Outstanding Principal Amount, together with accrued interest (if any) thereon of the Subordinated Notes, insert amount or full calculation provisions	: Not applicable
Specify whether redemption is permitted in respect of some only of the Subordinated Notes and, if so, any minimum aggregate principal amount and the means by which Subordinated Notes will be selected for redemption	: Not applicable
31. Early Termination Amount	
If Early Termination Amount is not the Outstanding Principal Amount of the Subordinated Notes, insert amount or full calculation provisions	: Not applicable
Specify if Holders are not to receive accrued interest on early redemption on default	: Not applicable
32. Deed Poll	: Subordinated Note Deed Poll dated 5 March 2014
33. Taxation	: Condition 10.8 is applicable
34. Other relevant terms and conditions	: Not applicable
35. ISIN	: AU3FN0049672
36. Common Code	: 204596956

37. Common Depository	: Not applicable
38. Austraclear Number	: WP2240
39. Any Clearing System other than Euroclear / Clearstream / Austraclear	: Not applicable
40. Settlement procedures	: Customary medium term note settlement and payment procedures apply
41. U.S. selling restrictions	: As set out in the Information Memorandum
42. Distribution of Information Memorandum	: As set out in the Information Memorandum
43. Other selling restrictions	: As set out in the Information Memorandum
44. Australian interest withholding tax	: The Issuer intends to issue the Subordinated Notes in a manner consistent with the public offer test set out in section 128F(3) of the Income Tax Assessment Act 1936 of Australia (the “Tax Act”). If the requirements of section 128F of the Tax Act are not satisfied, Condition 10.8 will be applicable (subject to Item 33 above), and accordingly the Issuer may, subject to certain exceptions, be obliged to pay Additional Amounts in accordance with Condition 10.8. See also the section of the Information Memorandum entitled “Australian Taxation”.
45. Transaction Documents	: Not applicable
46. Listing	: It is intended that the Subordinated Notes will be quoted on the Australian Securities Exchange’s wholesale interest rate securities market.
47. Events of Default	: Condition 9 is applicable
48. Additional or alternate newspapers	: Not applicable
49. Stabilisation Manager	: Not applicable
50. Other amendments	: The “Conditions of the Subordinated Notes” contained in the Information Memorandum are amended as set out in the Schedule
51. Other disclosure	: Notification under Section 309B of the Securities and Futures Act, Chapter 289 of Singapore: The Notes are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Schedule

The following amendments are made to the Conditions of the Subordinated Notes:

1. The following definitions are inserted into Condition 1.1:

“Adjustment Spread” means a spread (which may be positive or negative) or formula or methodology for calculating a spread, which is required to be applied to a Successor Reference Rate or an Alternative Reference Rate (as applicable) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to the Holders as a result of the replacement of the Reference Rate with such Successor Reference Rate or Alternative Reference Rate (as applicable) and is the spread, formula or methodology which:

- (a) in the case of a Successor Reference Rate, is formally recommended in relation to the replacement of the Reference Rate with such Successor Reference Rate by any Relevant Nominating Body; or
- (b) in the case of a Successor Reference Rate for which no such recommendation has been made or in the case of an Alternative Reference Rate, the relevant Independent Adviser or the Issuer (as applicable) determines (acting in good faith and in a commercially reasonable manner) is recognised or acknowledged as being in customary market usage in Australian or international debt capital markets transactions which reference the Reference Rate, where such rate has been replaced by such Successor Reference Rate or Alternative Reference Rate (as applicable); or
- (c) if no such customary market usage is recognised or acknowledged, the relevant Independent Adviser or the Issuer (as applicable) in its discretion determines (acting in good faith and in a commercially reasonable manner) to be appropriate;

“Alternative Reference Rate” means the rate which has replaced the Reference Rate in customary market usage in the Australian or international debt capital markets for the purposes of determining floating rates of interest in respect of bonds denominated in the Specified Currency and of a comparable duration to the relevant Interest Accrual Periods, or, if the relevant Independent Adviser or the Issuer (as applicable) determines (acting in good faith and in a commercially reasonable manner) that there is no such rate, such other rate as such Independent Adviser or the Issuer (as applicable) determines in its discretion (acting in good faith and in a commercially reasonable manner) is most comparable to the Reference Rate;

“Benchmark Event” means, in respect of any Reference Rate:

- (i) the relevant Reference Rate ceasing to exist or be published for a period of at least five Business Days; or
- (ii) a public statement by the administrator of the relevant Reference Rate that it will, by a specified date within the following six months (or, if later, the next Interest Determination Date), cease publishing the relevant Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the relevant Reference Rate); or
- (iii) a public statement by the supervisor of the administrator of the relevant Reference Rate that the relevant Reference Rate has been or will, by a specified date within the

following six months (or, if later, the next Interest Determination Date), be permanently or indefinitely discontinued; or

- (iv) a public statement by the supervisor of the administrator of the relevant Reference Rate that means the relevant Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case within the following six months (or, if later, the next Interest Determination Date); or
- (v) a public statement by the supervisor of the administrator of the relevant Reference Rate that the relevant Reference Rate is no longer representative; or
- (v) it has become unlawful for any relevant Agent, the Issuer or any other party to calculate any payments due to be made to any holder of the Subordinated Notes using the relevant Reference Rate;

“Independent Adviser” means a reputable independent financial institution operating in Australia or of international repute or other independent financial adviser experienced in the Australian and/or international debt capital markets (as applicable);

“Relevant Nominating Body” means, in respect of any Reference Rate:

- (a) the central bank for the currency to which such Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of such Reference Rate; or
- (b) any working group or committee established, approved or sponsored by, chaired or co-chaired by or constituted at the request of (i) the central bank for the currency to which such Reference Rate relates, (ii) any central bank or other supervisory authority which is responsible for supervising the administrator of such Reference Rate or (iii) a group of the aforementioned central banks or other supervisory authorities;

“Successor Reference Rate” means the rate which has been formally published, endorsed, approved, recommended or recognised as a successor or replacement to the relevant Reference Rate by any Relevant Nominating Body;

2. The following new Condition 7.6 is inserted:

7.6 Benchmark replacement

No Successor Reference Rate, Alternative Reference Rate and/or Adjustment Spread may be used by the Issuer pursuant to this Condition 7.6 without the prior written approval of APRA. Such approval is at the discretion of APRA and may or may not be given.

Notwithstanding the provisions above in this Condition 7, if the Issuer determines that a Benchmark Event has occurred in respect of a Reference Rate where any Interest Rate (or any component thereof) remains to be determined by reference to such Reference Rate, then the following provisions shall apply to the relevant Subordinated Notes:

- (a) the Issuer shall use reasonable endeavours to appoint an Independent Adviser, at the Issuer's own expense, to determine a Successor Reference Rate or, if such Independent Adviser is unable so to determine a Successor Reference Rate, an Alternative Reference Rate and, in each case, an Adjustment Spread (if any) (in any such case, acting in good faith and in a commercially reasonable manner) for the purposes of determining the Interest Rate applicable to the Subordinated Notes for all

future Interest Accrual Periods (subject to the subsequent operation of this Condition 7.6);

(b) subject to paragraph (c) of this Condition 7.6, if

- (1) the relevant Independent Adviser (acting in good faith and in a commercially reasonable manner), no later than five Business Days prior to the Interest Determination Date relating to the next Interest Accrual Period (the “**IA Determination Cut-off Date**”) determines a Successor Reference Rate or, if such Independent Adviser fails so to determine a Successor Reference Rate, an Alternative Reference Rate and, in each case, an Adjustment Spread (if any) (in any such case, acting in good faith and in a commercially reasonable manner) for the purposes of determining the Interest Rate applicable to the Subordinated Notes for all future Interest Accrual Periods (subject to the subsequent operation of this Condition 7.6 during any other future Interest Accrual Period(s)); or
- (2) the Issuer is unable to appoint an Independent Adviser, or the Independent Adviser appointed by the Issuer in accordance with paragraph (a) of this Condition 7.6 fails to determine a Successor Reference Rate or an Alternative Reference Rate prior to the relevant IA Determination Cut-off Date, the Issuer (acting in good faith and in a commercially reasonable manner), no later than three Business Days prior to the Interest Determination Date relating to the next Interest Accrual Period (the “**Issuer Determination Cut-off Date**”), determines a Successor Reference Rate or, if the Issuer fails to determine a Successor Reference Rate, an Alternative Reference Rate (as applicable) and, in each case, an Adjustment Spread (if any) (in any such case, acting in good faith and in a commercially reasonable manner) for the purposes of determining the Interest Rate applicable to the Subordinated Notes for all future Interest Accrual Periods (subject to the subsequent operation of this Condition 7.6 during any other future Interest Accrual Period(s));

then:

- (3) such Successor Reference Rate or Alternative Reference Rate (as applicable) shall be the Reference Rate for all future Interest Accrual Periods (subject to the subsequent operation of this Condition 7.6 during any other future Interest Accrual Period(s)).

Without prejudice to the definitions thereof, for the purposes of determining a Successor Reference Rate or Alternative Reference Rate, the Issuer will take into account relevant and applicable market precedents as well as any published guidance from relevant associations involved in the establishment of market standards and/or protocols in the Australian or international debt capital markets (as applicable) and such other materials as the Issuer, acting in good faith and in a commercially reasonable manner, considers appropriate; and

- (4) If the relevant Independent Adviser or the Issuer (as applicable), acting in good faith and in a commercially reasonable manner:
 - I. determines that an Adjustment Spread is required to be applied to the Successor Reference Rate or Alternative Reference Rate (as applicable) and determines the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to such Successor Reference Rate or Alternative Reference Rate (as applicable) for all future

Interest Accrual Periods (subject to the subsequent operation of this Condition 7.6); or

- II. is unable to determine the quantum of, or a formula or methodology for determining, an Adjustment Spread, or determines that no such Adjustment Spread is required, then such Successor Reference Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread for all future Interest Accrual Periods (subject to the subsequent operation of this Condition 7.6).

Without prejudice to the definition thereof, for the purposes of determining an Adjustment Spread (if any), the Issuer will take into account relevant and applicable market precedents as well as any published guidance from relevant associations involved in the establishment of market standards and/or protocols in the Australian or international debt capital markets (as applicable) and such other materials as the Issuer, acting in good faith and in a commercially reasonable manner, considers appropriate.

- (c) Notwithstanding paragraph (b) above, if

- (1) the Independent Adviser appointed by the Issuer in accordance with paragraph (a) of this Condition 7.6 notifies the Issuer prior to the IA Determination Cut-off Date that it has determined that no Successor Reference Rate or Alternative Reference Rate exists;
- (2) the Independent Adviser appointed by the Issuer in accordance with paragraph (a) of this Condition 7.6 fails to determine a Successor Reference Rate or an Alternative Reference Rate prior to the relevant IA Determination Cut-off Date, without notifying the Issuer as contemplated in sub-paragraph (c)(1) of this Condition 7.6, and the Issuer (acting in good faith and in a commercially reasonable manner) determines prior to the IA Determination Cut-off Date that no Successor Reference Rate or Alternative Reference Rate exists; or
- (3) neither a Successor Reference Rate nor an Alternative Reference Rate is otherwise determined in accordance with paragraph (2) above prior to the Issuer Determination Cut-off Date,

the Interest Rate applicable to the Subordinated Notes shall be (in respect of Floating Rate Subordinated Notes) the Interest Rate as at the last preceding Interest Determination Date or (in respect of a reset of the Interest Rate for Fixed Rate Subordinated Notes) the Interest Rate as at the last preceding reset date or, if none, as at the Interest Commencement Date.

This paragraph (c) shall apply to the relevant Interest Accrual Period or reset date only. Any subsequent Interest Accrual Period(s) or reset date(s) shall be subject to the operation of this Condition 7.6.

- (d) An Independent Adviser appointed pursuant to this Condition 7.6 will act in good faith and in a commercially reasonable manner, and (in the absence of bad faith, gross negligence or wilful misconduct) shall have no liability whatsoever to the Issuer, the Registrar, any relevant Agent, the Calculation Agent or the holders of a Series of Subordinated Notes for any determination made by it or for any advice given to the Issuer in connection with any determination made by the Issuer pursuant to this Condition 7.6.

- (e) The Registrar and any relevant Agent shall, at the direction and expense of the Issuer, effect such waivers and consequential amendments to any applicable agency agreement, these Conditions and any other document as may be required to give effect to any application of this Condition 7.6, including, but not limited to:
 - (1) changes to these Conditions which the relevant Independent Adviser or the Issuer (as applicable) acting in good faith and in a commercially reasonable manner determines may be required in order to follow market practice (determined according to factors including, but not limited to, public statements, opinions and publications of industry bodies and organisations) in relation to such Successor Reference Rate or Alternative Reference Rate (as applicable), including, but not limited to (1) the Business Day, Business Day Convention, Day Count Fraction, Interest Determination Date, Reference Banks, Relevant Financial Centre, Relevant Screen Page and/or Relevant Time applicable to the Subordinated Notes and (2) the method for determining the fallback to the Interest Rate in relation to the Subordinated Notes if such Successor Reference Rate or Alternative Reference Rate (as applicable) is not available; and
 - (2) any other changes which the relevant Independent Adviser or the Issuer (as applicable) acting in good faith and in a commercially reasonable manner determines are reasonably necessary to ensure the proper operation and comparability to the Reference Rate of such Successor Reference Rate or Alternative Reference Rate (as applicable).
- (f) The Issuer may only use a Successor Reference Rate, Alternative Reference Rate and/or Adjustment Spread pursuant to this Condition 7.6 for the purposes of determining the Interest Rate applicable to any Subordinated Note if it has received the prior written approval of APRA (such approval being at the discretion of APRA and may or may not be given).

No consent of the Holders shall be required in connection with effecting the relevant Successor Reference Rate or Alternative Reference Rate as described in this Condition 7.6 or such other relevant adjustments pursuant to this Condition 7.6, or any Adjustment Spread, including for the execution of, or amendment to, any documents or the taking of other steps by the Issuer or any of the parties to any relevant agency agreement (if required).

3. Condition 15 is amended as shown below:

15 Amendments

15.1 To cure ambiguities

Subject to Condition 4.8 ("Amendments affecting regulatory treatment"), the Conditions and the Supplement may be amended by the Issuer (after consultation with the Programme Manager) and the Agency and Registry Agreement and any I&P Agency Agreement (Offshore) (if applicable) may be amended by the parties thereto without the consent of any Holder:

- (a) for the purposes of curing any ambiguity, or correcting or supplementing any defective or inconsistent provisions therein or in any other manner which the Issuer deems, or in the case of the Agency or Registry Agreement, as the parties thereto deem, necessary or desirable and which in the opinion of the Issuer does not materially adversely affect the rights of existing Holders; or

- (b) for any other purpose, where the amendments apply prospectively and do not apply to existing Holders.

15.2 Approval by Holders

Subject to Condition 4.8 (“Amendments affecting regulatory treatment”) and except as described in Conditions 6.14 (“Amendment of Conditions relating to Conversion for Successor Holding Company”) and 7.6 (“Benchmark replacement”), the Conditions, Supplement, the Agency and Registry Agreement and any I&P Agency Agreement (Offshore) may otherwise be varied by the Issuer with the approval of the Holders by Extraordinary Resolution. No other variation to the Conditions has effect in relation to the Holders who hold Subordinated Notes at the date of any amending deed, unless they otherwise agree in writing. A variation will take effect in relation to all subsequent Holders. A variation which affects only a particular Series or Tranche of Subordinated Notes may be approved solely by the Holders of such Series or Tranche.

15.3 No other amendments

Except as described in Conditions 6.14 (“Amendment of Conditions relating to Conversion for Successor Holding Company”), 7.6 (“Benchmark replacement”), 15.1 (“To cure ambiguities”) and 15.2 (“Approval by Holders”), no amendment to the Conditions, Supplement, Agency and Registry Agreement or any I&P Agency Agreement (Offshore) may be made without the prior written consent and approval of the Issuer and any amendment is subject to Condition 4.8.