

# ASX Release

Level 18, 275 Kent Street  
Sydney, NSW, 2000

21 December 2021

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## **NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO U.S. PERSONS**

### **Westpac establishes a Wholesale Capital Notes Programme**

Westpac Banking Corporation (Westpac) has established a Wholesale Capital Notes Programme for the issue of Additional Tier 1 Capital Notes.

Attached is the Information Memorandum dated 21 December 2021. Westpac may, from time to time, offer Capital Notes on the terms and conditions described in the Information Memorandum.

This document has been authorised for release by Tim Hartin, General Manager & Company Secretary.

### **Disclaimer**

This release does not constitute an offer of any securities for sale in the United States, or in any other jurisdiction in which such offer would not be permitted, and is not for distribution in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), and may not be offered, sold or delivered in the United States or to, or for the account or benefit of, U.S. persons, as such terms are defined in Regulation S under the Securities Act, except in accordance with an applicable exemption from registration. There will be no public offering of the securities in the United States.

## Information Memorandum



### **Capital Notes Programme** for the issue of Additional Tier 1 Capital Notes

Issuer

**Westpac Banking Corporation**  
(ABN 33 007 457 141)

Arranger, Programme Manager and Dealer  
**Westpac Banking Corporation**

21 December 2021

## Contents

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	Page
Important Notice	3
Programme Summary and Description of the Capital Notes	10
Capital Notes Risks	25
Conditions of the Capital Notes	41
Subscription and Sale	100
Australian Taxation	104
Additional Information	109
Directory	112

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The Capital Notes are not secured. Investment-type products are subject to investment risks, including possible delays in payment and loss of income and capital invested. Neither Westpac nor any member of the Westpac Group in any way guarantees the capital value and/or performance of the Capital Notes or any particular rate of return.

Investors should be aware that Capital Notes may be Converted into Ordinary Shares of Westpac or Written-off if a Capital Trigger Event or Non-Viability Trigger Event occurs.

## Important Notice

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### Introduction

Westpac Banking Corporation, acting through its head office in Sydney ("**Westpac**" or the "**Issuer**"), may offer from time to time non-cumulative, convertible, transferable, redeemable, subordinated, perpetual, unsecured notes ("**Capital Notes**") under the Capital Note Programme described in this Information Memorandum ("**Programme**"). Westpac intends that Capital Notes issued under the Programme constitute Additional Tier 1 Capital as described in the prudential standards issued by the Australian Prudential Regulation Authority ("**APRA**").

**The Conditions (defined below) of Capital Notes are complex and include features to comply with APRA's requirements for instruments that fund regulatory capital of Westpac. In particular, Capital Notes may be Converted into Ordinary Shares or Written-off if a Capital Trigger Event or Non-Viability Trigger Event occurs. Capital Notes may not be suitable for all investors and any potential investor should consider the suitability of the investment in its own circumstances.**

**The liabilities which are preferred by law to the claim of a holder in respect of the Capital Notes may be substantial and the Conditions do not limit the amount of such liabilities which may be incurred or assumed by Westpac from time to time.**

The Capital Notes are not deposit liabilities or protected accounts of Westpac for the purposes of the Banking Act 1959 (Cth) ("**Banking Act**") or Financial Claims Scheme established under the Banking Act ("**Financial Claims Scheme**") and are not subject to the deposit protection provisions of Australian banking legislation (including the Australian Government guarantee of certain bank deposits). Capital Notes that are offered for issue or sale or transferred in Australia are offered only in circumstances that would not require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act 2001 (Cth) ("**Corporations Act**").

### Westpac's responsibility

This Information Memorandum has been prepared by, and issued with the authority of, Westpac. Westpac accepts responsibility for the information contained in this Information Memorandum.

### Place of issuance

Subject to applicable laws, regulations and directives, Westpac may issue Capital Notes in Australia but not in any country outside Australia.

### Terms and conditions of issue

Capital Notes will be issued in series (each a "**Series**"). Each Series may comprise one or more tranches (each a "**Tranche**") having one or more issue dates and on conditions that are otherwise identical (other than, to the extent relevant, in respect of the Issue Price and the date and amount of the first Distribution payment).

Each issue of Capital Notes will be made pursuant to such documentation as Westpac may determine.

This Information Memorandum summarises information regarding the issue of Capital Notes in uncertificated registered form in the wholesale debt capital markets in Australia. A supplement ("**Supplement**") will be issued for each Tranche of Capital Notes. A Supplement will contain details of the initial aggregate principal amount, Distributions (if any) payable, Issue Price and Issue Date together with any other terms and conditions not set out in this Information Memorandum that may be applicable to that Tranche or Series of Capital Notes. The terms and conditions ("**Conditions**") applicable to

Capital Notes are included in this Information Memorandum and may be supplemented, amended, modified or replaced by the Supplement applicable to those Capital Notes.

Westpac may also publish a supplement to this Information Memorandum (or additional Information Memoranda) which describes the issue of Capital Notes not otherwise described in this Information Memorandum. A Supplement may also supplement, amend, modify or replace any statement or information set out in this Information Memorandum.

### **Documents incorporated by reference**

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

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

- all amendments and supplements to this Information Memorandum prepared by Westpac from time to time;
- the most recently published consolidated audited annual financial statements of Westpac, and any interim financial statements of Westpac (whether audited or unaudited) published subsequently to such annual financial statements, from time to time;
- the most recently published Annual Report and Interim Financial Results Announcement (or such other equivalent announcement) of Westpac, each lodged with the Australian Securities Exchange operated by ASX Limited (ABN 98 008 624 691) (“**ASX**”) from time to time; and
- each Supplement and all documents issued by Westpac and expressly stated to be incorporated in this Information Memorandum by reference.

Any statement contained in this Information Memorandum or in any of the documents incorporated by reference in, and forming part of this Information Memorandum, shall be modified, replaced or superseded for the purpose of this Information Memorandum to the extent that a statement contained in any document subsequently incorporated by reference into this Information Memorandum modifies, replaces or supersedes such statement (including whether expressly or by implication or in whole or in part). Any statement so modified, replaced or superseded shall not be deemed, except as so modified, replaced or superseded, to constitute a part of this Information Memorandum.

Except as provided above, no other information, including any information on the internet site addresses of Westpac or in any document incorporated by reference in any of the documents described above or documents or information that are publicly filed, is incorporated by reference into this Information Memorandum.

Copies of documents which are incorporated by reference in this Information Memorandum may be obtained from Westpac and the Programme Manager (each as defined in the section entitled “*Programme Summary*” below) on request or from such other person specified in a Supplement.

When deciding whether or not to subscribe for, purchase or otherwise deal in any Capital Notes or any rights in respect of any Capital Notes, investors should:

- review, amongst other things, the documents which are deemed to be incorporated by reference in this Information Memorandum; and
- have regard to the information lodged by Westpac with ASX including in compliance with its continuous and periodic disclosure obligations (made available at [www.asx.com.au](http://www.asx.com.au)), including announcements which may be made by Westpac after release of this Information Memorandum.

### **No independent verification**

The only role of the Arranger, the Programme Manager, the Dealer or the Agents (each as defined in the section entitled “Programme Summary” below) in the preparation of this Information Memorandum has been to confirm to Westpac that their respective descriptions in the section entitled “Directory” below are accurate as at the Preparation Date (as defined below).

Apart from the foregoing, none of the Arranger, the Programme Manager, the Dealer or any Agent has independently verified the information contained in this Information Memorandum. Accordingly, no representation, warranty or undertaking, express or implied, is made, and no responsibility or liability is accepted, by any of them as to the accuracy or completeness of this Information Memorandum, any offering material relating to the Programme or any Capital Notes or any further information supplied by Westpac in connection with the Programme or any Capital Notes (except for confirming their respective descriptions in the section entitled “Directory” below).

The Arranger, the Programme Manager, the Dealer and the Agents expressly do not undertake to review the financial condition or affairs of Westpac or any of its affiliates at any time or to advise any holder of a Capital Note of any information coming to their attention with respect to Westpac, the Programme or the Capital Notes and make no representations as to the ability of Westpac to comply with its obligations under the Capital Notes. None of the Arranger, the Programme Manager, the Dealer or the Agents make any representation as to the performance of Westpac, the maintenance of capital or any particular rate of return, nor does the Arranger, the Programme Manager, any Dealer or Agent guarantee the payment of capital or any particular rate of capital or income return, in each case, on the Capital Notes.

The Programme Manager acts in this Programme in its capacity as manager of the Programme, and not in any capacity as a fiduciary.

### **Intending purchasers to make independent investment decision and obtain professional advice**

This Information Memorandum contains only summary information concerning Westpac, the Programme and the Capital Notes. None of the information contained in this Information Memorandum or any other information supplied in connection with the Programme or the issue of any Capital Notes is intended to provide the basis of any credit or other evaluation in respect of Westpac or any Capital Notes and should not be considered or relied upon as a recommendation or a statement of opinion, or a report of either of those things, by any of Westpac, the Arranger, the Programme Manager, the Dealer or any Agent that any recipient of this Information Memorandum or any other information supplied in connection with the Programme or the issue of any Capital Notes should subscribe for, purchase or otherwise deal in any Capital Notes or any rights in respect of any Capital Notes.

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

- make and rely upon (and shall be taken to have made and relied upon) its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of Westpac and its affiliates and the risks of an investment in any Capital Notes;
- determine for itself the relevance of the information contained in this Information Memorandum (including all information incorporated by reference and forming part of this Information

Memorandum) and any other information supplied in connection with the Programme and the Capital Notes, and must base its investment decision solely upon its independent assessment and such investigations as it considers necessary; and

- consult its own financial, legal, tax or other professional advisers about the risks associated with an investment in any Capital Notes and the suitability of investing in the Capital Notes in light of its particular circumstances.

No accounting, regulatory, investment, legal, tax or other professional advice is given in respect of the legal or taxation treatment of investors or purchasers in connection with an investment in any Capital Notes or rights in respect of them and each investor is advised to consult its own professional adviser.

### **No offer**

This Information Memorandum does not, and is not intended to, constitute an offer or invitation by or on behalf of Westpac, the Arranger, the Programme Manager, the Dealer or any Agent to any person to subscribe for, purchase or otherwise deal in any Capital Notes nor is it intended to be used for the purpose of or in connection with offers or invitations to subscribe for, purchase or otherwise deal in any Capital Notes.

### **Australian banking legislation**

Westpac is an “authorised deposit-taking institution” (“**ADI**”) as that term is defined under the Banking Act. Under sections 13A(3) and 16(2) of the Banking Act and section 86 of the Reserve Bank Act 1959 of Australia (“**Reserve Bank Act**”), certain debts of Westpac are preferred by law, as described below.

Section 13A(3) of the Banking Act provides that, in the event an ADI becomes unable to meet its obligations or suspends payment, the ADI’s assets in Australia are available to meet specified liabilities of the ADI in priority to all other liabilities of the ADI (including, in the case of Westpac, the Capital Notes). These specified liabilities include certain obligations of the ADI to APRA in respect of amounts payable by APRA to holders of protected accounts, other liabilities of the ADI in Australia in relation to protected accounts, debts to the Reserve Bank of Australia (“**RBA**”) and certain other debts to APRA.

A “protected account” is either:

- (a) an account, or covered financial product, that is kept under an agreement between the account-holder and the ADI requiring the ADI to pay the account-holder, on demand or at an agreed time, the net credit balance of the account or covered financial product at the time of the demand or the agreed time (as appropriate); or
- (b) another account prescribed by regulation.

Certain assets, such as the assets of Westpac in a cover pool for covered bonds issued by Westpac, are excluded from constituting assets in Australia for the purposes of section 13A of the Banking Act, and those assets are subject to the prior claims of the covered bond holders and certain other secured creditors in respect of the covered bonds.

Under section 16(2) of the Banking Act, certain other debts of Westpac due to APRA shall in a winding-up of Westpac have, subject to section 13A(3) of the Banking Act, priority over all other unsecured debts of Westpac. Further, section 86 of the Reserve Bank Act provides that in a winding-up of Westpac, debts due by Westpac to the RBA shall, subject to section 13A(3) of the Banking Act, have priority over all other debts of Westpac.

Capital Notes are not deposit liabilities or protected accounts of Westpac for the purposes of the Banking Act or Financial Claims Scheme.

The liabilities which are preferred by law to the claim of a holder in respect of a Capital Note will be substantial and the Conditions do not limit the amount of such liabilities which may be incurred or assumed by Westpac from time to time.

### **Selling restrictions and no disclosure required**

Neither this Information Memorandum nor any other disclosure document (as defined in the Corporations Act) in relation to the Capital Notes has been, or will be, lodged with the Australian Securities and Investments Commission ("**ASIC**") or any other government agency. The Information Memorandum is not a prospectus, product disclosure statement or other disclosure document for the purposes of the Corporations Act. No action has been taken which would permit a public offering of the Capital Notes or distribution of this Information Memorandum or offering material relating to any Capital Notes in any jurisdiction where action for that purpose is required (including circumstances that would require disclosure under Parts 6D.2 or 7.9 of the Corporations Act). The distribution and use of this Information Memorandum, including any Supplement, any advertisement or other offering material, and the offer or sale of Capital Notes, may be restricted by law in certain jurisdictions and intending purchasers and other investors should inform themselves about and observe any such restrictions.

Persons into whose possession this Information Memorandum or any Capital Notes come must inform themselves about, and observe, any such restrictions.

For a description of certain restrictions on offers, sales and deliveries of the Capital Notes, and on distribution of this Information Memorandum, any Supplement or other offering material relating to the Capital Notes see the section of this Information Memorandum entitled "Subscription and Sale".

None of Westpac, the Arranger, the Programme Manager, the Dealer or any Agent represents that any Capital Notes may be lawfully offered for subscription or purchase or otherwise dealt with in compliance with any applicable registration or other requirements in any jurisdiction outside Australia, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such offering or other dealing.

A person may not (directly or indirectly) offer for subscription or purchase, or issue an invitation to subscribe for or buy Capital Notes, nor distribute or publish this Information Memorandum or any other offering material or advertisement relating to the Capital Notes, except if the offer or invitation, or distribution or publication, complies with all applicable laws, regulations and directives.

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

The Capital Notes have not been, and will not be, registered under the United States Securities Act of 1933 (as amended) ("**U.S. Securities Act**"). The Capital Notes may not be offered, sold, delivered or transferred, at any time, within the United States, its territories or possessions or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the U.S. Securities Act ("**Regulation S**")) except in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act.

### **Distribution to professional investors only**

This Information Memorandum has been prepared on a confidential basis for institutions whose ordinary business includes the buying or selling of securities. This Information Memorandum is not intended for and should not be distributed to any other person. Its contents may not be reproduced or used in whole or in parts for any purpose other than in connection with the Programme, nor furnished to any other person without the express written permission of Westpac.



## **No authorisation**

No person has been authorised to give any information or make any representations not contained in or consistent with this Information Memorandum in connection with Westpac, the Programme or the issue or sale of the Capital Notes and, if given or made, such information or representation must not be relied upon as having been authorised by Westpac, the Arranger, the Programme Manager, the Dealer or any Agent.

## **Agency and distribution arrangements**

Westpac has agreed to pay the Agents' fees for undertaking their respective roles and reimburse them for certain of their expenses incurred in connection with the Programme.

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

Westpac, the Arranger, the Programme Manager, the Dealer and the Agents, and their respective related entities, directors and employees may have pecuniary or other interests in the Capital Notes and may also have interests pursuant to other arrangements and may receive fees, brokerage and commissions and may act as a principal in dealings in the Capital Notes.

## **References to credit ratings**

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

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

## **Currencies**

In this Information Memorandum references to "**A\$**" or "**Australian Dollars**" are to the lawful currency of the Commonwealth of Australia.

## **Currency of information**

The information contained in this Information Memorandum is prepared as of its Preparation Date. Neither the delivery of this Information Memorandum nor any offer, issue or sale made in connection with this Information Memorandum at any time implies that the information contained in it is correct at any time subsequent to the Preparation Date or that any other information supplied in connection with the Programme or the issue of Capital Notes is correct as of any time subsequent to the Preparation Date or that there has been no change (adverse or otherwise) in the financial condition or affairs of Westpac at any time subsequent to the Preparation Date.

In particular, Westpac is under no obligation to update this Information Memorandum at any time after an issue of Capital Notes.

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

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

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

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

#### **Defined words and expressions**

Capitalised expressions which are not otherwise defined in this Information Memorandum have the meanings given in Condition 16.2 of the Conditions.

## Programme Summary and Description of the Capital Notes

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*The following is a brief summary only and should be read in conjunction with the rest of this Information Memorandum and, in relation to any Capital Notes, in conjunction with the Deed Poll (as defined below), the Conditions and any relevant Supplement. A term used below but not otherwise defined has the meaning given to it in the Conditions. A reference to a "Supplement" does not limit the provisions or features of this Programme which may be supplemented, amended, modified or replaced by a Supplement in relation to a particular Tranche or Series of Capital Notes.*

**Issuer:** Westpac Banking Corporation (ABN 33 007 457 141, AFSL No. 233714), acting through its head office in Sydney.

Westpac is one of the four major banks in Australia and one of the five major banks in New Zealand. Westpac has branches, affiliates and controlled entities throughout Australia, New Zealand, Asia and in the Pacific region, and maintains branches and offices in some of the key financial centres around the world.

Westpac's principal office is located at 275 Kent Street, Sydney, New South Wales, 2000, Australia.

**Programme:** Subject to applicable legal and regulatory restrictions, a non-underwritten programme for the issuance of non-cumulative, convertible, transferable, redeemable, subordinated, perpetual, unsecured notes ("**Capital Notes**").

**Programme Term:** The term of the Programme continues until terminated by Westpac.

**Arranger and Programme Manager:** Westpac Banking Corporation.

**Dealer:** Westpac Banking Corporation.

Additional Dealers may be appointed from time to time under a subscription or dealer agreement incorporating the terms of the Dealer Common Terms Deed dated 21 December 2021. A list of the then current Dealers may be obtained from the Programme Manager.

**Registrar and Agent:** BTA Institutional Services Australia Limited (ABN 48 002 916 396), Westpac Banking Corporation and/or each other person appointed from time to time by Westpac, to perform registry, issuing and paying agency and calculation functions in relation to a Series or Tranche of Capital Notes. Details of each such appointment will be contained in the applicable Supplement.

**Agents:** Each Registrar and any other person appointed by Westpac to perform other agency functions with respect to any Series or Tranche of Capital Notes. Details of each such appointment may be contained in the applicable Supplement.

<b>Form of Capital Notes:</b>	<p>Capital Notes will take the form of entries in a register. No certificate or other evidence of title will be issued unless Westpac determines that certificates should be available or it is required to do so pursuant to all applicable laws, regulations or directives.</p> <p>The Conditions of the Capital Notes are set out in this Information Memorandum and may be supplemented, amended, modified or replaced as specified in the applicable Supplement for the relevant Tranche.</p> <p>Capital Notes of any Series may be described as "Notes" or "Capital Notes" or any other agreed marketing name.</p>
<b>Deed Poll:</b>	<p>Westpac has entered into the Capital Notes Deed Poll in favour of each person who is from time to time a Holder of Capital Notes ("<b>Deed Poll</b>"). The Deed Poll gives legal effect to Westpac's obligations in the Conditions and also includes provisions for meetings of Holders.</p> <p>Each Holder can enforce Westpac's obligations under the Deed Poll, including the Conditions and the meeting provisions, independently of the Registrar and each other Holder.</p>
<b>Method of Issue:</b>	<p>Capital Notes will be issued in Series. Each Series may comprise one or more Tranches having one or more issue dates and on conditions that are otherwise identical (other than, to the extent relevant, in respect of the Issue Price and the date and amount of the first scheduled Distribution payment). The Capital Notes of each Tranche of a Series are intended to be fungible with the other Tranches of Capital Notes of that Series.</p> <p>However, in certain circumstances, Capital Notes of a particular Tranche may not be nor become fungible with Capital Notes of any other Tranche or Tranches forming part of the same Series until a specified time following the issue thereof, all as described in the applicable Supplement.</p>
<b>Supplement:</b>	<p>This Information Memorandum is to be read, in relation to the issue of any Capital Notes, in conjunction with the applicable Supplement issued by Westpac in relation to such Capital Notes. This document is intended to describe in general the nature of the Programme. Each Supplement will provide particular information relating to a particular Tranche of Capital Notes to be issued as part of a Series including details of the form of the Capital Notes, the Series in which the Capital Notes will be issued and other information pertinent to the issue of those Capital Notes.</p>
<b>Title:</b>	<p>Entry of the name of a person in the relevant Register (if applicable) in respect of a Capital Note constitutes the obtaining or passing of title and is conclusive evidence that the person so entered is the registered owner of such Capital Note.</p>
<b>Perpetual (no fixed term):</b>	<p>Capital Notes do not have a fixed maturity date and could exist indefinitely.</p> <p>There are a number of events that may occur while Capital Notes are on issue, including:</p>

- Conversion on the Scheduled Conversion Date;
- Conversion or Write-off if a Capital Trigger Event or Non-Viability Trigger Event occurs;
- Conversion if an Acquisition Event occurs;
- Conversion on an Optional Conversion Date specified in the applicable Supplement or if a Tax Event or Regulatory Event occurs; and
- Redemption or Transfer, including on a Redemption Date or Transfer Date specified in the applicable Supplement or if a Tax Event or Regulatory Event occurs.

These events are described further below.

**No right to return of capital:**

There can be no certainty that Capital Notes will be Converted, Redeemed or Transferred under the Conditions and the Outstanding Principal Amount may not be repaid. Holders do not have a right to request or require Westpac to Convert, Redeem or arrange for the Transfer of Capital Notes. Holders should not expect that APRA's approval, if requested, will be given for any Redemption, purchase or buy-back of Capital Notes.

**Ranking of the Capital Notes:**

In the event of a Winding Up, if Capital Notes are still on issue and have not been Redeemed or Converted, or otherwise had the rights attaching to them terminated, they will rank:

- senior to Ordinary Shares;
- equally among themselves, Capital Notes of each other Series and with all other Equal Ranking Capital Securities; and
- junior to Senior Creditors (including depositors and holders of Westpac's senior or less subordinated debt).

However, it is likely that a Capital Trigger Event or Non-Viability Trigger Event would occur prior to a Winding Up and the Capital Notes would have been either:

- Converted into Ordinary Shares, in which case Holders will hold Ordinary Shares and rank equally with other holders of Ordinary Shares in a Winding Up; or
- Written-off, in which case Holders' rights in relation to such Capital Notes are terminated immediately on the Capital Trigger Event Date or Non-Viability Trigger Event Date (as the case may be), and Holders will lose all of the value of their investment in those Capital Notes and they will not receive any compensation or unpaid Distributions.

The ranking of the Capital Notes is not affected by the date of registration of the name of any holder of a Capital Note in the Capital Notes Register.

<b>Unsecured:</b>	Capital Notes are unsecured. They are not deposit liabilities or protected accounts of Westpac for the purposes of the Banking Act or Financial Claims Scheme and are not subject to the deposit protection provisions of Australian banking legislation (including the Australian Government guarantee of certain bank deposits).
<b>No set-off in relation to Capital Notes:</b>	Neither Westpac nor any Holder of Capital Notes is entitled to set-off any amounts due in respect of the Capital Notes held by the Holder against any amount of any nature owed by Westpac to the Holder or by the Holder to Westpac (as applicable).
<b>Austraclear System:</b>	<p>Westpac intends to apply to Austraclear for approval for the Capital Notes to be traded on the Austraclear System.</p> <p>Capital Notes which are held in the Austraclear System will be registered in the name of Austraclear Ltd.</p> <p>Where Capital Notes are held in the Austraclear System:</p> <ul style="list-style-type: none"> <li>• any investor who is not a “Participant” as defined in the Austraclear Regulations (an “<b>Austraclear Participant</b>”) will have to maintain arrangements with an Austraclear Participant in order to hold an interest in Capital Notes or to receive any Ordinary Shares issued on Conversion. Westpac has no responsibility for these arrangements or for the performance by an Austraclear Participant of its obligations; and</li> <li>• for the purposes of determining the person entitled to be issued Ordinary Shares (or the Sale Agent, if applicable), Westpac will treat the relevant Austraclear Participant as the holder of the Capital Notes.</li> </ul>
<b>Listing:</b>	The Capital Notes will not be listed on any stock exchange. Westpac will use all reasonable endeavours to list Ordinary Shares issued upon Conversion on the ASX.
<b>Governing law:</b>	The Capital Notes and all related documentation will be governed by the laws of New South Wales, Australia.
<b>Currencies:</b>	Capital Notes will be denominated in Australian Dollars. Payments in respect of the Capital Notes will be made in Australian Dollars.
<b>Denominations:</b>	Capital Notes will be issued fully paid in the denomination of A\$100,000 or otherwise in such denominations as are agreed between Westpac and the relevant Dealer as specified in the applicable Supplement.
<b>Use of proceeds:</b>	The net proceeds of any issue of Capital Notes will be used by Westpac for general business purposes.

**Payments:** It is Westpac's intention that payments of principal, Distributions and other amounts on Capital Notes entered in the Austraclear System will be made in accordance with the rules and regulations of the Austraclear System from time to time.

The *Autonomous Sanctions Regulations 2011* (Cth) and other regulations in Australia prohibit payments, transactions and dealings with assets or named individuals or entities subject to international sanctions or associated with terrorism.

**Distributions:** Capital Notes are scheduled to pay regular Distributions on the basis and the dates specified in the Supplement.

Distributions are also payable on each Conversion Date (other than a Capital Tigger Event Date or a Non-Viability Trigger Event Date), Redemption Date or Transfer Date.

In all cases, Distributions are discretionary and non-cumulative and payment of a Distribution is subject to satisfaction of the Distribution Payment Conditions (described below).

Calculation of Distributions: The Distribution payable in respect of a Capital Note on a Distribution Payment Date is determined in accordance with the following formula:

$$\text{Distribution} = \text{Distribution Rate} \times \text{Outstanding Principal Amount} \times \text{Day Count Fraction}$$

Distribution Rate for a Fixed Rate Capital Note: The Distribution Rate for a Fixed Rate Capital Note is determined in accordance with the following formula:

$$\text{Distribution Rate} = (\text{Base Rate} + \text{Margin}) \times (1 - \text{Tax Rate})$$

where:

**Base Rate** (which, as it applies to a Fixed Rate Capital Note will be a fixed benchmark reference) and **Margin** are as specified in, or determined in accordance with the provisions of, the Supplement; and

**Tax Rate** is the Australian corporate tax rate applicable to the franking account of Westpac at the relevant Distribution Payment Date.

Distribution Rate for a Floating Rate Capital Note: The Distribution Rate for a Floating Rate Capital Note is determined in accordance with the following formula:

$$\text{Distribution Rate} = (\text{Base Rate} + \text{Margin}) \times (1 - \text{Tax Rate})$$

where:

**Base Rate** (which, as it applies to a Floating Rate Capital Note, will be a floating rate, for example, the BBSW Rate) and **Margin** are as specified in, or determined in accordance with the provisions of, the Supplement; and

**Tax Rate** is the Australian corporate tax rate applicable to the franking account of Westpac at the relevant Distribution Payment Date.

Distribution Rate for a Fixed-to-Floating Rate Capital Note:

During the Fixed Rate Period, the Distribution Rate for a Fixed-to-Floating Rate Capital Note is determined in accordance with the provisions for determining the Distribution Rate for a Fixed Rate Capital Note.

During the Floating Rate Period, the Distribution Rate for a Fixed-to-Floating Rate Capital Note is determined in accordance with the provisions for determining the Distribution Rate for a Floating Rate Capital Note.

Franking:

Distributions are expected to be franked and accordingly Holders are expected to receive cash Distributions and franking credits. However, the level of franking may vary over time and Distributions may be fully, partially or not franked.

To the extent that Distributions are franked, the unfranked Distribution Rate on the Capital Notes will represent the potential value of the franking credits combined with the cash Distribution amount.

If a Distribution is not fully franked then the amount of the cash Distribution will be adjusted to compensate for the unfranked amount.

If Distributions are franked, the value of any franking credits does not accrue to Holders at the same time as the receipt of any cash Distribution. In addition, the ability of Holders to use the franking credits will depend on their individual circumstances and applicable Australian tax law. Depending on their circumstances, Holders may not be able to obtain full value for franking credits.

Holders should be aware that Distributions are not adjusted where Holders are unable to use franking credits, including where the Commissioner of Taxation applies rules that deny the benefit of franking.

Holders of Capital Notes who are not Australian residents and do not hold their Capital Notes through a permanent establishment in Australia may be subject to Australian dividend withholding tax on the Distributions.

To the extent that Distributions paid to such non-Australian resident Holders are franked, those Distributions will not be subject to Australian withholding tax. Where Distributions paid to such Holders are not fully franked, the unfranked portion of the Distribution will be subject to withholding tax at the rate of 30%. This rate may be reduced if the non-Australian resident Holder is resident in a country that has a double taxation agreement with Australia.

If any dividend withholding tax is applicable, Westpac will not increase the amount of the Distribution to account for that withholding.

See further in section entitled "Australian Taxation" below.



Distribution Payment Conditions:	<p>Distributions are only payable subject to satisfaction of the following distribution payment conditions, being:</p> <ul style="list-style-type: none"> <li>• Westpac's absolute discretion;</li> <li>• the payment of the Distribution not resulting in a breach of Westpac's capital requirements (on a Level 1 basis) or of the Westpac Group's capital requirements (on a Level 2 basis) under the then current Prudential Standards at the time of the payment;</li> <li>• the payment of the Distribution not resulting in Westpac becoming, or being likely to become, insolvent; and</li> <li>• APRA not otherwise objecting to the payment, ("<b>Distribution Payment Conditions</b>").</li> </ul>
Non-cumulative Distributions:	<p>Payments of Distributions are non-cumulative. If a Distribution is not paid in full because the Distribution Payment Conditions are not satisfied or because of any other reason, Holders will not be entitled to receive the unpaid portion of that Distribution. No interest accrues on any unpaid Distributions and Westpac has no liability to the Holder and the Holder has no claim in respect of such non-payment. Non-payment of a Distribution will not be an event of default<sup>1</sup> and Holders have no right to apply for a Winding Up on the grounds of Westpac's failure to pay a Distribution.</p>
Dividend and capital restrictions:	<p>If for any reason a Distribution has not been paid in full for a relevant Distribution Payment Date, then until a Distribution is paid in full on a subsequent Distribution Payment Date (or all Notes are Converted at their full Outstanding Principal Amount, Redeemed or Written-off) Westpac must not:</p> <ul style="list-style-type: none"> <li>• determine or pay any Dividends on its Ordinary Shares; or</li> <li>• undertake any discretionary Buy Back or Capital Reduction, unless the amount of the unpaid Distribution is paid in full within 20 Business Days of the relevant Distribution Payment Date (and in certain other limited circumstances).</li> </ul>
<b>Scheduled Conversion:</b>	<p>Westpac must Convert all (but not some) Capital Notes of a Series into Ordinary Shares on the Scheduled Conversion Date if the Scheduled Conversion Conditions are satisfied.</p>
Scheduled Conversion Date:	<p>The Supplement for each Series of Capital Notes will specify the First Scheduled Conversion Date for that Series of Capital Notes. The date will be at least two years after the latest date specified in the Supplement for optional Redemption.</p> <p>If the Scheduled Conversion Conditions are not satisfied on the First Scheduled Conversion Date, Conversion will not occur until the next Distribution Payment Date on which the Scheduled Conversion Conditions are satisfied.</p>
Scheduled Conversion Conditions:	<p>The Scheduled Conversion Conditions in relation to a potential Scheduled Conversion Date are satisfied where:</p> <ul style="list-style-type: none"> <li>• <b>First Scheduled Conversion Condition:</b> the VWAP of Ordinary Shares on the 25<sup>th</sup> ASX Business Day before (but not including) the Scheduled Conversion Date is greater than 56.12% of the Issue Date VWAP; and</li> </ul>

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<sup>1</sup> The Conditions do not include any events of default.

- **Second Scheduled Conversion Condition:** the VWAP of Ordinary Shares during the 20 ASX Business Days before (but not including) the Scheduled Conversion Date is greater than 50.51% of the Issue Date VWAP.

Conversion Number –  
Scheduled Conversion:

Upon Conversion on the Scheduled Conversion Date, Holders will receive the lesser of:

- the number calculated in accordance with the following formula:

$$\frac{\text{Outstanding Principal Amount}}{P \times \text{VWAP}}$$

where:

**Outstanding Principal Amount** is initially A\$100,000 per Capital Note (unless another Denomination is specified in the Supplement) as adjusted in accordance with the Conditions;

**P** means 0.99 or such other number specified in the Supplement;

**VWAP** is, broadly, the volume weighted average price of Ordinary Shares during the VWAP Period; and

**VWAP Period** is, in the case of a Scheduled Conversion, the period of 20 ASX Business Days on which trading in Ordinary Shares took place immediately preceding (but not including) the Scheduled Conversion Date; and

- the Maximum Conversion Number calculated in accordance with the following formula:

$$\frac{\text{Outstanding Principal Amount}}{\text{Relevant Percentage} \times \text{Issue Date VWAP}}$$

where:

**Outstanding Principal Amount** is initially A\$100,000 per Capital Note (unless another Denomination is specified in the Supplement) as adjusted in accordance with the Conditions;

**Relevant Percentage** is 0.50; and

**Issue Date VWAP** is the VWAP during the period of 20 ASX Business Days on which trading in Ordinary Shares took place immediately preceding but not including the first date on which Capital Notes of the Series were issued, as adjusted in accordance with the Conditions.

**Conversion or Write-off – Capital Trigger Event and Non-Viability Trigger Event:**

There are two methods of loss absorption applicable to the Capital Notes:

- Conversion, subject to possible Write-off in accordance with Condition 5.8; or
- Write-off without Conversion in accordance with Condition 5.8.

Unless the applicable Supplement specifies otherwise, the primary method of loss absorption will be Conversion, subject to possible Write-off in accordance with Condition 5.8.

Westpac must Convert or Write-off all or some of the Capital Notes following a:

- Capital Trigger Event; or
- Non-Viability Trigger Event.

**Capital Trigger Event:**

A Capital Trigger Event will occur when Westpac determines, or APRA notifies Westpac in writing that it believes, Westpac's Common Equity Tier 1 Capital Ratio is equal to or less than 5.125% on either or both a Level 1 or Level 2 basis.

**Non-Viability Trigger Event:**

A Non-Viability Trigger Event will occur when APRA notifies Westpac in writing that it believes Conversion or Write-off of the Capital Notes (or conversion, write-off or write down of other capital instruments of the Westpac Group) or a public sector injection of capital, or equivalent support, is necessary because, without it, Westpac would become non-viable.

**Proportion of Capital Notes to be Converted or Written-off:**

The proportion of Capital Notes that will be Converted or Written-off in these circumstances will be the number of Capital Notes (or the percentage of the Outstanding Principal Amount of the Capital Notes) as is necessary to satisfy APRA that Westpac will no longer be non-viable (in the case of a Non-Viability Trigger Event) or be dependent on restoration of Westpac's Common Equity Tier 1 Capital Ratio to above 5.125% (either or both on a Level 1 or Level 2 basis, as the case may be) (in the case of a Capital Trigger Event). Where a Non-Viability Trigger Event occurs because APRA has determined that without a public sector injection of capital, or equivalent support, Westpac would become non-viable, all Capital Notes must be Converted at their full Outstanding Principal Amount.

If Westpac is required to Convert or Write-off some of the Capital Notes following a Capital Trigger Event or Non-Viability Trigger Event, Westpac must treat Holders on an approximate pro-rata basis among themselves and other holders of Relevant Securities or in a manner that is otherwise, in the opinion of Westpac, fair and reasonable. This is subject to such adjustments as Westpac may determine to take into account the need to round to whole numbers of Ordinary Shares and the outstanding principal amount of any Capital Notes or other Relevant Securities remaining on issue and the need to effect the conversion, write-off or write-down immediately, provided that such determination does not impede the immediate Conversion or Write-off of the relevant number of Capital Notes.

**Conversion Number – Capital Trigger Event or Non-Viability Trigger Event:**

Upon Conversion on a Capital Trigger Event Date or Non-Viability Trigger Event Date, Holders will receive the lesser of the Conversion Number and the Maximum Conversion Number.

The Conversion Number and Maximum Conversion Number are calculated in accordance with the same formula as for Scheduled Conversion (see above), except that:

- the **VWAP Period** in the Conversion Number is the period of 5 ASX Business Days in which trading of Ordinary Shares took

place immediately preceding, but not including, the Capital Trigger Event Date or Non-Viability Trigger Event Date, as applicable; and

- the **Relevant Percentage** in the Maximum Conversion Number is 0.20.

If any Capital Notes are Converted following a Capital Trigger Event or Non-Viability Trigger Event, it is likely that the Maximum Conversion Number will apply and limit the number of Ordinary Shares to be issued. In this case, the value of the Ordinary Shares received may (in the case of a Capital Trigger Event) and is likely to (in the case of a Non-Viability Trigger Event) be significantly less than the Outstanding Principal Amount of those Capital Notes.

**Write-off of Capital Notes:** If a Capital Trigger Event or Non-Viability Trigger Event occurs and either:

- Conversion does not occur for any reason following a Capital Trigger Event or Non-Viability Trigger Event by 5.00pm on the fifth ASX Business Day after the Capital Trigger Event Date or Non-Viability Trigger Event Date (as the case may be); or
- the Supplement specifies that the primary method of loss absorption will be Write-off without Conversion,

the rights of Holders attaching to those Capital Notes (including with respect to payment of Distributions and Outstanding Principal Amount and in the case of Conversion, to be issued with the Conversion Number of Ordinary Shares) will be immediately and irrevocably written-off and terminated on the Capital Trigger Event Date or Non-Viability Trigger Event Date (as the case may be).

#### **Conversion – Acquisition Event**

Westpac must Convert all of the Capital Notes on issue following an **Acquisition Event** subject to a modified application of the Second Scheduled Conversion Condition.

#### **Acquisition Event:**

An Acquisition Event will occur where:

- a takeover bid is made for Ordinary Shares and certain conditions are satisfied; or
- a scheme of arrangement is proposed and approved and certain conditions are satisfied.

However, an Acquisition Event will not have occurred where Westpac is replaced as the ultimate holding company of the Westpac Group by an Approved Successor in accordance with the Conditions.

Conditions on Conversion following an Acquisition Event:

The Second Scheduled Conversion Condition will apply in a modified form following an Acquisition Event such that Conversion will not occur unless the VWAP of Ordinary Shares during the 20 ASX Business Days<sup>2</sup> before (but not including) the Acquisition Event Conversion Date is greater than 20.20% of the Issue Date VWAP. The First Scheduled Conversion Condition will not apply.

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<sup>2</sup> If trading in Ordinary Shares after an Acquisition Event occurs for less than 20 ASX Business Days, the VWAP Period will be the number of ASX Business Days after the occurrence of the Acquisition Event on which trading in Ordinary Shares takes place, immediately preceding, but not including, the ASX Business Day before the Acquisition Event Conversion Date.

Conversion Number – Acquisition Event:	<p>Upon Conversion on an Acquisition Event Conversion Date, Holders will receive the lesser of the Conversion Number and the Maximum Conversion Number.</p> <p>The Conversion Number and Maximum Conversion Number are calculated in accordance with the same formula as for Scheduled Conversion (see above), except that:</p> <ul style="list-style-type: none"> <li>the <b>VWAP Period</b> in the Conversion Number is the period of 20 ASX Business Days<sup>2</sup> in which trading of Ordinary Shares took place immediately preceding, but not including, the Acquisition Event Conversion Date, as applicable; and</li> <li>the <b>Relevant Percentage</b> in the Maximum Conversion Number is 0.20.</li> </ul>
Optional Conversion:	<p>Subject to satisfaction of the Optional Conversion Restriction, Westpac may elect to Convert:</p> <ul style="list-style-type: none"> <li>all or some of the Capital Notes of a Series on an Optional Conversion Date so specified in the Supplement; or</li> <li>all of the Capital Notes following a Tax Event or Regulatory Event in respect of Capital Notes of that Series.</li> </ul>
Restrictions or conditions on Optional Conversion:	<p>The <b>Optional Conversion Restriction</b> applies to Optional Conversion such that Westpac may not elect to Convert the Capital Notes if on the second ASX Business Day before the date on which Westpac is to send an Optional Conversion Notice the VWAP of Ordinary Shares is:</p> <ul style="list-style-type: none"> <li>less than or equal to 56.12% of the Issue Date VWAP, where Westpac chooses to Convert the Capital Notes on the first Optional Conversion Date; and</li> <li>less than or equal to 22.20% of the Issue Date VWAP, where Westpac chooses to Convert the Capital Notes on an Optional Conversion Date following a Tax Event or Regulatory Event.</li> </ul> <p>Once an Optional Conversion Notice has been sent, Westpac may still be prevented from Converting the Capital Notes by the operation of the Second Scheduled Conversion Condition, which is deemed to apply to Optional Conversion as though the proposed Optional Conversion Date were a Scheduled Conversion Date.</p> <p>The Second Scheduled Conversion Condition otherwise applies (as set out Scheduled Conversion above), except that in the case of Optional Conversion on an Optional Conversion Date following a Tax Event or Regulatory Event, it applies as if the reference to 50.51% referred to 20.20% of the Issue Date VWAP.</p>
Conversion Number – Optional Conversion:	<p>Upon Conversion on an Optional Conversion Date, Holders will receive the lesser of the Conversion Number and the Maximum Conversion Number.</p> <p>The Conversion Number and Maximum Conversion Number are calculated in accordance with the same formula as for Scheduled Conversion (see above), except that the <b>VWAP Period</b> is the period of 20 ASX Business Days in which trading of Ordinary Shares took place immediately preceding, but not including, the Optional Conversion Date.</p>

**Redemption:**

Westpac may elect to Redeem:

- all or some of the Capital Notes of a Series on a Redemption Date specified in the Supplement; or
- all of the Capital Notes of a Series following a Tax Event or Regulatory Event in respect of Capital Notes of that Series.

Redemption is subject to Westpac receiving APRA's prior written approval. There can be no certainty that APRA will provide its prior written approval.

Redemption means Westpac will pay to Holders the Outstanding Principal Amount for each Capital Note Redeemed.

Westpac may only Redeem Capital Notes if it replaces them with capital of the same or better quality (and the replacement is done under conditions that are sustainable for the income capacity of Westpac) or obtains confirmation that APRA is satisfied that Westpac does not have to replace the Capital Notes.

Holders cannot request Redemption of their Capital Notes.

It is Westpac's intention that Capital Notes entered into Austraclear will be redeemed in a manner consistent with the rules, regulations and operating procedures of the Austraclear System from time to time.

**Transfer:**

Westpac may elect to Transfer:

- all or some of the Capital Notes of a Series on a Transfer Date specified in the Supplement; or
- all of the Capital Notes following a Tax Event or Regulatory Event in respect of Capital Notes of that Series.

Transfer means Westpac will arrange for a Nominated Party to undertake to purchase Capital Notes from Holders for the Outstanding Principal Amount. On Transfer, Holders will receive the Outstanding Principal Amount for each Capital Note from the Nominated Party, paid in cash.

If the Nominated Party does not pay the Outstanding Principal Amount to Holders on the Transfer Date, the Transfer will not proceed and Holders will continue to hold their Capital Notes.

The Nominated Party means one or more third parties selected by Westpac in its absolute discretion, which cannot be a member of the Westpac Group or a related entity (as described in the Prudential Standards) of Westpac.

Holders cannot request a Transfer of Capital Notes.

<b>Tax Event:</b>	<p>A Tax Event will occur if Westpac determines, after receiving a supporting opinion of reputable legal counsel or other tax adviser in Australia experienced in such matters, that (as a result of a Change of Law) there is a more than insubstantial risk that:</p> <ul style="list-style-type: none"> <li>• Westpac would be exposed to a more than de minimis adverse tax consequence or increased cost in relation to the Capital Notes; or</li> <li>• any Distribution would not be a frankable distribution within the meaning of Division 202 of the Tax Act.</li> </ul> <p>A Tax Event will not arise where, at the relevant Issue Date, Westpac expected the event would occur.</p>
<b>Regulatory Event:</b>	<p>Broadly, a Regulatory Event will occur if Westpac determines, after receiving a supporting opinion of reputable legal counsel in Australia experienced in such matters or confirmation from APRA that, as a result of a change of law or regulation after the relevant Issue Date:</p> <ul style="list-style-type: none"> <li>• more than de minimis additional requirements would be imposed on the Westpac Group or there would be a more than de minimis negative impact on the Westpac Group in relation to (or in connection with) Notes which Westpac determines to be unacceptable; or</li> <li>• Westpac will not be entitled to treat some or all of the relevant Capital Notes as Additional Tier 1 Capital of the Westpac Group.</li> </ul> <p>A Regulatory Event will not arise where, at the relevant Issue Date, Westpac expected the event would occur.</p>
<b>Approved Successor:</b>	<p>Where Westpac is replaced as the ultimate holding company of the Westpac Group by an Approved Successor and certain other conditions are satisfied, Conversion of the Capital Notes will not be triggered but Westpac may instead be allowed to make amendments (provided APRA's prior written approval is obtained) to substitute the Approved Successor as the debtor of the Capital Notes and the issuer of ordinary shares issued on Conversion and to make certain other amendments to the Conditions. Accordingly, if:</p> <ul style="list-style-type: none"> <li>• Westpac is replaced by an Approved Successor as the ultimate holding company of the Westpac Group; and</li> <li>• a substitution of the Approved Successor as the debtor of the Capital Notes and the issuer of ordinary shares on Conversion is effected under the Conditions,</li> </ul> <p>Holders will be obliged to accept Approved Successor Shares on Conversion, and will not receive Ordinary Shares on Conversion.</p>
<b>Selling Restrictions:</b>	<p>The offering, sale and delivery of Capital Notes are subject to the rules, restrictions and operating procedures which may apply in connection with the offering and sale of a particular Tranche of Capital Notes. See the section entitled "Subscription and Sale".</p>
<b>Transfer procedure:</b>	<p>Capital Notes may only be transferred in whole but not in part.</p> <p>Capital Notes may only be transferred:</p> <p>(a) within, to or from Australia only if:</p>

- (i) the aggregate consideration payable at the time of transfer is a minimum amount of A\$500,000 (disregarding any moneys lent by the transferor or its associates to the transferee) or the Capital Notes are otherwise transferred in circumstances that do not require disclosure to be made under Parts 6D.2 or 7.9 of the Corporations Act;
  - (ii) the transfer is not to a “retail client” as defined for the purposes of section 761G of the Corporations Act;
  - (iii) such action does not require any document to be lodged with ASIC; and
  - (iv) such action complies with all applicable laws, regulations and directives; and
- (b) in a jurisdiction outside Australia, if the transfer is in compliance with all laws, regulations and directives of the jurisdiction in which the transfer takes place.

Transfers of Capital Notes held in the Austraclear System will be made in accordance with the rules, regulations and operating procedures of the Austraclear System.

In other cases, application for the transfer of Capital Notes must be made by lodgement of a duly completed (if applicable) stamped transfer and acceptance form with the Registrar. Transfers to unincorporated associations will not be permitted. Transfer and acceptance forms are obtainable from the Registrar. The transfer takes effect upon the transferees name being entered on the Capital Notes Register.

**Taxes:**

An overview of the Australian taxation treatment of payments of Distributions on Capital Notes and certain other matters is set out in the section entitled “Australian Taxation”. However, investors should obtain their own taxation advice regarding the taxation status of investing in Capital Notes.

**Stamp duty:**

Any stamp duty incurred at the time of issue of the Capital Notes will be for the account of Westpac. Any stamp duty incurred on a transfer of Capital Notes will be for the account of the relevant investors. As at the date of this Information Memorandum, no Australian stamp duty should be payable on the issue of the Capital Notes or any transfer of Capital Notes.

**Withholding Tax:**

If a law requires Westpac to withhold or deduct an amount on account of taxes or duties from a payment in respect of the Capital Notes, Westpac will deduct the amount for such taxes, pay it to the relevant government authority and pay the balance to the relevant Holder. Westpac is not required to pay any additional amounts to Holders in these circumstances. See the section entitled “Australian Taxation” below.



**Australian Business Numbers and Tax File Numbers:**

To the extent that Distributions are not fully franked, Westpac will deduct amounts from payments of Distributions to be made under the Capital Notes at the prescribed rate if an investor has not supplied an appropriate Tax File Number, (in certain circumstances) Australian Business Number, or exemption details as may be necessary to enable the payment to be made without withholding or deduction.

**Rating:**

The rating of the Programme, or of any particular Series of Capital Notes, may be specified in the "Other disclosure" item of the applicable Supplement.

A credit rating is not a recommendation to buy, sell or hold the Capital Notes and may be subject to revision, variation, suspension or withdrawal at any time by the relevant assigning organisation. Each credit rating should be evaluated independently of any other credit rating.

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

**Amendments to Conditions:**

Westpac may make certain amendments to the Conditions without the approval of Holders, subject to APRA's prior written approval where the amendment would impact, or potentially impact, the classification of the Capital Notes as Additional Tier 1 Capital on a Level 1 or Level 2 basis and, where required, after consultation with the Programme Manager.

These include amendments that are:

- for the purposes of giving effect to any successor rate or alternative rate for the Reference Rate or the BBSW Rate;
- for the purposes of curing any ambiguity, or correcting or supplementing any defective or inconsistent provisions or in any other manner which Westpac deems necessary or desirable and which in Westpac's opinion does not materially adversely affect the rights of existing Holders; or
- for any other purpose, where the amendments apply prospectively and do not apply to existing Holders.

Westpac may also amend the Conditions, with APRA's prior written approval, if the amendment has been approved by a Special Resolution of Holders of that Series or is necessary to effect the substitution of an Approved Successor as the debtor in respect of the Capital Notes and the issuer of Ordinary Shares on Conversion.

Amendments under these powers are binding on all Holders despite the fact that a Holder may not agree with the amendment.

## Capital Notes Risks

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Before applying for any Capital Notes, prospective investors should consider whether the Capital Notes are a suitable investment for them. There are risks associated with an investment in the Capital Notes, many of which are outside the control of Westpac. These risks include those in this section and other matters referred to in this Information Memorandum. Prospective investors should carefully consider the risks described and the other information in this Information Memorandum before investing in Capital Notes. Prospective investors should also consider the risks relating to Westpac which are described in the sections entitled “Risk Factors” and “Significant Developments” set out in the Annual Report and the Interim Financial Results Announcement of Westpac, each as referred to in, and incorporated by reference into, this Information Memorandum as set out in the section in this Information Memorandum entitled “Important Notice – Documents incorporated by reference”.

The risks and uncertainties described in this section and those documents that are incorporated by reference are not the only ones Westpac faces. Additional risks and uncertainties that Westpac is unaware of, or that Westpac currently deems to be immaterial, may also become important factors that affect the Capital Notes or Westpac.

Prospective investors should consult their own financial, legal, tax or other professional advisers about the risks associated with an investment in a particular Tranche of Capital Notes and the suitability of investing in the Capital Notes in light of their particular circumstances.

### **1. Distributions may not be paid**

There is a risk that Distributions may not be paid. The Conditions do not oblige Westpac to pay Distributions, which are only payable at Westpac's discretion and are subject to satisfaction of the Distribution Payment Conditions, being:

- Westpac's absolute discretion;
- the payment of Distributions not resulting in a breach of Westpac's capital requirements (on a Level 1 basis) or of the Westpac Group's capital requirements (on a Level 2 basis) under the then current Prudential Standards at the time of payment;
- the payment of Distributions not resulting in Westpac becoming, or being likely to become, insolvent for the purposes of the Corporations Act; and
- APRA not otherwise objecting to the payment.

APRA has stated in response to the uncertainty resulting from the COVID-19 pandemic that APRA expects that ADIs (such as Westpac) continue to moderate dividend payout ratios, and consider the use of dividend reinvestment plans and/or other capital management initiatives to offset the impact on capital from distributions. Discretionary capital distributions may include distributions on AT1 capital instruments such as the Capital Notes. APRA's guidance on capital management does not prohibit Westpac from paying Distributions, however there is a risk that if the economic outlook is negative or uncertain for a prolonged period of time or worsens, APRA may object to the payment of a Distribution, including where Westpac is above its Common Equity Tier 1 Ratio requirement. To date, APRA has not objected to distributions on AT1 capital instruments. In addition, changes in laws and regulations applicable to Westpac may impose additional requirements which prevent Westpac from paying a Distribution.

There are also restrictions on the amount of earnings that can be distributed through Tier 1 Capital Distributions should an ADI's Level 1 or Level 2 Common Equity Tier 1 Ratios fall below the Distribution Restriction Trigger. This may result in a Distribution Payment Condition not being satisfied. Payments of Distributions are non-cumulative and decisions to pay a Distribution cannot

be deferred. If a Distribution is not paid in full because the Distribution Payment Conditions are not satisfied or because of any other reason, Holders will not be entitled to receive the unpaid portion of that Distribution. No interest accrues on any unpaid Distributions and Westpac has no liability to the Holder and the Holder has no claim in respect of such non-payment.

Non-payment of a Distribution will not be an event of default<sup>3</sup> and Holders have no right to apply for a Winding Up on the grounds of Westpac's failure to pay a Distribution.

However, if a Distribution has not been paid in full for a relevant Distribution Payment Date, then until a Distribution is paid in full on a subsequent Distribution Payment Date (or all Capital Notes are Converted at their full Outstanding Principal Amount, Written-Off (if specified in the applicable Supplement), Redeemed or Written-off following a failure to Convert) Westpac must not:

- determine or pay any Dividends on its Ordinary Shares; or
- undertake any discretionary Buy Back or Capital Reduction,

unless the amount of the unpaid Distribution is paid in full within 20 Business Days of the relevant Distribution Payment Date (and in certain other limited circumstances). These restrictions would not apply where the reason a Distribution was not paid was because the Distribution Rate was zero or negative.

This means that Westpac would give priority to the payment of distributions on Additional Tier 1 Capital securities (including Capital Notes) over payments of Dividends so it is not restricted from paying Dividends.

The restrictions on determining or paying a Dividend will be of limited application in circumstances where Westpac has deferred its decision on determining a Dividend or determines not to pay a Dividend. For example, on 18 August 2020, Westpac announced that, as a result of the uncertain economic and operating conditions created by the COVID-19 pandemic, the Board had determined not to pay a 2020 interim dividend.

Further, the terms of Westpac's future securities could limit Westpac's ability to make payments on the Capital Notes. If Westpac does not make payments on other securities, payments may not be permitted to be made in respect of the Capital Notes.

## **2. Westpac may initiate Conversion, Redemption or Transfer of Capital Notes**

Westpac may initiate Conversion, Redemption (subject to APRA's prior written approval) or Transfer of:

- some or all of the Capital Notes on each date so specified in the Supplement for optional Conversion, Redemption or Transfer (as the case may be); or
- all of the Capital Notes following the occurrence of a Tax Event or Regulatory Event.

If Westpac elects to Redeem Capital Notes, APRA's prior written approval is required. There can be no certainty that APRA will provide its prior written approval. Westpac may only Redeem Capital Notes if it replaces them with capital of the same or better quality (and the replacement is done under conditions that are sustainable for the income capacity of Westpac), or obtains confirmation that APRA is satisfied that Westpac does not have to replace the Capital Notes. APRA may not provide its written approval for Westpac to Redeem Capital Notes if, for example, it were to adopt a similar approach to the Reserve Bank of New Zealand ("RBNZ") following the RBNZ's announcement on 2 April 2020 that all locally incorporated banks in New Zealand should not redeem

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<sup>3</sup> The Conditions do not include any events of default.

non-Common Equity Tier 1 capital instruments during the period of economic uncertainty caused by the COVID-19 pandemic. On 31 March 2021, these restrictions were eased by the RBNZ.

Holders have no right to request or require a Conversion, Redemption or Transfer of their Capital Notes.

Any Conversion, Redemption or Transfer may occur on dates not previously contemplated by Holders, which may be disadvantageous to Holders in light of market conditions or Holders' individual circumstances. This means that the period for which Holders will be entitled to the benefit of the rights attaching to the Capital Notes is unknown.

Where Holders receive cash on Redemption or Transfer, the rate of return at which Holders could reinvest their funds may be lower than the Distribution Rate at the time. Further, upon Redemption, Holders will receive the Outstanding Principal Amount of the Capital Notes which may be less than their market value immediately prior to Redemption.

### **3. Investments in Capital Notes are not deposit liabilities or protected accounts under the Banking Act or Financial Claims Scheme**

Investments in the Capital Notes are an investment in Westpac and will be affected by the ongoing performance, financial position and solvency of Westpac. They are not deposit liabilities or protected accounts of Westpac for the purposes of the Banking Act or Financial Claims Scheme and are not subject to the depositor protection provisions of Australian banking legislation (including the Australian Government guarantee of certain bank deposits). Therefore, the Capital Notes are not guaranteed or insured by the Australian Government, any government agency or compensation scheme of Australia or any other jurisdiction.

### **4. Market price of the Capital Notes may fluctuate**

Westpac is unable to forecast the market price and liquidity of the market for the Capital Notes. The Capital Notes may experience market price volatility more or less than Ordinary Shares. The market price for the Capital Notes may fluctuate due to various factors, including:

- Australian and international general conditions (including inflation rates, interest rates and currency exchange rates), changes in government policy, changes in regulatory policy, impacts of regulatory change (including intervention by ASIC in the market for the Capital Notes or similar securities), changes in the laws relating to the taxation treatment of Capital Notes (including the availability of franking), the expressed views of regulators, investor sentiment and general market movements, which may or may not have an impact on Westpac's actual operating performance;
- operating results of Westpac that vary from expectations of securities analysts and investors;
- changes in expectations as to Westpac's future financial performance, including financial estimates by securities analysts and investors;
- changes in market valuations of other financial services institutions;
- announcement of demergers, acquisitions, strategic partnerships, joint ventures or capital commitments by Westpac or its competitors;
- changes in the market price of Ordinary Shares and/or other debt securities or other capital securities issued by Westpac or by other issuers, or changes in the supply of equity securities or capital securities issued by Westpac or by other issuers;

- the occurrence of or increase in the likelihood of the occurrence of one or more Distributions not being paid, a Capital Trigger Event or a Non-Viability Trigger Event;
- the impact of the COVID-19 pandemic on global, regional and national economies and markets; and
- other major Australian and international events such as hostilities and tensions, and acts of terrorism.

It is possible that the price that a Capital Note could be bought or sold for after its issuance could be above or below Outstanding Principal Amount as a result of these and other factors.

## **5. The liquidity of the Capital Notes may be low**

The market for the Capital Notes (if any) will likely be less liquid than the market for Ordinary Shares. Holders who wish to sell their Capital Notes may be unable to do so at an acceptable price, or at all, if insufficient liquidity exists in the market for the Capital Notes.

Westpac does not guarantee the market price (if any) or liquidity of the Capital Notes. There is a risk that if Holders sell Capital Notes before the Scheduled Conversion Date, Holders may lose some of the money they have invested.

## **6. Changes in the Base Rate on Floating Rate Capital Notes**

The Base Rate on Floating Rate Capital Notes is calculated for each Distribution Period by reference to the Base Rate (being, in the case of Floating Rate Capital Notes, either the ISDA Rate, the Screen Rate Determination or the BBSW Rate), which may be influenced by a number of factors and varies over time. The Distribution Rate on Floating Rate Capital Notes will fluctuate and may increase and/or decrease over time with movements in the Base Rate. It is possible for the Base Rate to become negative. For example, the 3 month BBSW Rate is influenced by the Interbank Overnight Cash Rate which is set by the RBA. One scenario under which the 3 month BBSW Rate sets negative is if RBA's Cash Rate Target (or other overnight rates such as rates on exchange settlement balances) is cut below 0.00%. The 3 month BBSW Rate could move before the Cash Rate is adjusted in anticipation of any moves by the RBA over a 3 month horizon. Noting the 3 month BBSW Rate is a market set rate, even in a scenario where the Cash Rate is at or above 0.00%, it could move negative depending on supply and demand in the prime bank paper market. The Eurozone, Sweden, Switzerland, Japan and Denmark are examples of jurisdictions where central banks have set negative monetary policy rates

Should this occur, the negative amount will be taken into account in calculating the Distribution Rate (but there is no obligation on Holders to pay Westpac if the Distribution Rate becomes negative and there would be no Distribution in those circumstances).

As the Distribution Rate on Floating Rate Capital Notes fluctuates, there is a risk that the rate may become less attractive when compared to returns available on comparable securities issued by Westpac or other issuers or other investments.

Westpac does not guarantee any particular rate of return on any Capital Notes.

## **7. Changes from fixed Distribution to floating Distributions in a Fixed-to-Floating Rate Capital Note**

Fixed-to-Floating Rate Capital Notes are scheduled to pay Distributions at a rate which shall be automatically converted from a fixed Distribution Rate to a floating Distribution Rate at the date specified in the applicable Supplement. The new floating Distribution Rate may be lower than the initial fixed Distribution Rate and any market volatility in interest rates could affect the market value

of an investment in such Fixed-to-Floating Rate Capital Notes. Investors should also note the risks set out above in relation to Floating Rate Capital Notes.

## **8. Use of franking credits by Holders**

Certain Holders may be entitled to use franking credits to offset their tax liability and certain Holders that are individuals or complying superannuation entities may be entitled to a refund of excess franking credits, to the extent that the franking credits exceed their tax liability.

Holders should be aware that their ability to use the franking credits, either as an offset to their tax liability or by claiming a refund after the end of the year of income, will depend on their individual tax position.

## **9. A Capital Trigger Event or a Non-Viability Trigger Event may occur**

A Capital Trigger Event occurs when Westpac determines, or APRA notifies Westpac in writing that it believes, that either or both the Westpac Level 1 Common Equity Tier 1 Capital Ratio or Westpac Level 2 Common Equity Tier 1 Capital Ratio is equal to, or is less than, 5.125%.

The Common Equity Tier 1 Capital Ratio is the ratio of Westpac's Common Equity Tier 1 Capital to its risk-weighted assets ("**RWA**"), where Common Equity Tier 1 Capital comprises the highest quality components of capital.

A Non-Viability Trigger Event occurs when APRA notifies Westpac in writing that it believes:

- Conversion or Write-off of the Capital Notes (or conversion, write-off or write down of other capital instruments of the Westpac Group) is necessary because, without it, Westpac would become non-viable; or
- a public sector injection of capital, or equivalent support, is necessary because, without it, Westpac would become non-viable.

It should be noted that whether a Non-Viability Trigger Event will occur is at the discretion of APRA and there are currently no Australian precedents. The circumstances in which APRA may exercise its discretion are not limited to when APRA may have a concern about a bank's capital levels but may also include when APRA has a concern about a bank's funding and liquidity levels or any other matters affecting a bank's viability.

APRA has not provided explicit guidance as to how it would determine non-viability. However, APRA has indicated that non-viability is likely to arise prior to insolvency. Non-viability could be expected to include serious impairment of Westpac's financial position, concerns about its capital, funding or liquidity levels and / or insolvency. However, it is possible that APRA's definition of non-viability may not necessarily be confined to these matters and APRA's position on these matters may change over time. As the occurrence of a Non-Viability Trigger Event is at the discretion of APRA, there can be no assurance given as to the factors and circumstances that might give rise to such an event.

Differences between Westpac's Level 1 and Level 2 Common Equity Tier 1 Ratios relate principally to the level of capital held by, and RWA of, offshore banking subsidiaries. Westpac's capital management policy for Westpac's subsidiaries assumes surplus capital is repatriated from subsidiaries (subject to subsidiary board approval, relevant regulatory approvals and regulatory requirements for Westpac subsidiaries).

Westpac gives no assurance as to what its Common Equity Tier 1 Ratio on a Level 1 or Level 2 basis will be at any time as it may be significantly impacted by regulatory changes to the measurement of capital or RWA calculations, and unexpected events affecting its business, operations and financial condition.

A Capital Trigger Event or Non-Viability Trigger Event may result in the loss of some or all of the value of the Capital Notes.

#### **10. Conversion or Write-off following a Capital Trigger Event or Non-Viability Trigger Event**

Upon the occurrence of a Capital Trigger Event or Non-Viability Trigger Event, Westpac is required to:

- Convert all or some of the Capital Notes (or a percentage of the Outstanding Principal Amount of each Capital Note) into the Conversion Number of Ordinary Shares based on the VWAP during the 5 ASX Business Days prior to, but not including, the Capital Trigger Event Date or Non-Viability Trigger Event Date; or
- if the applicable Supplement specifies that the primary method of loss absorption will be Write-off without Conversion, Write-off all or some of the Capital Notes (or a percentage of the Outstanding Principal Amount of each Capital Note).

If a Non-Viability Trigger Event occurs because APRA has determined that without a public sector injection of capital, or other public sector support, Westpac would become non-viable, then Westpac must Convert or Write-off all of the Capital Notes.

Conversion following a Capital Trigger Event or Non-Viability Trigger Event is not subject to the Scheduled Conversion Conditions being satisfied and Westpac is required to issue to Holders the Conversion Number of Ordinary Shares on the Conversion Date, which will not exceed the Maximum Conversion Number.

Write-off following a Capital Trigger Event or Non-Viability Trigger Event will result in the immediate and irrevocable termination of Holders' rights (including to payment of Distributions and Outstanding Principal Amount and, in the case of Conversion, to be issued with the Conversion Number of Ordinary Shares) in relation to the Capital Notes (or such percentage of the Outstanding Principal Amount of Capital Notes).

##### ***Maximum Conversion Number***

The Conversion Number of Ordinary Shares following a Capital Trigger Event or Non-Viability Trigger Event is subject to the Maximum Conversion Number. The Maximum Conversion Number of Ordinary Shares following a Capital Trigger Event or Non-Viability Trigger Event will be calculated based on a VWAP set to reflect 20% of the Issue Date VWAP.

Accordingly, depending upon the Ordinary Share price during the 5 ASX Business Days prior to a Capital Trigger Event Date or Non-Viability Trigger Event Date, the value of Ordinary Shares received for each Capital Note may (in the case of a Capital Trigger Event) and is likely to (in the case of a Non-Viability Trigger Event) be significantly less than the Outstanding Principal Amount of Capital Notes.

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, special dividends, demergers, and other corporate actions. The Conditions do not limit the transactions that Westpac may undertake with respect to its share capital and any such action may increase the risk that Holders receive only the Maximum Conversion Number and so adversely affect the position of Holders.

##### ***Order of Conversion or Write-off of Relevant Securities***

If Westpac is only required to convert or write-off a certain amount of Relevant Securities, Westpac will determine the amount of Capital Notes which will be Converted or Written-off and other Relevant Securities which will be converted, written-off or be written down as follows:

- first, Westpac is required to convert, write-off or write down such number or amount of the outstanding principal amount of any other Relevant Securities whose terms require them to be converted, written-off or written down before Conversion or Write-off of the Capital Notes as is necessary to return either or both Westpac's Level 1 Common Equity Tier 1 Capital Ratio or Westpac's Level 2 Common Equity Tier 1 Capital Ratio, as the case may be, to above 5.125% or to satisfy APRA that Westpac will no longer be non-viable; and
- second, if conversion, write-off or write down of those Relevant Securities is not sufficient, Westpac is required to Convert or Write-off the Capital Notes and/or convert, write-off or write down other Relevant Securities, on a pro-rata basis or in a manner that is otherwise, in the opinion of Westpac, fair and reasonable, the Outstanding Principal Amount of the Capital Notes and the outstanding principal amount of any Relevant Securities whose terms require or permit them to be converted, written-off or written down in that manner (subject to such adjustments as Westpac may determine to take into account the effect on marketable parcels and whole numbers of Ordinary Shares and any Capital Notes or Relevant Securities remaining on issue and the need to effect conversion, write-off or write-down immediately),

but such determination will not impede the immediate Conversion or Write-off of the relevant number of Capital Notes or percentage of the Outstanding Principal Amount of each Capital Note (as the case may be), or, if applicable, termination of the relevant Holders' rights and claims.

However, Westpac has no obligation to have or maintain on issue any Relevant Securities (and does not, and may never, have on issue Relevant Securities) which are required to be converted, written-off or written down ahead of Capital Notes and Westpac gives no assurance that there will be any such instruments on issue at the time at which the Capital Notes may be required to be Converted or Written-off.

Further, in Converting or Writing-off Capital Notes or converting, writing-off or writing down other Relevant Securities, although Westpac will endeavour to treat Holders and holders of other Relevant Securities on an approximately proportionate basis, Westpac may discriminate to take account of logistical considerations. Accordingly, should a Capital Trigger Event or Non-Viability Trigger Event occur and only some of the Capital Notes must be Converted or Written-off, it is possible that not all Holders will have their Capital Notes Converted into Ordinary Shares or Written-off.

### **Ordinary Shares**

The Ordinary Shares issued on Conversion may not be listed. Westpac's Ordinary Shares may not have been listed for some period of time, for example, if Westpac is acquired by another entity and delisted. The price of Ordinary Shares and the ability to trade them may be affected if not listed.

The Ordinary Shares may not be able to be sold at prices representing their value based on the VWAP. In particular, the VWAP prices will be based on trading days which occur before the Capital Trigger Event or Non-Viability Trigger Event.

Ordinary Shares are a different type of investment to the Capital Notes. Like Distributions on the Capital Notes, Dividends are payable at the absolute discretion of Westpac, but, unlike Distributions, Dividends are not scheduled to be paid at any particular time and the amount of each Dividend is also discretionary (and not subject to a formula). In a Winding Up, claims of holders of Ordinary Shares rank behind claims of holders of all other securities and debts of Westpac. The market price of Ordinary Shares may fluctuate and be more sensitive than that of Capital Notes to changes in Westpac's performance, operational issues and other business issues.



## **11. Write-off following a Capital Trigger Event or Non-Viability Trigger Event**

If:

- for any reason Conversion of Capital Notes does not occur and the Ordinary Shares are not issued for any reason by 5.00pm on the fifth ASX Business Day after the Capital Trigger Event Date or Non-Viability Trigger Event Date (as the case may be); or
- Write-off without Conversion is specified in the applicable Supplement as the primary loss absorption mechanism and a Capital Trigger Event or Non-Viability Trigger Event occurs,

then:

- all rights in relation to those Capital Notes will be terminated immediately on the Capital Trigger Event Date or Non-Viability Trigger Event Date (as the case may be), and Holders will lose all of the value of their investment in those Capital Notes and they will not receive any compensation or unpaid Distributions; and
- the Outstanding Principal Amount of those Capital Notes shall be reduced on the Capital Trigger Event Date or Non-Viability Trigger Event Date (as the case may be) by the Outstanding Principal Amount of such Capital Notes to be Converted or Written-off.

Conversion of Capital Notes may not occur, for example, due to applicable law, order of a court or action of any government authority, including regarding the insolvency, Winding Up or other external administration of Westpac, as a result of Westpac's inability or failure to comply with its obligations under the terms and conditions of the Capital Notes in relation to Conversion, or as a result of operational delays. Those laws and the grounds on which a court or government authority may make orders or take action preventing the Conversion of Capital Notes may change and the change may be adverse to the interests of Holders. Further, pandemics (such as COVID-19) and the related restrictions on access to facilities and systems of Westpac and/or its agents may increase the risk of a breakdown in process or operational delays, which may result in Conversion of the Capital Notes not occurring and Holders losing all of the value of their investment.

## **12. Ranking of the Capital Notes**

In the event of a Winding Up, if the Capital Notes are still on issue and have not been Redeemed or Converted or Written-off, they will rank for payment:

- ahead of Ordinary Shares;
- equally among themselves, Capital Notes of each other Series and with all Equal Ranking Capital Securities; and
- behind Senior Creditors.

If, in a Winding Up, the Capital Notes have not been Converted, Redeemed, Transferred or Written-off, Holders will be entitled to be paid the Liquidation Sum at the commencement of the Winding Up (or if less actual cash is available to Westpac for distribution to Holders, a proportionate share of that cash). The Liquidation Sum is an amount of surplus assets equal to A\$100,000 (or such other Denomination as may be specified in the applicable Supplement) per Capital Note (as adjusted for a Conversion or Write-Off under clauses 5.2 or 5.4 of the Conditions or Write-off under clause 5.8(a) of the Conditions).

The claim for the Liquidation Sum effectively ranks equally with Capital Notes of any other Series and Equal Ranking Capital Securities, but is subordinated to Senior Creditors. As the Capital Notes

rank behind Senior Creditors, there is a risk that in the Winding Up, there will be insufficient funds to provide to Holders any return of their initial investment.

However it is likely that any Capital Trigger Event or Non-Viability Trigger Event would occur prior to a Winding Up, requiring the Conversion or Write-off of the Capital Notes.

Where a Capital Trigger Event or Non-Viability Trigger Event occurs, the ranking of Capital Notes in a Winding Up will be adversely affected.

If the Capital Notes have been Converted (including upon the occurrence of a Capital Trigger Event or Non-Viability Trigger Event), Holders will hold Ordinary Shares and rank equally with other holders of Ordinary Shares in a Winding Up.

If:

- for any reason Conversion of Capital Notes does not occur following one of these events (including, for example, due to applicable law, order of a court or action of any government authority, including regarding the insolvency, Winding Up or other external administration of Westpac, as a result of Westpac's inability or failure to comply with its obligations under the terms and conditions of the Capital Notes in relation to Conversion, or as a result of operational delays (for example, due to COVID-19 related restrictions on access to facilities and systems of Westpac and/or its agents)) and the Ordinary Shares are not issued for any reason by 5.00pm on the fifth ASX Business Day after the Capital Trigger Event Date or Non-Viability Trigger Event Date (as the case may be); or
- Write-off without Conversion is specified in the applicable Supplement as the primary loss absorption mechanism and a Capital Trigger Event or Non-Viability Trigger Event occurs,

then:

- all rights in relation to those Capital Notes will be terminated immediately on the Capital Trigger Event Date or Non-Viability Trigger Event Date (as the case may be), and Holders will lose all of the value of their investment in those Capital Notes and they will not receive any compensation or unpaid Distributions; and
- the Outstanding Principal Amount of those Capital Notes shall be reduced on the Capital Trigger Event Date or Non-Viability Trigger Event Date (as the case may be) by the Outstanding Principal Amount of such Capital Notes to be Written-off.

In these circumstances, those Capital Notes will have no ranking in a Winding Up.

### **13. Changes to credit rating**

Any credit rating assigned to the Capital Notes or other Westpac securities could be reviewed, suspended, withdrawn or downgraded. Credit rating agencies may withdraw, revise or suspend credit ratings or change the methodology by which securities are rated at any time. Any revisions and any other changes could adversely affect the market price and liquidity of the Capital Notes or other Westpac securities.

### **14. The Ordinary Share price used to calculate the Conversion Number of Ordinary Shares may be different to the market price of Ordinary Shares at the time of Conversion**

The number of Ordinary Shares issued to Holders upon Conversion will depend on the VWAP of Ordinary Shares over the 20 ASX Business Days on which trading in Ordinary Shares took place immediately prior to the relevant Conversion Date (or in the case of a Capital Trigger Event or Non-Viability Trigger Event, the VWAP over 5 ASX Business Days prior to the Conversion Date).

Accordingly, the Ordinary Share price used to calculate the Conversion Number of Ordinary Shares may be different to the market price of Ordinary Shares at the time of Conversion so that the value of Ordinary Shares Holders receive may be less than the value of those Ordinary Shares based on the Ordinary Share price on the Conversion Date.

Holders receiving Ordinary Shares on Conversion may not be able to sell those Ordinary Shares at the price on which the Conversion calculation is based, or at all.

#### **15. Holders cannot request Conversion, Redemption or Transfer of the Capital Notes**

Holders have no right to request Conversion, Redemption or Transfer of the Capital Notes for any reason. Therefore, to realise their investment Holders would have to sell their Capital Notes to another investor. Depending on market conditions at the time, the market price of Capital Notes may be below the Outstanding Principal Amount and/or the market for the Capital Notes may not be liquid. Westpac does not guarantee that Holders will be able to sell Capital Notes at an acceptable price or at all.

#### **16. Conversion may or may not occur on the First Scheduled Conversion Date**

The Capital Notes may Convert into Ordinary Shares on the First Scheduled Conversion Date. However, there is a risk that Conversion will not occur on the First Scheduled Conversion Date because the Scheduled Conversion Conditions are not satisfied. The Scheduled Conversion Conditions will not be satisfied if the VWAP of Ordinary Shares on the 25th ASX Business Day on which trading in Ordinary Shares took place before (but not including) the Scheduled Conversion Date is less than or equal to 56.12% of the Issue Date VWAP, or the VWAP of Ordinary Shares during the period of 20 ASX Business Days on which trading in Ordinary Shares took place before (but not including) the Scheduled Conversion Date is less than or equal to 50.51% of the Issue Date VWAP.

If Conversion does not occur on a potential Scheduled Conversion Date, Distributions will continue to be paid on the Capital Notes, subject to the Distribution Payment Conditions.

The Capital Notes are perpetual instruments. If the Ordinary Share price deteriorates significantly and never recovers, it is possible that the Scheduled Conversion Conditions will never be satisfied and, if this occurs, the Capital Notes may never Convert.

#### **17. In certain circumstances, Holders may not receive Ordinary Shares on Conversion**

In certain circumstances, an investor holding Capital Notes subject to Conversion may not receive Ordinary Shares on Conversion, only the proceeds thereof.

If a Holder is the operator of the Austraclear System or a nominee for a common depository for the Austraclear System, if the Holder is an Ineligible Holder, the Holder has notified Westpac that it does not wish to receive Ordinary Shares on Conversion, or where a FATCA Withholding is required to be made in respect of the Ordinary Shares issued on Conversion, then, with effect from the Conversion Date, the Holder's rights in relation to such Capital Note being Converted shall be terminated and the Ordinary Shares that the Holder would receive on Conversion will instead be issued to the Sale Agent, which will arrange for their sale on behalf of that Holder. The net proceeds received from such a sale will be paid to that Holder after deducting any applicable brokerage, stamp duty and other taxes and charges.

The Sale Agent will have no duty to seek a fair market price, or to engage in an arm's length transaction in such sale. In addition, there is a risk that market conditions may not be favourable at the time of such a sale and the market value of Ordinary Shares may be significantly less than the value of the Capital Notes.

## **18. Westpac may issue a Transfer Notice requiring the Transfer of Capital Notes to a Nominated Party**

Westpac may elect to issue a Transfer Notice, requiring all or some Capital Notes (in the case of a Transfer on a date specified in the Supplement) or all Capital Notes (in the case of a Tax Event or Regulatory Event) to be Transferred to a Nominated Party for a cash amount per Capital Note equal to the Outstanding Principal Amount.

Upon a Transfer of Capital Notes in these circumstances, it will be the Nominated Party's obligation to pay the aggregate Outstanding Principal Amount of the Capital Notes being Transferred, not Westpac's. If the Nominated Party does not pay this amount to Holders, the Transfer will not proceed, in which case Holders will continue to hold Capital Notes in accordance with the Conditions.

Where Holders receive cash pursuant to a Transfer, the rate of return at which Holders could reinvest their funds may be lower than the Distribution Rate at the time.

## **19. No fixed maturity date**

The Capital Notes are perpetual instruments. The Capital Notes may Convert on a potential Scheduled Conversion Date, but it is possible that market conditions at the time may be such that the Scheduled Conversion Conditions are not satisfied. If the Ordinary Share price falls far enough and never recovers it is possible that the Capital Notes will not Convert at any point in time. Furthermore, any Optional Conversion, Redemption or Transfer is subject to the discretion of Westpac and certain other restrictions. Redemption is also subject to obtaining APRA's prior written approval. It is possible that Optional Conversion, Redemption or Transfer will not occur at any point in time.

## **20. Changes to regulatory capital requirements in Australia**

Any fall in Westpac's Common Equity Tier 1 Capital Ratio as a result of future changes to regulatory capital requirements may adversely impact the market price of the Capital Notes or potentially increase the chance at a later date that Conversion of Capital Notes takes place due to the occurrence of a Capital Trigger Event (a Capital Trigger Event will occur where Westpac determines, or APRA notifies Westpac in writing that it believes, that Westpac's Common Equity Tier 1 Capital Ratio is equal to or less than 5.125% on a Level 1 or Level 2 basis) or a Non-Viability Trigger Event (a Non-Viability Trigger Event will occur where APRA notifies Westpac in writing that it believes Conversion of the Capital Notes or conversion, write-off or write down of other capital instruments of the Westpac Group or a public sector injection of capital, or equivalent support, is necessary because, without it, Westpac would become non-viable). The Conditions may be amended without the approval of Holders to comply with applicable laws (including the requirements of any statutory authority, such as APRA).

## **21. Regulatory classification**

APRA has confirmed that the Capital Notes to be issued pursuant to the Programme will be eligible for inclusion as Additional Tier 1 Capital under APRA's Prudential Standard APS 111.

However, if APRA subsequently determines that the Capital Notes do not or will not qualify for Additional Tier 1 Capital treatment (under the Basel III capital adequacy framework, as amended from time to time), Westpac may decide that a Regulatory Event has occurred and may elect to Convert, Redeem (subject to APRA's prior written approval) or Transfer the Capital Notes.

A Regulatory Event may also occur as a result of other regulatory changes.

## **22. Taxation treatment**

A general description of the Australian taxation consequences of investing in the Capital Notes is set out in the section titled "Australian Taxation". The information in that section is provided in general terms and is not intended to provide specific advice in relation to the circumstances of any particular potential investor or Holder. Accordingly, investors should seek independent advice in relation to their individual tax position before they choose to invest in the Capital Notes.

A Tax Event will occur if Westpac determines, after receiving a supporting opinion of reputable legal counsel or other tax adviser in Australia experienced in such matters, that (as a result of a Change of Law), there is a more than insubstantial risk that:

- Westpac would be exposed to a more than de minimis adverse tax consequence or increased cost in relation to the Capital Notes; or
- any Distribution would not be a frankable distribution within the meaning of Division 202 of the Tax Act.

In each of those situations, the risk may itself be a Tax Event, even before the cost or adverse tax consequence is incurred or the Distribution ceases to be frankable. If a Tax Event occurs, Westpac may Convert, Redeem or Transfer the Capital Notes (subject to the conditions contained in the Conditions, including that Westpac has obtained a supporting opinion of reputable legal counsel or other tax adviser, experienced in such matters, in relation to the Tax Event).

## **23. Foreign Account Tax Compliance Act ("FATCA") withholding and reporting**

In order to comply with FATCA, Westpac (or, if Capital Notes are held through another financial institution, such other financial institution) may be required (pursuant to an agreement with the United States or under applicable law including pursuant to the terms of an applicable intergovernmental agreement entered into between the United States and any other jurisdiction) (i) to request certain information from Holders or beneficial owners of Capital Notes, which information may be provided to the US Internal Revenue Service ("**IRS**"), and (ii) to withhold US tax on some portion of payments made with respect to the Capital Notes treated as foreign passthru payments made two years or more after the date on which the final regulations that define "foreign passthru payments" are published if such information is not provided or if payments are made to certain foreign financial institutions that have not entered into a similar agreement with the United States (and are not otherwise required to comply with the FATCA regime under applicable law including pursuant to the terms of an applicable intergovernmental agreement entered into between the United States and any other jurisdiction).

If Westpac or any other person is required to withhold amounts under or in connection with FATCA from any payments made with respect to Capital Notes or with respect to the issuance of any Ordinary Shares upon any Conversion, Holders and beneficial owners of Capital Notes, and holders of Ordinary Shares issued upon any Conversion will not be entitled to receive any gross up or additional amounts to compensate them for such withholdings. FATCA is complex and its application to the Capital Notes remains uncertain. Prospective investors are advised to consult their own tax advisers about the application of FATCA to the Capital Notes.

This information is based on guidance issued by the IRS or other relevant tax authority as at the date of this Information Memorandum. Future guidance may affect the application of FATCA to Westpac, Holders or beneficial owners of Capital Notes or Ordinary Shares.

## **24. Provision of information and certifications pursuant to Common Reporting Standard compliance requirements**

The Organization for Economic Co-operation and Development's Common Reporting Standard for Automatic Exchange of Financial Account Information ("**CRS**") requires certain financial institutions to report information regarding certain accounts (which may include the Capital Notes) to their local tax authority and follow related due diligence procedures. A jurisdiction that has signed the CRS Competent Authority Agreement may provide this information to other jurisdictions that have signed the CRS Competent Authority Agreement. Australia has enacted legislation to give effect to the CRS, with the CRS applying to Australian financial institutions from 1 July 2017. Therefore, Holders may be requested to provide certain information and certifications to ensure compliance with the CRS and this information may be provided to the ATO and, potentially, other taxing authorities in other jurisdictions outside Australia.

## **25. Powers of a Banking Act statutory manager and APRA**

In certain circumstances APRA may appoint a statutory manager to take control of the business of an ADI, such as Westpac. Those circumstances are defined in the Banking Act to include:

- where the ADI informs APRA that it considers it is likely to become unable to meet its obligations, or is about to suspend payment;
- where APRA considers that, in the absence of external support:
  - the ADI may become unable to meet its obligations;
  - the ADI may suspend payment;
  - it is likely that the ADI will be unable to carry on banking business in Australia consistently with the interests of its depositors; or
  - it is likely that the ADI will be unable to carry on banking business in Australia consistently with the stability of the financial system in Australia;
- the ADI becomes unable to meet its obligations or suspends payment; or
- where, in certain circumstances, the ADI, its holding company (if any) or any of its subsidiaries, is in default of compliance with a direction by APRA to comply with the Banking Act or regulations made under it and the Federal Court of Australia authorises APRA to assume control of the ADI's business.

The powers of a Banking Act statutory manager include the power to alter the constitution of an ADI, its holding company (if any) or any of its subsidiaries, to issue, cancel or sell shares (or rights to acquire shares) in the ADI, its holding company (if any) or any of its subsidiaries, and to vary or cancel rights or restrictions attached to shares in a class of shares in the ADI, its holding company (if any) or any of its subsidiaries. The Banking Act statutory manager is authorised to do so despite the Corporations Act, the ADI's constitution, any contract or arrangement to which the ADI, its holding company (if any) or any of its subsidiaries is party or the ASX Listing Rules. In the event that a Banking Act statutory manager is appointed to Westpac in the future, these broad powers of a Banking Act statutory manager may be exercised in a way which adversely affects the rights attaching to the Capital Notes and the position of Holders.

The Banking Act was amended in 2018 to enhance APRA's powers to facilitate resolution of the entities it regulates (and their subsidiaries). Additional powers which have been given to APRA and which impact Westpac include greater oversight, management and directions powers in relation to Group entities which were previously not regulated by APRA, increased statutory management

powers over certain other entities within the Westpac Group and changes which are designed to give statutory recognition to the conversion or write-off of regulatory capital instruments.

In addition, APRA has powers to require the compulsory transfer of all or part of the business of Westpac (including Ordinary Shares of Westpac) to another entity under the Financial Sector (Transfer and Restructure) Act 1999 (Cth) ("**FSTR Act**"). A transfer under the FSTR Act overrides anything in any contract or agreement to which Westpac is a party, including the Conditions. These powers of APRA may be exercised in a way which adversely affects the ability of Westpac to comply with its obligations in respect of the Capital Notes and this may adversely affect the position of Holders.

## **26. Future issues of debt or other securities by Westpac**

Westpac and members of the Westpac Group may, at their absolute discretion, issue securities in the future that:

- rank for distribution or payment of capital (including in the Winding Up of Westpac or another member of the Westpac Group) equally with, behind or ahead of the Capital Notes; or
- have the same or different dividend, interest or distribution rates as the Capital Notes; or
- have the same or different terms and conditions as the Capital Notes.

Any issue of other securities may affect Holders' ability to recover the Liquidation Sum due to Holders on a Winding Up, if the Capital Notes are on issue at the time.

The Conditions do not require Westpac to refrain from certain business changes or require Westpac to operate within certain ratio limits.

An investment in Capital Notes carries no right to participate in any future issue of securities (whether equity, hybrid, debt or otherwise) by any member of the Westpac Group.

No prediction can be made as to the effect, if any, such future issues of debt or other securities by an entity in the Westpac Group may have on the market price or liquidity of the Capital Notes.

## **27. Successor holding company**

Where Westpac is replaced as the ultimate holding company of the Westpac Group by an Approved Successor and certain other conditions are satisfied, Conversion of Capital Notes will not be triggered but Westpac may be allowed to instead make amendments (provided APRA's prior written approval is obtained) to substitute the Approved Successor as the debtor in respect of the Capital Notes and as the issuer in respect of the ordinary shares issued on Conversion and to make certain other amendments to the Conditions. Accordingly, potential investors should be aware that, if:

- Westpac is replaced by an Approved Successor as the ultimate holding company of the Westpac Group; and
- a substitution of the Approved Successor as the debtor in respect of the Capital Notes and the issuer of the ordinary shares on Conversion is effected under the Conditions,

Holders will be obliged to accept Approved Successor Shares and will not receive Ordinary Shares on Conversion.

Potential investors should also be aware that Holders may not have a right to vote on any proposal to approve, implement or give effect to the establishment of an Approved Successor.

Westpac has not made any decision to substitute an Approved Successor as the ultimate holding company of the Westpac Group.

Where Westpac transfers only some of its assets to an Approved Successor, the Approved Successor may as a result have reduced assets which may affect its credit rating and the likelihood Holders will receive their claims in full in a Winding Up.

There is also a risk that the establishment of a successor holding company that is not an Approved Successor is treated as an Acquisition Event, leading to the Conversion of the Capital Notes. Further, if the establishment of a successor holding company is treated as an Acquisition Event and Conversion does not occur, a number of different risks may arise for Holders, including that Westpac may be assigned a different credit rating and its financial position may be materially altered thereby adversely affecting its ability to pay Distributions.

## **28. Amendment of the Conditions**

Westpac may, with APRA's prior written approval where required, after consultation with the Programme Manager and subject to compliance with applicable laws, amend the Conditions without the approval of Holders. This includes an amendment which is:

- for the purposes of giving effect to any successor rate or alternative rate for the Reference Rate or the BBSW Rate;
- for the purposes of curing any ambiguity, or correcting or supplementing any defective or inconsistent provisions or in any other manner which Westpac deems necessary or desirable and which in Westpac's opinion does not materially adversely affect the rights of existing Holders; or
- for any other purpose, where the amendments apply prospectively and do not apply to existing Holders.

Westpac may also amend the Conditions, with APRA's prior written approval, if the amendment has been approved by a Special Resolution of Holders of that Series or is necessary to effect the substitution of an Approved Successor as the debtor in respect of the Capital Notes and the issuer of ordinary shares on Conversion.

Amendments under these powers are binding on all Holders despite the fact that a Holder may not agree with the amendment.

APRA's prior written approval to amend the Conditions is always required where the amendment would impact, or potentially impact, the classification of the Capital Notes as Additional Tier 1 Capital on a Level 1 or Level 2 basis.

## **29. No rights if control of Westpac is acquired**

If a person other than an Approved Successor acquires control of Westpac, the Conditions do not provide any right or remedy for the Holders on account of such an acquisition occurring except where the acquisition constitutes an Acquisition Event. Further, such an acquisition of Westpac may result in Westpac's Ordinary Shares no longer being quoted on ASX.

If after such an acquisition has occurred a Non-Viability Trigger Event occurs, the number of Ordinary Shares issued on Conversion will reflect the VWAP for the period of 5 ASX Business Days on which the Ordinary Shares were last traded on ASX. The period of 5 ASX Business Days may be well before the Non-Viability Trigger Event and, accordingly, the value of the Conversion Number of Ordinary Shares when issued may be very different from the value based on the VWAP used to



determine the Conversion Number. This may adversely affect the value of the Ordinary Shares which are issued to Holders upon Conversion and such Ordinary Shares may not be freely tradable.

## Conditions of the Capital Notes

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*The following are the Conditions of the Capital Notes (“**Conditions**”) which, as supplemented, amended, modified or replaced in relation to any Capital Notes by an applicable Supplement, will be applicable to each Series of Capital Notes. Each Tranche of Capital Notes will be the subject of a Supplement. References in these Conditions to a Supplement are references to the Supplement applicable to that Tranche.*

*Each Holder, and any person claiming through or under a Holder, is deemed to have notice of and is bound by these Conditions, the Deed Poll (as defined in these Conditions), the Information Memorandum, any applicable Agency and Registry Agreement, and/or Supplement. Copies of each of these documents (to the extent they relate to a Tranche of Capital Notes) are available for inspection by the holder of any Capital Note of such Tranche at the offices of Westpac and the Registrar and the Programme Manager at their respective addresses set out in the section entitled “Directory” below, or from such other person specified in a Supplement.*

### **1 Form, currency and denomination of Capital Notes**

#### **1.1 Form**

Capital Notes:

- (a) are non-cumulative, convertible, transferable, redeemable, subordinated, perpetual, unsecured notes of Westpac;
- (b) are designated as being of a particular Series and Tranche as set out in the relevant Supplement;
- (c) are constituted under and issued on the terms set out in the Deed Poll and these Conditions as supplemented, amended, modified or replaced by the Supplement; and
- (d) take the form of entries in the Capital Notes Register.

#### **1.2 Currency**

Capital Notes are denominated in Australian Dollars.

#### **1.3 Denomination**

Unless otherwise specified in the Supplement:

- (a) each Capital Note is issued fully paid in the denomination of A\$100,000; and
- (b) Capital Notes may only be issued if:
  - (i) the consideration payable to Westpac by the relevant Holder to whom the Capital Notes are issued is a minimum of A\$500,000 (disregarding any moneys lent by Westpac or its associates to the Holder) or if the Capital Notes are otherwise issued in a manner which does not require disclosure to investors in accordance with Parts 6D.2 or 7.9 of the Corporations Act;
  - (ii) the issue is not to a “retail client” as defined for the purposes of section 761G of the Corporations Act;
  - (iii) such action does not require any document to be lodged with ASIC; and
  - (iv) the issue complies with all applicable laws and directives of the jurisdiction in which the issue takes place.

## 2 Ranking on Winding Up

- (a) Holders do not have any right to prove in a Winding Up in respect of Capital Notes, except as permitted under Condition 2(b).
- (b) Capital Notes of each Series will rank for payment of the Liquidation Sum in a Winding Up:
  - (i) senior to Ordinary Shares;
  - (ii) equally among themselves, Capital Notes of each other Series and with all other Equal Ranking Capital Securities; and
  - (iii) junior to, and are conditional on the prior payment in full of, the claims of all Senior Creditors (including in respect of any entitlement to interest under section 563B of the Corporations Act).
- (c) Holders may not exercise voting rights as a creditor in respect of Capital Notes in a Winding Up to defeat the subordination in this Condition.
- (d) Capital Notes are perpetual and these Conditions do not include events of default or any other provisions entitling the Holders to require that Capital Notes be Redeemed. Holders do not have any right to apply for a Winding Up on the ground of Westpac's failure to pay Distributions or for any other reason.
- (e) For the avoidance of doubt, but subject to Condition 5.8, if a Capital Trigger Event or Non-Viability Trigger Event has occurred, Holders will rank for payment in a Winding Up as holders of the number of Ordinary Shares to which they became entitled under Conditions 5.2 or 5.4.

## 3 Distributions

### 3.1 Entitlement to Distributions

Subject to these Conditions, each Capital Note entitles the Holder to receive on the relevant Distribution Payment Date interest on the Outstanding Principal Amount of the Capital Note ("**Distribution**").

### 3.2 Calculation of Distribution on Capital Notes

- (a) The Distribution payable in respect of a Capital Note on a Distribution Payment Date is calculated using the following formula:  
*Distribution = Distribution Rate x Outstanding Principal Amount x Day Count Fraction*
- (b) Distributions on Fixed Rate Capital Notes will be calculated based on the Fixed Distribution Calculation Period and Distributions on Floating Rate Capital Notes will be calculated based on the Floating Distribution Calculation Period.

### 3.3 Calculation of Distribution Rate on Fixed Rate Capital Notes

The Distribution Rate in respect of a Distribution on a Capital Note in relation to which this Condition 3.3 is specified in the Supplement as being applicable ("**Fixed Rate Capital Note**") is the rate (expressed as a percentage per annum) determined by the Calculation Agent in accordance with the following formula:

$$\text{Distribution Rate} = (\text{Base Rate} + \text{Margin}) \times (1 - \text{Tax Rate})$$

### 3.4 Calculation of Distribution Rate on Floating Rate Capital Notes

- (a) The Distribution Rate in respect of a Distribution on a Capital Note in relation to which this Condition 3.4 is specified in the Supplement as being applicable ("**Floating Rate Capital Note**") is the rate (expressed as a percentage per annum) determined by the Calculation Agent in accordance with the following formula:

$$\text{Distribution Rate} = (\text{Base Rate} + \text{Margin}) \times (1 - \text{Tax Rate})$$

- (b) "**Base Rate**" means, in relation to a Floating Rate Capital Note, where the Supplement specifies as the basis for determining the Base Rate for a Distribution Period:

- (i) "**ISDA Determination**", the "**ISDA Rate**", being a rate equal to the Floating Rate that would be determined by the Calculation Agent for the Capital Notes under an interest rate swap transaction if the Calculation Agent for the Capital Notes were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (A) the Floating Rate Option is as specified in the Supplement;
- (B) the Designated Maturity is a period specified in the Supplement;
- (C) the relevant Reset Date is as specified in the Supplement; and
- (D) the Period End Dates are each Distribution Payment Date and the Floating Rate Day Count Fraction is the Day Count Fraction.

For the purposes of this Condition 3.4(b)(i), "**Floating Rate**", "**Calculation Agent**" (except references to "**Calculation Agent for the Capital Notes**"), "**Floating Rate Option**", "**Reset Date**", "**Period End Date**" and "**Floating Rate Day Count Fraction**" have the meanings given to those terms in the ISDA Definitions;

- (ii) "**Screen Rate Determination**", subject as provided below, either:

- (A) the offered quotation; or
- (B) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or will appear, as the case may be, on the Relevant Screen Page as at 11:00am (Sydney time) or such other time as is specified in the Supplement ("**Relevant Time**") on the Distribution Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purposes of determining the arithmetic mean of such offered quotations.

- (aa) If Condition 3.4(b)(ii)(A) applies and no offered quotation appears on the Relevant Screen Page at the Relevant Time on the Distribution Determination Date or if Condition 3.4(b)(ii)(B) applies and fewer than two offered quotations appear on the Relevant Screen Page at the Relevant Time on the Distribution Determination Date, subject as provided below, the Distribution Rate is the arithmetic mean of the

Reference Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre at the Relevant Time on the Distribution Determination Date, as determined by Westpac (acting in good faith and in a commercially reasonable manner) or, an alternate financial institution appointed by Westpac (in its sole discretion), to assist in determining the rate (in each case, a **"Determining Party"**);

- (bb) If Condition 3.4(b)(ii)(aa) above applies and the Determining Party determines that fewer than two Reference Banks are making offered quotations for the Reference Rate, subject as provided below, the Distribution Rate is the arithmetic mean of the rates per annum (expressed as a percentage) that the Determining Party determines to be the rates (being the nearest equivalent to the Reference Rate) in respect of deposits of approximately A\$100,000 that at least two out of five leading banks selected by the Determining Party in the Relevant Financial Centre are quoting at or about the Relevant Time on the date on which such banks would customarily quote such rates for a period commencing on the first day of the Distribution Period to which the relevant Distribution Determination Date relates for a period equivalent to the relevant Distribution Period to leading banks carrying on business in the Relevant Financial Centre;

However, if such rate does not appear on the Relevant Screen Page (or any page that replaces that page) as at 11:15am (Sydney time) on that day (or such other time that is 15 minutes after the then prevailing Relevant Time), or if it does appear but the Determining Party determines that there is an obvious error in that rate or the rate is permanently or indefinitely discontinued, **"Screen Rate Determination"** means (subject to the prior written approval of APRA in the case of a permanent or indefinite discontinuation of the Reference Rate) such other successor rate or alternative rate for Reference Rate-linked floating rate notes at such time determined by the Determining Party, which rate is notified in writing to the Calculation Agent (with a copy to Westpac) if determined by such Determining Party, together with such adjustment spread (which may be a positive value or zero) that is customarily applied to the relevant successor rate or alternative rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for Reference Rate-linked floating rate notes at such time (together with such other adjustments to the Business Day Convention and related provisions and definitions, in each case that are consistent with accepted market practice for the use of such successor rate or alternative rate for Reference Rate-linked floating rate notes at such time), or, if no such industry standard is recognised or acknowledged, the method for calculating or determining such adjustment spread, determined by such Determining Party (in consultation with Westpac) to be appropriate. The rate determined by such Determining Party will be expressed as a percentage rate per annum and will be rounded up, if necessary, to the next higher one ten-thousandth of a percentage point (0.0001%). Each Holder shall be deemed to acknowledge, accept and agree to be bound by, and consents to, such

determination of, substitution for and adjustments made to the Reference Rate, as applicable, in each case as described above (in all cases without the need for any Holder consent). Any determination of, substitution for and adjustments made to the Reference Rate, as applicable, in each case described below will be binding on Westpac, the Holder and each Agent.

- (iii) **"BBSW Rate Determination"**, the **"BBSW Rate"**, being, for a Distribution Period, the rate for prime bank eligible securities having a tenor closest to the Distribution Period which is designated as the "AVG MID" on the Thomson Reuters Screen BBSW Page (or any designation which replaces that designation on that page, or any page that replaces that page) at approximately 10.30am (or such other time at which such rate customarily appears on that page, including, if corrected, as recalculated and republished by the relevant administrator) ("**Publication Time**") on the first Business Day of that Distribution Period. However, if such rate does not appear on the Thomson Reuters Screen BBSW Page (or any page that replaces that page) by 10.45am on that day (or such other time that is 15 minutes after the then prevailing Publication Time), or if it does appear but the Calculation Agent determines that there is an obvious error in that rate or the rate is permanently or indefinitely discontinued, **"BBSW Rate"** means (subject to the prior written approval of APRA in the case of a permanent or indefinite discontinuation of the BBSW Rate) such other successor rate or alternative rate for BBSW Rate-linked floating rate notes at such time determined by the Determining Party), which rate is notified in writing to the Calculation Agent (with a copy to Westpac) if determined by such Determining Party, together with such adjustment spread (which may be a positive value or zero) that is customarily applied to the relevant successor rate or alternative rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for BBSW Rate-linked floating rate notes at such time (together with such other adjustments to the Business Day Convention and related provisions and definitions, in each case that are consistent with accepted market practice for the use of such successor rate or alternative rate for BBSW Rate-linked floating rate notes at such time), or, if no such industry standard is recognised or acknowledged, the method for calculating or determining such adjustment spread, determined by such Determining Party (in consultation with Westpac) to be appropriate. The rate determined by such Determining Party will be expressed as a percentage rate per annum and will be rounded up, if necessary, to the next higher one ten-thousandth of a percentage point (0.0001%). Each Holder shall be deemed to acknowledge, accept and agree to be bound by, and consents to, such determination of, substitution for and adjustments made to the BBSW Rate, as applicable, in each case as described above (in all cases without the need for any Holder consent). Any determination of, substitution for and adjustments made to the BBSW Rate, as applicable, in each case described below will be binding on Westpac, the Holder and each Agent.

*Holders should note that APRA's approval may not be given for any successor rate or alternative rate together with any adjustment spread and any other adjustments to the*

*Conditions to produce an industry-accepted replacement rate for Reference Rate-linked floating rate notes for the purposes of Condition 3.4(b)(ii) or BBSW Rate-linked floating rate notes for the purposes of Condition 3.4(b)(iii) it considers to have the effect of increasing the Distribution Rate contrary to applicable Prudential Standards.*

- (c) Unless otherwise specified in the Supplement, if, during the Distribution Period, the Calculation Agent is unable to determine a rate (or, as the case may be, the arithmetic mean of rates) in accordance with the provisions of Condition 3.4(b), the Base Rate applicable to the Floating Rate Capital Notes during that Distribution Period will be the Base Rate applicable to the Floating Rate Capital Notes during the immediately preceding Distribution Period.

### 3.5 Calculation of Distribution Rate on Fixed-to-Floating Rate Capital Notes

The Distribution Rate in respect of a Distribution in relation to which this Condition 3.5 is specified in the Supplement as being applicable ("**Fixed-to-Floating Rate Capital Note**") is the rate (expressed as a percentage per annum) determined as:

- (a) for the Fixed Rate Period, in accordance with Condition 3.3; and
- (b) for the Floating Rate Period, in accordance with Condition 3.4,

provided that the Margin for the Floating Rate Period must be the same as the Margin for the Fixed Rate Period.

### 3.6 Adjustment to calculation of Distributions if not fully franked

If payment of any Distribution will not be franked to 100% under Part 3-6 of the Tax Act (or any provisions that revise or replace that Part), otherwise than because of any act by, or circumstances affecting, any particular Holder, the Distribution will be calculated using the following formula:

$$\text{Distribution} = \frac{D}{1 - [\text{Tax Rate} \times (1 - \text{Franking Rate})]}$$

where:

**D** means the Distribution entitlement on that Distribution Payment Date as calculated under Condition 3.2.

### 3.7 Conditions to payment of Distributions

- (a) The payment of any Distribution on a Distribution Payment Date is subject to:
  - (i) Westpac's absolute discretion;
  - (ii) the payment of the Distribution not resulting in a breach of Westpac's capital requirements (on a Level 1 basis) or of the Westpac Group's capital requirements (on a Level 2 basis) under the then current Prudential Standards at the time of the payment;
  - (iii) the payment of the Distribution not resulting in Westpac becoming, or being likely to become, insolvent for the purposes of the Corporations Act; and
  - (iv) APRA not otherwise objecting to the payment of the Distribution.
- (b) Westpac must notify the Registrar as soon as reasonably practicable if payment of any Distribution will not be made because of this Condition.

### **3.8 Distributions are discretionary, non-cumulative and only payable in cash**

- (a) Payments of Distributions are within the absolute discretion of Westpac and are non-cumulative. If a Distribution is not paid because of the provisions of Condition 3.7 or because of any other reason, Westpac has no liability to pay such Distribution to the Holder and the Holder has no:
  - (i) claim (including, without limitation, on a Winding Up); or
  - (ii) right to apply for a Winding Up, in respect of such non-payment.
- (b) Any payments of Distributions to Holders must be made in the form of cash.
- (c) Non-payment of a Distribution because of the provisions of Condition 3.7, or because of any other reason, does not constitute an event of default.

### **3.9 Distribution Payment Date**

Distributions in respect of Capital Notes are payable:

- (a) in arrear at such intervals and on such date or dates specified in, or determined in accordance with the provisions of, the Supplement; and
- (b) on the Conversion Date (other than a Capital Trigger Event Date or Non-Viability Trigger Event Date), Redemption Date or Transfer Date (as the case may be) on which such Capital Note is Converted, Redeemed or Transferred, in each case in accordance with these Conditions, in each case adjusted, if necessary, in accordance with the Applicable Business Day Convention (each a "**Distribution Payment Date**").

### **3.10 Record Dates**

Distributions are only payable on a Distribution Payment Date to those persons registered as Holders on the Record Date for that Distribution Payment Date.

### **3.11 Restrictions in the case of non-payment of a Distribution**

Subject to Condition 3.12, if for any reason a Distribution has not been paid in full on the relevant Distribution Payment Date, Westpac must not:

- (a) determine or pay any Dividends; or
  - (b) undertake any discretionary Buy Back or Capital Reduction, unless the amount of the unpaid Distribution is paid in full within 20 Business Days of that Distribution Payment Date or:
  - (c) all Capital Notes have been Converted at their full Outstanding Principal Amount, Written-off or Redeemed;
  - (d) on a subsequent Distribution Payment Date, a Distribution for the subsequent Distribution Period is paid in full; or
  - (e) a Special Resolution of the Holders of the Capital Notes of the relevant Series has been passed approving such action,
- and, in respect of the actions contemplated by Conditions 3.11(c), 3.11(d) and 3.11(e), APRA does not otherwise object.



### **3.12 Restrictions not to apply in certain circumstances**

The restrictions in Condition 3.11 do not apply in connection with:

- (a) any employment contract, benefit plan or other similar arrangement with or for the benefit of any one or more employees, officers, directors or consultants of Westpac or any member of the Westpac Group; or
- (b) Westpac or any of its controlled entities purchasing shares in Westpac in connection with transactions for the account of customers of Westpac or any of its controlled entities or in connection with the distribution or trading of shares in Westpac in the ordinary course of business (such distribution or trading of shares in the ordinary course of business is subject to the prior written approval of APRA); or
- (c) to the extent that at the time a Distribution has not been paid on the relevant Distribution Payment Date, Westpac is legally obliged to pay on or after that date a Dividend or complete on or after that date a Buy Back or Capital Reduction.

### **3.13 Notification**

- (a) In relation to each Distribution Period, the Calculation Agent will notify Westpac, the Registrar and any relevant Agent of the Distribution Rate, the amount of Distribution payable on each Capital Note and each other amount, item or date, as the case may be, determined or calculated by the Calculation Agent.
- (b) Westpac will give notice, or shall procure that the Calculation Agent gives notice under this Condition 3.13 as soon as practicable after the Calculation Agent makes its calculations or determinations and, in any event, by no later than the fourth Business Day of the relevant Distribution Period.
- (c) The Calculation Agent may amend the calculation or determination of any amount, date, or rate (or make appropriate alternative arrangements by way of adjustment) without prior notice including as a result of the extension or abbreviation of any relevant Distribution Period, but must notify, Westpac, the Registrar and any relevant Agent as soon as practicable after doing so.

### **3.14 Calculations and determinations final**

The calculation or determination by the Calculation Agent of all dates, rates and amounts falling to be determined by it in relation to Capital Notes (including, without limitation, the Distribution Rate for any Distribution Period and the amount of Distribution payable for any Distribution Period in respect of any Capital Note) is, in the absence of manifest or proven error, final and binding on Westpac, the Registrar, any Agent, the Calculation Agent and each Holder.

## **4 Scheduled Conversion**

### **4.1 Scheduled Conversion**

Subject to Conditions 5, 6, 7 and 8, Westpac must Convert all (but not some) Capital Notes of a Series on issue on the date that is the earlier of:

- (a) the First Scheduled Conversion Date; and
- (b) the first Distribution Payment Date after the First Scheduled Conversion Date,

on which the Scheduled Conversion Conditions are satisfied (each a "**Scheduled Conversion Date**").

## **4.2 Scheduled Conversion Conditions**

- (a) The Scheduled Conversion Conditions for each Scheduled Conversion Date are:
  - (i) the VWAP on the 25th ASX Business Day on which trading in Ordinary Shares took place immediately preceding (but not including) the Scheduled Conversion Date is greater than 56.12% of the Issue Date VWAP ("**First Scheduled Conversion Condition**"); and
  - (ii) the VWAP during the period of 20 ASX Business Days on which trading in Ordinary Shares took place immediately preceding (but not including) the Scheduled Conversion Date is greater than 50.51% of the Issue Date VWAP (the "**Second Scheduled Conversion Condition**").
- (b) If the First Scheduled Conversion Condition is not satisfied in relation to a Scheduled Conversion Date for a Series of Capital Notes, Westpac will notify Holders not less than 21 ASX Business Days before the Scheduled Conversion Date that Conversion will not proceed on the Scheduled Conversion Date.
- (c) If the Second Scheduled Conversion Condition is not satisfied in relation to a Scheduled Conversion Date for a Series of Capital Notes, Westpac will notify Holders on or as soon as practicable after the Scheduled Conversion Date that Conversion did not occur.

## **5 Automatic Conversion**

### **5.1 Capital Trigger Event**

A Capital Trigger Event occurs when:

- (a) Westpac determines; or
- (b) APRA notifies Westpac in writing that it believes, that either or both the Westpac Level 1 Common Equity Tier 1 Capital Ratio or Westpac Level 2 Common Equity Tier 1 Capital Ratio is equal to or less than 5.125%.

### **5.2 Consequences of a Capital Trigger Event**

- (a) Westpac must notify APRA immediately in writing if it determines that a Capital Trigger Event has occurred.
- (b) If a Capital Trigger Event occurs, Westpac must:
  - (i) subject to the limitations described in Condition 5.8, Convert; or
  - (ii) if the applicable Supplement specifies that the primary method of loss absorption will be a Write-off without Conversion in accordance with Condition 5.8, Write-off,

such number of Capital Notes (or, if it so determines, such percentage of the Outstanding Principal Amount of each Capital Note) as is sufficient (following any conversion, write-off or write down of other Relevant Securities as referred to in Condition 5.2(c)(i)) to return either or both the Westpac Level 1 Common Equity Tier 1

Capital Ratio or Westpac Level 2 Common Equity Tier 1 Capital Ratio, as the case may be, to above 5.125%.

- (c) In determining the number of Capital Notes, or percentage of the Outstanding Principal Amount of each Capital Note, which must be Converted or Written-off in accordance with this Condition, Westpac will:
- (i) first, convert, write-off or write down such number or percentage of the outstanding principal amount of any other Relevant Securities whose terms require them to be converted, written-off or written down, before Conversion or Write-off of the Capital Notes; and
  - (ii) second, if conversion, write-off or write down of those Relevant Securities is not sufficient, Convert or Write-off (in the case of the Capital Notes) and convert, write-off or write down (in the case of any other Relevant Securities) on a pro-rata basis or in a manner that is otherwise, in the opinion of Westpac, fair and reasonable, the Outstanding Principal Amount of the Capital Notes and the outstanding principal amount of any Relevant Securities whose terms require or permit them to be converted, written-off or written down in that manner (subject to such adjustments as Westpac may determine to take into account the effect on marketable parcels and the need to round to whole numbers of Ordinary Shares and the Outstanding Principal Amount of any Capital Notes or the outstanding principal amount of other Relevant Securities remaining on issue and the need to effect the conversion, write-off or write-down immediately),
- but such determination will not impede the immediate Conversion or Write-off of the relevant number of Capital Notes or percentage of the Outstanding Principal Amount of each Capital Note (as the case may be).
- (d) If a Capital Trigger Event occurs:
- (i) the relevant number of Capital Notes, or percentage of the Outstanding Principal Amount of each Capital Note, must be Converted or Written-off immediately upon occurrence of the Capital Trigger Event in accordance with Conditions 5.7 and 9 and the Conversion or Write-off will be irrevocable;
  - (ii) Westpac must give notice as soon as practicable that Conversion or Write-off has occurred to the Holders; and
  - (iii) the notice must specify:
    - (A) the date on which the Capital Trigger Event occurred ("**Capital Trigger Event Date**");
    - (B) the relevant number of the Capital Notes which were, or the percentage of the Outstanding Principal Amount of each Capital Note which was, Converted or Written-off and details of any other Relevant Securities converted, written-off or written down in accordance with Condition 5.2(c); and
    - (C) in the case of Conversion, details of the Conversion process, including any details which were taken into account in relation to the effect on

marketable parcels and whole numbers of Ordinary Shares, and the impact on any Capital Notes remaining on issue.

- (e) Failure or delay in undertaking any of the steps in Conditions 5.2(d)(ii) and 5.2(d)(iii), or in quotation of the Ordinary Shares to be issued on Conversion, does not prevent, invalidate, delay or otherwise impede Conversion or Write-off.

### **5.3 Non-Viability Trigger Event**

A Non-Viability Trigger Event occurs when APRA notifies Westpac in writing that it believes:

- (a) Conversion or Write-off of the Capital Notes, or conversion, write-off or write down of other capital instruments of the Westpac Group, is necessary because, without it, Westpac would become non-viable; or
- (b) a public sector injection of capital, or equivalent support, is necessary because, without it, Westpac would become non-viable.

### **5.4 Consequences of a Non-Viability Trigger Event**

- (a) If a Non-Viability Trigger Event occurs, Westpac must:
  - (i) subject to the limitations described in Condition 5.8, Convert; or
  - (ii) if the applicable Supplement specifies that the primary method of loss absorption will be Write-off without Conversion in accordance with Condition 5.8, Write-off,

such number of Capital Notes (or, if it so determines, such percentage of the Outstanding Principal Amount of each Capital Note) as is equal (following any conversion, write-off or write down of other Relevant Securities as referred to in Condition 5.4(b)(ii)(A)) to the aggregate outstanding principal amount of capital instruments, as is necessary to satisfy APRA that Westpac will no longer be non-viable.
- (b) In determining the number of Capital Notes, or percentage of the Outstanding Principal Amount of each Capital Note, which must be Converted or Written-off in accordance with this Condition, Westpac will:
  - (i) where a Non-Viability Trigger Event occurs under Condition 5.3(b), Convert or Write-off at their full Outstanding Principal Amount all of the Capital Notes; or
  - (ii) in all other circumstances:
    - (A) first, convert, write-off or write down such number or percentage of the outstanding principal amount of any other Relevant Securities whose terms require them to be converted, written-off or written down before Conversion or Write-off of Capital Notes; and
    - (B) second, if conversion, write-off or write down of those securities is not sufficient, Convert or Write-off (in the case of Capital Notes) and convert, write-off or write down (in the case of any other Relevant Securities), on a pro-rata basis or in a manner that is otherwise, in the opinion of Westpac, fair and reasonable, the Outstanding Principal Amount of the Capital Notes and the outstanding principal amount of any Relevant Securities whose terms require or permit them to be

converted, written-off or written down in that manner (subject to such adjustments as Westpac may determine to take into account the effect on marketable parcels and the need to round to whole numbers of Ordinary Shares and the Outstanding Principal Amount of any Capital Notes or the outstanding principal amount of other Relevant Securities remaining on issue and the need to effect the conversion, write-off or write-down immediately),

but such determination will not impede the immediate Conversion or Write-off of the relevant number of Capital Notes or percentage of the Outstanding Principal Amount of each Capital Note (as the case may be).

- (c) If a Non-Viability Trigger Event occurs:
- (i) the relevant number of Capital Notes, or percentage of the Outstanding Principal Amount of each Capital Note, must be Converted or Written-off immediately upon occurrence of the Non-Viability Trigger Event in accordance with Conditions 5.7, 5.8 and 9 and the Conversion or Write-off will be irrevocable;
  - (ii) Westpac must give notice as soon as practicable that Conversion or Write-off has occurred to the Holders; and
  - (iii) the notice must specify:
    - (A) the date on which the Non-Viability Trigger Event occurred ("**Non-Viability Trigger Event Date**");
    - (B) the relevant number of the Capital Notes which were, or the percentage of the Outstanding Principal Amount of each Capital Note which was, Converted or Written-off, and details of any other Relevant Securities converted, written-off or written down in accordance with Condition 5.4(b); and
    - (C) in the case of Conversion, the details of the Conversion process, including any details which were taken into account in relation to the effect on marketable parcels and whole numbers of Ordinary Shares, and the impact on any Capital Notes remaining on issue.
- (d) Failure to undertake any of the steps in Conditions 5.4(c)(ii) and 5.4(c)(iii) does not prevent, invalidate, delay or otherwise impede Conversion or Write-off.

*APRA has advised that it will not approve partial conversion or partial write-off in those exceptional circumstances where a public sector injection of funds is deemed necessary.*

## **5.5 Scheduled Conversion Conditions not applicable**

For the avoidance of doubt, the Scheduled Conversion Conditions do not apply to Conversion as a result of a Capital Trigger Event or Non-Viability Trigger Event.

## **5.6 Priority of early Conversion or Write-off obligations**

A Conversion or Write-off required because of a Capital Trigger Event or a Non-Viability Trigger Event takes place on the date, and in the manner, required by Conditions 5.2, 5.4, 5.7 and 5.8, notwithstanding any other provision for Conversion, Redemption or Transfer in these Conditions or in the applicable Supplement.

## **5.7 Automatic Conversion or Write-off upon the occurrence of a Capital Trigger Event or Non-Viability Trigger Event**

If a Capital Trigger Event or Non-Viability Trigger Event has occurred and all or some Capital Notes (or percentage of the Outstanding Principal Amount of each Capital Note) are required to be Converted or Written-off in accordance with Conditions 5.2 or 5.4, then:

- (a) Conversion or Write-off of the relevant Capital Notes or percentage of the Outstanding Principal Amount of each Capital Note will be taken to have occurred, in the case of Conversion, in accordance with Condition 9 and, in the case of Write-off, in accordance with Condition 5.8, immediately upon the Capital Trigger Event Date or Non-Viability Trigger Event Date;
- (b) in the case of Conversion and subject to Condition 9.10, the entry of the corresponding Capital Notes in each relevant Holder's holding in the Capital Notes Register will constitute an entitlement of that Holder to the relevant number of Ordinary Shares (and, if applicable, also to any remaining balance of Capital Notes or Capital Notes with an Outstanding Principal Amount equal to the aggregate of the remaining percentage of the Outstanding Principal Amount of each Capital Note), and Westpac will recognise the Holder as having been issued the relevant Ordinary Shares for all purposes, in each case without the need for any further act or step by Westpac, the Holder or any other person (and Westpac will, as soon as possible thereafter and without delay on the part of Westpac, take any appropriate procedural steps to record such Conversion, including updating the Capital Notes Register and the Ordinary Share register); and
- (c) upon Conversion or Write-off a Holder has no further right or claim under these Conditions in respect of the Capital Notes Converted or Written-off, except, in relation to the Holder's entitlement, if any, to Capital Notes which have not been required to be Converted or Written-off or Capital Notes representing the Outstanding Principal Amount of such Capital Notes which have not been required to be Converted or Written-off and in the case of Conversion, subject to Condition 9.10, in relation to the relevant number of Ordinary Shares.

## **5.8 No further rights**

If:

- (a) for any reason, Conversion of any Capital Notes (or a percentage of the Outstanding Principal Amount of any Capital Notes) required to be Converted under Conditions 5.2 or 5.4 fails to take effect under Conditions 5.7(a) and (b) or does not occur for any other reason and the Ordinary Shares are not issued for any reason in respect of such Conversion by 5:00pm on the fifth ASX Business Day after the Capital Trigger Event Date or Non-Viability Trigger Event Date; or
- (b) the Supplement specifies that the primary method of loss absorption will be Write-off without Conversion in accordance with Condition 5.8 and a Capital Trigger Event Date or Non-Viability Trigger Event Date occurs,

then:

- (c) the relevant Holders' rights (including to payment of Distributions and Outstanding Principal Amount and in the case of Conversion, to be issued with the Conversion Number of Ordinary Shares) in relation to such Capital Notes or percentage of the

Outstanding Principal Amount of Capital Notes are immediately and irrevocably terminated and such termination will be taken to have occurred immediately upon the Capital Trigger Event Date or Non-Viability Trigger Event Date, as the case may be ("**Write-off**"); and

- (d) the Outstanding Principal Amount of Capital Notes shall be reduced on the Capital Trigger Event Date or Non-Viability Trigger Event Date (as the case may be) by the Outstanding Principal Amount of such Capital Notes to be Converted or Written-off as determined in accordance with Conditions 5.2 and 5.4.

## **5.9 Automatic Conversion upon the occurrence of an Acquisition Event**

- (a) If an Acquisition Event occurs, then:
  - (i) Westpac must Convert all (but not some) Capital Notes;
  - (ii) Westpac must give notice as soon as practicable and in any event within 10 ASX Business Days after becoming aware of that event occurring to the Holders;
  - (iii) the notice must specify a date on which it is proposed Conversion will occur (proposed "**Acquisition Event Conversion Date**") being:
    - (A) in the case of an Acquisition Event that is a takeover bid, no later than the ASX Business Day prior to the then announced closing date of the relevant takeover bid; or
    - (B) in the case of an Acquisition Event that is a court approved scheme, a date no later than the record date for participation in the relevant scheme of arrangement;
  - (iv) the notice must specify the details of the Conversion process including any details to take into account the effect on marketable parcels and whole numbers of Ordinary Shares; and
  - (v) on the proposed Acquisition Event Conversion Date, all Capital Notes will Convert in accordance with Condition 9.
- (b) The Second Scheduled Conversion Condition applies to a Conversion following an Acquisition Event as though the proposed Acquisition Event Conversion Date were a Scheduled Conversion Date for the purposes of Condition 4 (except that in the case of an Acquisition Event, the Second Scheduled Conversion Condition will apply as if it referred to 20.20% of the Issue Date VWAP). If the Second Scheduled Conversion Condition is not satisfied, the Capital Notes will not Convert.
- (c) If the Second Scheduled Conversion Condition is not satisfied on the proposed Acquisition Event Conversion Date, Westpac will notify Holders as soon as practicable after the proposed Acquisition Event Conversion Date that Conversion did not occur.

## **5.10 Issue of ordinary shares of Approved Successor**

Where there is a replacement of Westpac as the ultimate holding company of the Westpac Group and the successor holding company is an Approved Successor, Conversion of the Capital Notes may not occur as a consequence of the Replacement (as defined in Condition 13.4(a)). Instead, these Conditions may be amended in accordance with Condition 13.4.

## **6 Optional Conversion**

### **6.1 Conversion at the option of Westpac**

- (a) Subject to the other provisions of this Condition 6, Westpac may at its option Convert in accordance with Condition 9:
  - (i) all or some Capital Notes of a Series on each Optional Conversion Date so specified in the Supplement for the purposes of this Condition 6.1(a)(i); or
  - (ii) all (but not some) of the Capital Notes of a Series on an Optional Conversion Date following the occurrence of a Tax Event or Regulatory Event.
- (b) If only some (but not all) Capital Notes of a Series are to be Converted under Condition 6.1(a)(i), those Capital Notes to be Converted will be specified in the Optional Conversion Notice and selected:
  - (i) in a manner that is, in the opinion of Westpac, fair and reasonable; and
  - (ii) in compliance with any applicable law or directive.

### **6.2 Restriction on election to Convert**

Westpac may only elect to Convert the Capital Notes under Condition 6.1(a) if on the second ASX Business Day before the date on which an Optional Conversion Notice is to be sent by Westpac (or, if trading in Ordinary Shares did not occur on that date, the last ASX Business Day prior to that date on which trading in Ordinary Shares occurred) the VWAP on that date is:

- (a) in respect of a Conversion under Condition 6.1(a)(i), greater than 56.12% of the Issue Date VWAP; and
  - (b) in respect of a Conversion under Condition 6.1(a)(ii), greater than 22.20% of the Issue Date VWAP,
- (the "**Optional Conversion Restriction**").

### **6.3 Optional Conversion Notice**

- (a) Subject to Condition 6.2, Westpac may only Convert under Condition 6.1(a)(i) if Westpac has given an Optional Conversion Notice of its election to do so at least 25 ASX Business Days before the proposed Optional Conversion Date to the Holders.
- (b) The Optional Conversion Notice must specify:
  - (i) the date on which it is proposed the Optional Conversion will occur, which:
    - (A) in the case of Condition 6.1(a)(i), will be an Optional Conversion Date so specified in the Supplement for such purpose; or
    - (B) in the case of a Tax Event or Regulatory Event, is the Next Distribution Payment Date, unless Westpac determines an earlier date having regard to the best interests of Holders as a whole and the relevant event;
  - (ii) whether any Distribution will be paid in respect of the Capital Notes to be Converted on the Optional Conversion Date; and
  - (iii) the details of the Conversion process including any details to take into account the effect on marketable parcels and the need to round to whole numbers of Ordinary Shares.



#### **6.4 Restriction on Conversion on the Optional Conversion Date**

- (a) The Second Scheduled Conversion Condition applies to an Optional Conversion as though the proposed Optional Conversion Date were a Scheduled Conversion Date for the purposes of Condition 4 (except that in the case of an Optional Conversion following a Tax Event or Regulatory Event, the Second Scheduled Conversion Condition will apply as if it referred to 20.20% of the Issue Date VWAP).
- (b) If the Second Scheduled Conversion Condition is not satisfied on the proposed Optional Conversion Date:
  - (i) the Capital Notes will not Convert; and
  - (ii) Westpac will notify Holders as soon as practicable after the proposed Optional Conversion Date that Conversion did not occur.

#### **6.5 Deferred Conversion**

If Westpac has given an Optional Conversion Notice under Condition 6.3 and the Second Scheduled Conversion Condition (as if it applied on the Optional Conversion Date) is not satisfied, then, notwithstanding any other provision of these Conditions:

- (a) the Optional Conversion Date will be deferred until the first Distribution Payment Date (under Condition 3.9(a)) on which the Scheduled Conversion Conditions are satisfied (except that in the case of a Tax Event or Regulatory Event, the Second Scheduled Conversion Condition will apply as if it referred to 20.20% of the Issue Date VWAP) as if that Distribution Payment Date were a Scheduled Conversion Date for the purposes of Condition 4 (the "**Deferred Conversion Date**");
- (b) Westpac must convert the Capital Notes on the Deferred Conversion Date unless the Capital Notes are Converted or Written-off earlier in accordance with these Conditions; and
- (c) until the Deferred Conversion Date, all rights attaching to the Capital Notes will continue as if the Optional Conversion Notice had not been given.

#### **6.6 Final Distribution**

For the avoidance of doubt, Optional Conversion may occur even if Westpac, in its absolute discretion, does not pay a Distribution for the final Distribution Period.

#### **6.7 No Conversion at the option of the Holders**

Holders do not have a right to request Conversion of their Capital Notes at any time.

### **7 Optional Redemption**

#### **7.1 Redemption at the option of Westpac**

- (a) Subject to the other provisions of this Condition 7, Westpac may at its option Redeem:
  - (i) all or some Capital Notes of a Series on each Redemption Date so specified in the Supplement for the purposes of this Condition 7.1(a)(i); or
  - (ii) all (but not some) of the Capital Notes of a Series on a Redemption Date following the occurrence of a Tax Event or Regulatory Event, in each case for their Outstanding Principal Amount.

- (b) If only some (but not all) Capital Notes are to be Redeemed under Condition 7.1(a)(i), those Capital Notes to be Redeemed will be specified in the Redemption Notice and selected:
  - (i) in a manner that is, in the opinion of Westpac, fair and reasonable; and
  - (ii) in compliance with any applicable law or directive.

## **7.2 Optional Redemption Notice**

- (a) Westpac may only Redeem under Condition 7.1(a) if Westpac has given a Redemption Notice of its election to do so at least 21 ASX Business Days before the proposed Redemption Date to the Holders.
- (b) The Redemption Notice must specify:
  - (i) the date on which it is proposed the Redemption will occur, which must be:
    - (A) in the case of Condition 7.1(a)(i), a Redemption Date so specified in the Supplement for such purpose; or
    - (B) in the case of a Tax Event or Regulatory Event, the Next Distribution Payment Date, unless Westpac determines an earlier date having regard to the best interests of Holders as a whole and the relevant event; and
  - (ii) whether any Distribution will be paid in respect of the Capital Notes to be Redeemed on the Redemption Date.

## **7.3 APRA approval to Redeem**

Westpac may only Redeem under this Condition 7 if:

- (a) either:
  - (i) before or concurrently with Redemption, Westpac replaces the Capital Notes with a capital instrument which is of the same or better quality (for the purposes of the Prudential Standards) than Capital Notes and the replacement of Capital Notes is done under conditions that are sustainable for the income capacity of Westpac (for the purposes of the Prudential Standards); or
  - (ii) Westpac obtains confirmation from APRA that APRA is satisfied, having regard to the capital position of Westpac and the Westpac Group, that Westpac does not have to replace the Capital Notes; and
- (b) APRA has given its prior written approval to the Redemption. Approval is at the discretion of APRA and may or may not be given.

## **7.4 Final Distribution**

For the avoidance of doubt, Redemption may occur even if Westpac, in its absolute discretion, does not pay a Distribution for the final Distribution Period.

## **7.5 No Redemption at the option of the Holders**

Holdings do not have a right to request Redemption of their Capital Notes at any time.

## **7.6 Effect of Redemption Notice**

Subject to any early Conversion or Write-off required because of a Capital Trigger Event or a Non-Viability Trigger Event, any Redemption Notice given under this Condition 7 is irrevocable and Westpac must (subject to Condition 11.1) Redeem Capital Notes on the Redemption Date specified in that Redemption Notice.

## **8 Optional Transfer**

### **8.1 Transfer at the option of Westpac**

- (a) Westpac may elect that Transfer occur in relation to:
  - (i) all or some Capital Notes of a Series on each Transfer Date so specified in the Supplement for the purposes of this Condition 8.1(a)(i); or
  - (ii) all (but not some) of the Capital Notes of a Series on a Transfer Date following the occurrence of a Tax Event or Regulatory Event.
- (b) If only some (but not all) Capital Notes of a Series are to be Transferred under Condition 8.1(a)(i), the number of Capital Notes to be Transferred will be specified in the Transfer Notice and selected:
  - (i) in a manner that is, in the opinion of Westpac, fair and reasonable; and
  - (ii) in compliance with any applicable law or directive.

### **8.2 Optional Transfer Notice**

- (a) Westpac may only elect to Transfer Capital Notes under Condition 8.1(a) if Westpac has given a Transfer Notice at least 21 ASX Business Days before the proposed Transfer Date to the Holders.
- (b) The Transfer Notice must specify:
  - (i) the date on which it is proposed the Transfer will occur, which must be:
    - (A) in the case of Condition 8.1(a)(i), a Transfer Date so specified in the Supplement for such purpose; or
    - (B) in the case of a Tax Event or Regulatory Event, the Next Distribution Payment Date, unless Westpac determines an earlier date having regard to the best interests of Holders as a whole and the relevant event; and
  - (ii) whether any Distribution will be paid in respect of the Capital Notes to be Transferred on the Transfer Date.

### **8.3 Final Distribution**

For the avoidance of doubt, a Transfer may occur even if Westpac, in its absolute discretion, does not pay a Distribution for the final Distribution Period.

### **8.4 No Transfer at the option of the Holders**

Holders do not have a right to request Transfer of their Capital Notes at any time.

## 8.5 Effect of Transfer Notice

- (a) Any Transfer Notice given under this Condition 8 is irrevocable and Westpac must (subject to Condition 11.1) Transfer Capital Notes on the Transfer Date specified in that Transfer Notice.
- (b) If Westpac issues a Transfer Notice under this Condition 8:
  - (i) each Holder is taken irrevocably to offer to sell the relevant number of their Capital Notes to the Nominated Party on the Transfer Date for a cash amount per Capital Note equal to the Outstanding Principal Amount (and to have appointed Westpac as its agent and attorney to execute documents and do all things necessary which Westpac considers may be necessary or desirable in connection with that offer and any resulting sale);
  - (ii) subject to payment by the Nominated Party of the Outstanding Principal Amount to Holders, all right, title and interest in the relevant number of Capital Notes will be Transferred from the Holders to the Nominated Party on the Transfer Date; and
  - (iii) if the Nominated Party does not pay the Outstanding Principal Amount to the relevant Holders on the Transfer Date, the relevant number of Capital Notes will not be Transferred to the Nominated Party.
- (c) Clause 11 will apply to payments by the Nominated Party as if the Nominated Party were Westpac. If any payment to a particular Holder is not made or treated as made on the Transfer Date because of any error by or on behalf of the Nominated Party, the relevant Capital Notes of that Holder will not be Transferred until payment is made but the Transfer of all other relevant Capital Notes will not be affected by the failure.

## 9 General provisions applicable to Conversion

### 9.1 Conversion

On the Conversion Date, subject to Conditions 5.6 and 9.10, the following will apply:

- (a) Westpac will allot and issue the Conversion Number of Ordinary Shares for each Capital Note held by the Holder. The Conversion Number is calculated according to the following formula, and subject always to the Conversion Number being no greater than the Maximum Conversion Number:

$$\text{Conversion Number for each Capital Note} = \frac{\text{Outstanding Principal Amount}}{P \times \text{VWAP}}$$

where:

**P** means 0.99 or such other number specified in the Supplement.

**VWAP** (expressed in dollars and cents) means the VWAP during the VWAP Period.

**Maximum Conversion Number** means a number calculated according to the following formula:

$$\text{Maximum Conversion Number for each Capital Note} = \frac{\text{Outstanding Principal Amount}}{\text{Relevant Percentage} \times \text{Issue Date VWAP}}$$

**Relevant Percentage** means:

- (i) if Conversion is occurring on a Scheduled Conversion Date or the Optional Conversion Date occurring on the date so specified in the Supplement for the purposes of Condition 6.1(a)(i), 50%; and

- (ii) if Conversion is occurring at any other time, 20%.

*If any Capital Notes are Converted following a Capital Trigger Event or Non-Viability Trigger Event, it is likely that the Maximum Conversion Number will apply and limit the number of Ordinary Shares to be issued. In this case, the value of the Ordinary Shares received may (in the case of a Capital Trigger Event) and is likely to (in the case of a Non-Viability Trigger Event) be significantly less than the Outstanding Principal Amount of those Capital Notes.*

- (b) Subject to Condition 9.10, each Holder's rights (including to Distributions other than the Distribution, if any, payable on a date when Conversion is required that is not a Capital Trigger Event Date or a Non-Viability Trigger Event Date) in relation to each Capital Note that is being Converted will be immediately and irrevocably terminated for an amount equal to the Outstanding Principal Amount and Westpac will apply the Outstanding Principal Amount of each Capital Note by way of payment for the subscription for the Ordinary Shares to be allotted and issued under Condition 9.1(a). Each Holder is taken to have irrevocably directed that any amount payable under this Condition 9.1 is to be applied as provided for in this Condition and Holders do not have any right to payment in any other way.
- (c) If the total number of Ordinary Shares to be allotted and issued in respect of a Holder's aggregate holding of Capital Notes includes a fraction of an Ordinary Share, that fraction of an Ordinary Share will not be issued or delivered on Conversion.
- (d) Subject to Condition 9.10, where Capital Notes are to be Converted, Westpac will allot and issue the Ordinary Shares to the Holder on the basis that a Holder's name and address set out in the Capital Notes Register (or, if not set out in the Capital Notes Register, otherwise held by the Registrar) are the name and address for entry into the register of title and receipt of any certificate or holding statement in respect of any Ordinary Shares issued on Conversion unless a Holder has:
  - (i) notified Westpac a different name and address; and
  - (ii) provided such other information as is reasonably requested by Westpac (including without limitation the details of the account to which the Ordinary Shares issued on Conversion are to be credited),

which notice may be given at any time on or after the Issue Date and no less than 15 Business Days prior to the Conversion Date.

## **9.2 Adjustments to VWAP generally**

For the purposes of calculating VWAP under Condition 9.1:

- (a) where, on some or all of the ASX Business Days in the relevant VWAP Period, Ordinary Shares have been quoted on ASX as cum dividend or cum any other distribution or entitlement and Capital Notes will be Converted into Ordinary Shares after that date and those Ordinary Shares will no longer carry that dividend or that other distribution or entitlement, then the VWAP on the ASX Business Days on which those Ordinary Shares have been quoted cum dividend or cum any other distribution or entitlement will be reduced by an amount ("**Cum Value**") equal to:
  - (i) in the case of a dividend or other distribution, the amount of that dividend or other distribution including, if the dividend or distribution is franked, the

amount that would be included in the assessable income of a recipient of the dividend or distribution who is a natural person resident in Australia under the Tax Act;

- (ii) in the case of any other entitlement that is not a dividend or other distribution under Condition 9.2(a)(i) which is traded on ASX on any of those ASX Business Days, the volume weighted average price of all such entitlements sold on ASX during the VWAP Period on the ASX Business Days on which those entitlements were traded (excluding trades of the kind that would be excluded in determining VWAP under the definition of that term); or
  - (iii) in the case of any other entitlement which is not traded on ASX during the VWAP Period, the value of the entitlement as reasonably determined by Westpac;
- (b) where, on some or all of the ASX Business Days in the VWAP Period, Ordinary Shares have been quoted as ex dividend or ex any other distribution or entitlement, and Capital Notes will be Converted into Ordinary Shares which would be entitled to receive the relevant dividend, distribution or entitlement, the VWAP on the ASX Business Days on which those Ordinary Shares have been quoted ex dividend or ex any other distribution or entitlement will be increased by the Cum Value; and
- (c) any adjustment made by Westpac in accordance with Condition 9.2 will be effective and binding on Holders under these Conditions and these Conditions will be construed accordingly.

### 9.3 Adjustments to VWAP for capital reconstruction

- (a) Where during the relevant VWAP Period there is a change to the number of Ordinary Shares on issue because the Ordinary Shares are reconstructed, consolidated, divided or reclassified (in a manner not involving any cash payment (or the giving of any other form of consideration) to or by holders of Ordinary Shares) ("**Reclassification**") into a lesser or greater number, the daily VWAP for each day in the VWAP Period which falls before the date on which trading in Ordinary Shares is conducted on a post Reclassification basis will be adjusted by multiplying such daily VWAP by the following formula:
- $$\frac{A}{B}$$
- where:
- A** means the aggregate number of Ordinary Shares immediately before the Reclassification; and
- B** means the aggregate number of Ordinary Shares immediately after the Reclassification.
- (b) Any adjustment made by Westpac in accordance with Condition 9.3(a) will be effective and binding on Holders under these Conditions and these Conditions will be construed accordingly.
- (c) Each Holder acknowledges that Westpac may consolidate, divide or reclassify Ordinary Shares so that there is a lesser or greater number of Ordinary Shares at any time in its absolute discretion without any such action requiring any consent or concurrence of any Holders.

#### 9.4 Adjustments to Issue Date VWAP generally

For the purposes of determining the Issue Date VWAP under Condition 9.1, adjustments will be made in accordance with Condition 9.2 and Condition 9.3 during the period in which the Issue Date VWAP is determined. On and from the Issue Date, adjustments to the Issue Date VWAP:

- (a) may be made by Westpac in accordance with Conditions 9.5 to 9.7 (inclusive);
- (b) if so made, will correspondingly affect the application of the Scheduled Conversion Conditions and the Optional Conversion Restriction and cause an adjustment to the Maximum Conversion Number; and
- (c) if so made, will be effective and binding on Holders under these Conditions and these Conditions will be construed accordingly.

#### 9.5 Adjustments to Issue Date VWAP for bonus issues

- (a) Subject to Conditions 9.5(b) and 9.5(c), if at any time on or from the Issue Date Westpac makes a pro-rata bonus issue of Ordinary Shares to holders of Ordinary Shares generally (in a manner not involving any cash payment (or the giving of any other form of consideration) to or by holders of Ordinary Shares), the Issue Date VWAP will be adjusted immediately in accordance with the following formula:

$$V = \frac{V_o \times RD}{(RD + RN)}$$

where:

**V** means the Issue Date VWAP applying immediately after the application of this formula;

**V<sub>o</sub>** means the Issue Date VWAP applying immediately prior to the application of this formula;

**RD** means the number of Ordinary Shares on issue immediately prior to the allotment of new Ordinary Shares pursuant to the bonus issue; and

**RN** means the number of Ordinary Shares issued pursuant to the bonus issue.

- (b) Condition 9.5(a) does not apply to Ordinary Shares issued as part of a bonus share plan, employee or executive share plan, executive option plan, share top up plan, share purchase plan or a dividend reinvestment plan.
- (c) For the purposes of this Condition 9.5, an issue will be regarded as a bonus issue notwithstanding that Westpac does not make offers to some or all holders of Ordinary Shares with registered addresses outside Australia, provided that in so doing Westpac is not in contravention of the ASX Listing Rules.
- (d) No adjustments to the Issue Date VWAP will be made under this Condition 9.5 for any offer of Ordinary Shares not covered by Condition 9.5(a), including a rights issue or other essentially pro rata issue.
- (e) The fact that no adjustment is made for an issue of Ordinary Shares except as covered by Condition 9.5(a) shall not in any way restrict Westpac from issuing Ordinary Shares at any time on such terms as it sees fit nor require any consent or concurrence of any Holders.

## **9.6 Adjustments to Issue Date VWAP for capital reconstruction**

- (a) If at any time on or from the Issue Date there is a change to the number of Ordinary Shares on issue because of a Reclassification (in a manner not involving any cash payment (or the giving of any other form of consideration) to or by holders of Ordinary Shares) into a lesser or greater number, the Issue Date VWAP will be adjusted by multiplying the Issue Date VWAP applicable on the ASX Business Day immediately before the date of any such Reclassification by the following formula:

$\frac{A}{B}$

where:

**A** means the aggregate number of Ordinary Shares on issue immediately before the Reclassification; and

**B** means the aggregate number of Ordinary Shares on issue immediately after the Reclassification.

- (b) Each Holder acknowledges that Westpac may consolidate, divide or reclassify securities so that there is a lesser or greater number of Ordinary Shares at any time in its absolute discretion without any such action requiring any consent or concurrence of any Holders.

## **9.7 No adjustment to Issue Date VWAP in certain circumstances**

Despite the provisions of Conditions 9.5 and 9.6, no adjustment will be made to the Issue Date VWAP where any such adjustment (rounded to the nearest full cent, with A\$0.005 being rounded upwards) would be less than one percent of the Issue Date VWAP then in effect.

## **9.8 Announcement of adjustments to Issue Date VWAP**

Westpac will notify any adjustment to the Issue Date VWAP under this Condition 9 to the Registrar and Holders within 10 ASX Business Days of Westpac determining the adjustment and the adjustment will be final and binding.

## **9.9 Status and listing of Ordinary Shares**

- (a) Ordinary Shares issued or arising from Conversion will rank equally with, and will have the same rights as, all other fully paid Ordinary Shares provided that the rights attaching to the Ordinary Shares issued or arising from Conversion do not take effect until 5:00pm (Sydney time) on the Conversion Date (or such other time required by APRA). The Holders agree not to trade Ordinary Shares issued upon Conversion (except as permitted by the Corporations Act, other applicable laws, the ASX Listing Rules or any listing rules of any competent listing authority, stock or securities exchange and/or quotation system on which the Ordinary Shares are admitted to listing, trading and/or quotation) until Westpac has taken such steps as are required by the Corporations Act, other applicable laws, the ASX Listing Rules or any listing rules of any competent listing authority, stock or securities exchange and/or quotation system on which the Ordinary Shares are admitted to listing, trading and/or quotation, as applicable, for the Ordinary Shares to be freely tradable without further disclosure or other action and agree to allow Westpac to impose a holding lock or to refuse to register a transfer in respect of Ordinary Shares until such time.
- (b) Westpac will use all reasonable endeavours to list the Ordinary Shares issued on Conversion of the Capital Notes on the ASX and to take all such actions necessary for



the Ordinary Shares so issued to become freely tradeable without further disclosure or other action as referred to in Condition 9.9(a) above.

**9.10 Conversion where the Holder does not wish to receive Ordinary Shares or is an Ineligible Holder**

- (a) If Capital Notes are required to be Converted and the Holder is the operator of the Austraclear System or a nominee for a common depository for the Austraclear System (such operator or nominee for a common depository acting in such capacity as is specified in the rules and regulations of the Austraclear System), then, with effect from the Conversion Date, the Holder's rights in relation to each such Capital Note being Converted shall be immediately and irrevocably terminated and Westpac will issue the relevant aggregate Conversion Number of Ordinary Shares due to such Holder in uncertificated form through Westpac's Ordinary Share registry provider to the Sale Agent for no additional consideration to hold on trust for sale for the benefit of the participants in the Austraclear System who held the corresponding Capital Notes through the Austraclear System immediately prior to Conversion ("**Austraclear System Participants**"). An Austraclear System Participant will be entitled to receive Ordinary Shares (or the proceeds of the sale of Ordinary Shares) in accordance with this Condition 9.10.
- (b) Where Ordinary Shares are issued to the Sale Agent in accordance with Condition 9.10(a), an Austraclear System Participant may, no later than the date specified in the Supplement ("**Austraclear System Cut-off Date**"), provide to Westpac or, if appointed, the Sale Agent:
  - (i) its name and address for entry into any register of title and receipt of any certificate or holding statement in respect of any Ordinary Shares issued on Conversion;
  - (ii) the Holder's security account details in CHESS or such other account to which the Ordinary Shares issued on Conversion are to be credited; and
  - (iii) such other information as is reasonably requested by Westpac,and, if it does so, the Austraclear System Participant must make arrangements to transfer the relevant number of Capital Notes held by it through the Austraclear System immediately prior to Conversion to Westpac (or Westpac's nominee) in accordance with accepted market practice, and the rules and regulations of the Austraclear System or in such other manner that is, in the opinion of Westpac, fair and reasonable. Westpac and the Sale Agent will, as soon as possible thereafter and without delay on the part of Westpac or the Sale Agent, take any appropriate procedural steps to record the transfer of the relevant Ordinary Shares to the Austraclear System Participant, including updating the Ordinary Share register.
- (c) If an Austraclear System Participant:
  - (i) fails to provide the information required by Condition 9.10(b) by the Austraclear System Cut-off Date;
  - (ii) notifies Westpac that it does not wish to receive Ordinary Shares on or prior to the Austraclear System Cut-off Date; or

- (iii) would be an Ineligible Holder if the Austraclear System Participant's name had been entered in a Capital Notes Register as the owner of the corresponding Capital Notes immediately prior to Conversion,

then, with effect from the Austraclear System Cut-off Date, the Austraclear System Participant will cease to be entitled to receive Ordinary Shares in relation to each corresponding Capital Note which was Converted and at the first opportunity to sell the Ordinary Shares after the Conversion Date, the Sale Agent will arrange for their sale and pay the net proceeds received after deducting any applicable brokerage, stamp duty and other taxes (including, without limitation, FATCA Withholding) and charges to the Austraclear System Participant.

- (d) If Capital Notes of a Holder are required to be Converted and:

- (i) the Holder has notified Westpac that it does not wish to receive Ordinary Shares as a result of Conversion, which notice may be given at any time on or after the Issue Date and no less than 15 Business Days prior to the Conversion Date;
- (ii) the Holder is an Ineligible Holder;
- (iii) for any reason (whether or not due to the fault of the Holder), Westpac has not received the information required by Condition 9.1(d) prior to the Conversion Date and the lack of such information would prevent Westpac from issuing the Ordinary Shares to the Holding on the Conversion Date; or
- (iv) FATCA Withholding is required to be made in respect of the Ordinary Shares issued upon Conversion,

then, on the Conversion Date, all of the Holder's rights in relation to each such Capital Note being Converted are immediately and irrevocably terminated (including to Distributions other than the Distribution, if any, payable on a date when Conversion is required that is not a Capital Trigger Event Date or a Non-Viability Trigger Event Date) and Westpac will issue the Conversion Number of Ordinary Shares to the Sale Agent for no additional consideration to hold on trust for sale for the benefit of the relevant Holder. At the first opportunity to sell the Ordinary Shares, the Sale Agent will arrange for their sale at market value and pay the proceeds, less selling costs, brokerage, stamp duty and other taxes (including, without limitation, FATCA Withholding) and charges, to the relevant Holder, in each case arising in connection with the issuance or sale of such Ordinary Shares, and the Sale Agent shall use the proceeds from such sale to pay any such fees, duties, taxes, charges and any FATCA Withholding arising in connection with such issuance or sale.

Westpac will be entitled to treat a Holder as not being an Ineligible Holder unless the Holder has otherwise notified it after the Issue Date and prior to the Conversion Date.

- (e) If Conversion under this Condition 9.10 is occurring because of the occurrence of a Capital Trigger Event or Non-Viability Trigger Event and the Conversion fails to take effect under Conditions 5.2 or 5.4 or does not occur for any other reason and the Ordinary Shares are not issued to the Sale Agent for any reason in respect of such Conversion by 5:00pm on the fifth ASX Business Day after the Capital Trigger Event Date or Non-Viability Trigger Event Date, then:

- (i) such Capital Notes or percentage of the Outstanding Principal Amount of Capital Notes will not be Converted in respect of such Capital Trigger Event Date or Non-Viability Trigger Event Date (as the case may be) and will not be Converted, Redeemed or Transferred under these Conditions on any subsequent date; and
  - (ii) the relevant Holders' rights (including to payment of Distributions and Outstanding Principal Amount and any other payments) in relation to such Capital Notes or percentage of the Outstanding Principal Amount of Capital Notes are immediately and irrevocably terminated and such termination will be taken to have occurred immediately upon the Capital Trigger Event Date or Non-Viability Trigger Event Date, as the case may be.
- (f) The provisions of this Condition 9.10 will not impede the immediate Conversion or Write-off of the relevant number of Capital Notes or percentage of the Outstanding Principal Amount of each Capital Note (as the case may be).

#### **9.11 Final Distribution**

For the avoidance of doubt, Conversion or Write-off may occur even if Westpac, in its absolute discretion, does not pay a Distribution for the final Distribution Period.

#### **9.12 Conversion or Write-off after Winding Up commences**

If before the Conversion Date a Winding Up commences, then Conversion will not occur and Condition 2 will apply, except where Conversion or Write-off is required for a Capital Trigger Event or Non-Viability Trigger Event (in which case such Conversion or Write-off shall occur in accordance with Conditions 5.2 and 5.4 (as applicable) and Conditions 5.7 and 5.8).

#### **9.13 Conversion or Write-off of a percentage of Outstanding Principal Amount**

If under these Conditions it is necessary to Convert or Write-off a percentage of the Outstanding Principal Amount, this Condition 9 will apply to the Conversion or Write-off as if references to the Outstanding Principal Amount were references to the relevant percentage of the Outstanding Principal Amount to be Converted or Written-off multiplied by the Outstanding Principal Amount and references to the Capital Note(s) were references to the percentage of the Outstanding Principal Amount of the Capital Note(s) to be Converted or Written-off.

#### **9.14 Consent to receive Ordinary Shares and other acknowledgements**

Subject to any Write-off required in accordance with Condition 5.8, each Holder by its purchase or holding of a Capital Note shall be taken to have irrevocably:

- (a) upon receipt of the Conversion Number of Ordinary Shares following Conversion of Capital Notes in accordance with Conditions 4, 5 or 6 consents to becoming a member of Westpac and agrees to be bound by the constitution of Westpac, in each case in respect of Ordinary Shares issued on Conversion;
- (b) acknowledges and agrees that, unless (x) it has given notice in accordance with Condition 9.10 that it does not wish to receive Ordinary Shares as a result of Conversion, (y) it is an Ineligible Holder, or (z) it has not satisfied the requirements of Condition 9.10 to receive Ordinary Shares, it is obliged to accept Ordinary Shares of Westpac on Conversion notwithstanding anything that might otherwise affect a Conversion of Capital Notes including:

- (i) any change in the financial position of Westpac since the issue of the Capital Notes;
  - (ii) any disruption to the market or potential market for Ordinary Shares or capital markets generally; or
  - (iii) any breach by Westpac of any obligation in connection with the Capital Notes;
- (c) acknowledges and agrees that:
  - (i) Conversion is not subject to any conditions other than those expressly provided for in these Conditions;
  - (ii) subject to any conditions, Conversion must occur immediately on the Conversion Date and that may result in disruption or failures in trading or dealings in the Capital Notes;
  - (iii) it will not have any rights to vote in respect of any Conversion; and
  - (iv) notwithstanding Condition 9.9, Ordinary Shares issued on Conversion may not be quoted at the time of Conversion or at all;
- (d) acknowledges and agrees that where Condition 5.8 applies, no other conditions or events will affect the operation of that Condition and it will not have any rights to vote in respect of any Write-off under that Condition;
- (e) acknowledges and agrees that it has no right to request that Westpac Convert Capital Notes;
- (f) acknowledges and agrees that it has no remedies on account of the failure of Westpac to issue Ordinary Shares in accordance with Conditions 5.2 or 5.4 other than, subject to Condition 5.8, to seek specific performance of Westpac's obligation to issue Ordinary Shares; and
- (g) acknowledges and agrees that:
  - (i) there are two methods of loss absorption under the Conditions:
    - (A) Conversion, subject to possible Write-off in accordance with Condition 5.8; or
    - (B) Write-off without Conversion in accordance with Condition 5.8; and
  - (ii) unless the applicable Supplement specifies otherwise, the primary method of loss absorption will be Conversion, subject to possible Write-off in accordance with Condition 5.8.

## **10 Title and transfer of Capital Notes**

### **10.1 Effect of entries in Capital Notes Register**

Each entry in the Capital Notes Register of a person as a Holder constitutes:

- (a) conclusive evidence of that person's:
  - (i) absolute ownership of those Capital Notes; and
  - (ii) entitlement to the other benefits given to Holders under these Conditions in respect of Capital Notes; and

- (b) an undertaking by Westpac to pay a Distribution and any other amount in accordance with these Conditions,  
subject to correction of the Capital Notes Register for fraud or error.

## **10.2 Certificates**

No certificates or other evidence of title will be issued by or on behalf of Westpac to evidence title to a Capital Notes unless Westpac determines that certificates should be made available or it is required to do so pursuant to any applicable law or directive.

## **10.3 Austraclear acknowledgement**

Where Austraclear is recorded in a Capital Notes Register as the Holder, each person in whose Security Record (as defined in the Austraclear Regulations) a Capital Note is recorded is deemed to acknowledge in favour of the Registrar, Westpac and Austraclear that:

- (a) the Registrar's decision to act as the Registrar of that Capital Note is not a recommendation or endorsement by the Registrar or Austraclear in relation to that Capital Note but only indicates that such Capital Note is considered by the Registrar to be compatible with the performance by it of its obligations as Registrar under the Agency and Registry Agreement; and
- (b) the Holder does not rely on any fact, matter or circumstance contrary to Condition 10.3(a).

## **10.4 Non-recognition of interests**

Except as required by law, Westpac and the Registrar must treat the person whose name is entered in the Capital Notes Register as a Holder as the absolute owner of that Capital Notes. This Condition applies despite any notice of ownership, trust or interest in that Capital Notes.

## **10.5 Joint Holders**

Where two or more persons are entered in the Capital Notes Register as joint Holders, they are taken to hold those Capital Notes as joint tenants with rights of survivorship but the Registrar is not bound to register more than three persons as joint Holders of any Capital Notes.

## **10.6 Limit on transfer – compliance with law**

Unless otherwise specified in the Supplement, Capital Notes may only be transferred if:

- (a) the aggregate consideration payable at the time of the transfer is a minimum amount of A\$500,000 (disregarding any moneys lent by the transferor or its associates to the transferee) or the Capital Notes are otherwise transferred in a manner that does not require disclosure to be made under Parts 6D.2 or 7.9 of the Corporations Act;
- (b) the transfer is not to a "retail client" as defined for the purposes of section 761G of the Corporations Act;
- (c) such action does not require any document to be lodged with ASIC; and
- (d) the transfer is in compliance with all applicable laws or directives of the jurisdiction in which the transfer takes place.

## **10.7 Transfer procedure**

- (a) Unless Capital Notes are lodged in the Austraclear System, application for the transfer of Capital Notes must be made by the lodgement of a transfer form with the Registrar.

Transfer forms are available from the Registrar. Each form must be accompanied by such evidence (if any) as the Registrar may require to prove the title of the transferor or the transferor's right to transfer the Capital Note and be signed by both the transferor and the transferee.

- (b) Capital Notes entered into the Austraclear System will be transferable only in accordance with the rules and regulations of the Austraclear System.
- (c) Title to Capital Notes passes when details of the transfer are entered in the Capital Notes Register. Transfers will not be registered during the period from the Record Date until the calendar day after the relevant date for payment.
- (d) Capital Notes may be transferred in whole but not in part.
- (e) Where the transferor executes a transfer of less than all Capital Notes of the relevant Tranche or Series registered in its name, and the specific Capital Notes to be transferred are not identified, the Registrar may (subject to the limit on minimum holdings) register the transfer in respect of such of the Capital Notes of the relevant Tranche or Series registered in the name of the transferor as the Registrar thinks fit, provided the aggregate Outstanding Principal Amount of the Capital Notes registered as having been transferred equals the aggregate Outstanding Principal Amount of the Capital Notes expressed to be transferred in the transfer.
- (f) Transfers will be registered without charge provided taxes, duties or other governmental charges (if any) imposed in relation to the transfer have been paid.
- (g) The Holder is responsible for any stamp duty or other similar taxes which are payable in any jurisdiction in connection with a transfer, assignment or other dealing with Capital Notes.
- (h) Upon registration and entry of the transferee in the Capital Notes Register, the transferor ceases to be entitled to future benefits under these Conditions in respect of the transferred Capital Notes.
- (i) Subject to applicable laws and, in relation to Capital Notes entered into the Austraclear System, the rules and regulations of the Austraclear System, Westpac may determine that transfers of some or all Capital Notes will not be registered during any period reasonably specified by it prior to the Conversion Date, Redemption Date or Transfer Date of such Capital Notes.

## **10.8 Transmission**

A person becoming entitled to Capital Notes as a consequence of the death, bankruptcy, liquidation or a winding-up of a Holder or of a vesting order by a court or other body with power to make the order, or a person administering the estate of a Holder, may, upon providing evidence as to that entitlement or status, and if Westpac so requires an indemnity in relation to the correctness of such evidence, as Westpac considers sufficient, become registered as the Holder of those Capital Notes.

## **11 Payments**

### **11.1 General**

- (a) All payments in respect of Capital Notes:

- (i) must be made:
  - (A) in Australian Dollars; and
  - (B) free of any set off, deduction or counter claim except as required by law or any agreement with a governmental authority;
- (ii) are subject to applicable fiscal and other laws and the administrative practices and procedures of fiscal and other authorities;
- (iii) will be made in accordance with:
  - (A) the particulars recorded in the Capital Notes Register at 5:00pm on the relevant Record Date; and
  - (B) these Conditions.
- (b) If the date scheduled for any payment under these Conditions (other than a payment made under Condition 9.1(b) in connection with the Conversion of Capital Notes following a Capital Trigger Event or a Non-Viability Trigger Event) is not a Business Day, then the date for payment will be adjusted in accordance with the Applicable Business Day Convention (and without any additional interest or other payment in respect of such delay).
- (c) If payment (other than a payment made under Condition 9.1(b) in connection with the Conversion of Capital Notes following a Capital Trigger Event or a Non-Viability Trigger Event) is scheduled to be made to an account on a Business Day on which banks are not open for general banking business in the city in which the account is located, the Holder is not entitled to payment of such amount until the next Business Day on which banks in such city are open for general banking business (and is not entitled to any additional interest or other payment in respect of any such delay).
- (d) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified):
  - (i) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up);
  - (ii) all figures resulting from such calculations shall be rounded to four decimal places (with halves being rounded up); and
  - (iii) all amounts that fall due and payable shall be rounded to the nearest cent (with halves being rounded up).

## **11.2 Payments to Holders**

- (a) Each payment in respect of a Capital Note will be made to the person that is recorded in the Capital Notes Register as the Holder of that Capital Note on the Record Date for that payment.
- (b) When a Capital Note is held jointly, payment will be made to the holders in their joint names unless requested otherwise.

### **11.3 Method of payments**

- (a) Except as otherwise provided in the Supplement, payments in respect of each Capital Note will be made:
  - (i) if the Capital Notes are in the Austraclear System, by crediting on the relevant payment date the amount then due to the account of the Holder in accordance with the Austraclear Regulations; or
  - (ii) if the Capital Notes are not in the Austraclear System, by crediting on the relevant payment date an account nominated in writing by that Holder in respect of that Capital Note to the Registrar. If the Holder has not notified Westpac and the Registrar of such an account by close of business on the relevant Record Date, the Registrar or Westpac may hold the amount payable in a separate account of the Registrar or Westpac until the Holder or joint Holder (as the case may be) nominates an account, without any obligation to pay interest, and the amount so held is to be treated as having been paid to the Holder or joint Holder at the time it is credited to that separate account of the Agent or Westpac. A payment made by electronic transfer is for all purposes taken to be made when Westpac or the Registrar gives an irrevocable instruction for the making of that payment by electronic transfer, being an instruction which would be reasonably expected to result, in the ordinary course of banking business, in the relevant funds reaching the account of the Holder on the same day as the day on which the instruction is given.
- (b) All amounts payable but unclaimed may be invested by Westpac as it thinks fit for the benefit of Westpac until claimed or until required to be dealt with in accordance with any law relating to unclaimed moneys.
- (c) Westpac (or any person through whom payments are made), in its absolute discretion, may withhold payment to a Holder where it is required to do so under any applicable fiscal or other law or any administrative practice or procedure of any fiscal or other authority (including any law prohibiting dealings with terrorist organisations or money laundering, or any other type of sanction and any withholding or deduction arising under or in connection with FATCA), or where it has reasonable grounds to suspect that the Holder may be subject to any such law, administrative practice or procedure or sanction or involved in acts of terrorism or money laundering, and may deal with such payment and the Holder's Capital Notes in accordance with such applicable law, administrative practice or procedure or the requirements of any relevant government or regulatory authority.
- (d) Westpac shall not be liable for any costs or loss suffered by a Holder in exercising its discretion under Condition 11.3(c), even where a Holder later demonstrates that they were not subject to such law, administrative practice or procedure or sanction.

## **12 Taxation**

### **12.1 Deductions**

- (a) Westpac or the Nominated Party, as applicable, may deduct or withhold any tax, duty, assessment, levy, governmental charge or other amount from any Distribution or



amount payable upon Redemption or Transfer to the Nominated Party of any Capital Note (or upon or with respect to the issuance of any Ordinary Shares upon any Conversion), as required by law or any agreement with a governmental authority. If any such deduction or withholding has been made and paid over to the relevant governmental authority and the balance of the Distribution or other amount payable has been paid (or, in the case of a Conversion, Ordinary Shares issued) to the relevant Holder, then the full amount payable (or, in the case of a Conversion, the Conversion Number of Ordinary Shares) to such Holder shall be deemed to have been duly paid and satisfied (or, in the case of a Conversion, issued) by Westpac or the Nominated Party, as applicable.

- (b) Westpac or the Nominated Party, as applicable, shall pay the full amount required to be deducted or withheld to the relevant governmental authority within the time allowed for such payment without incurring any penalty under applicable law and shall, if requested by any Holder, deliver to such Holder confirmation of such payment without delay after it is received by Westpac or the Nominated Party, as applicable.

## **12.2 FATCA**

Without limiting Condition 12.1, if any withholding or deduction arises under or in connection with FATCA, Westpac will not be required to pay any further amounts on account of such withholding or deduction or otherwise reimburse or compensate, or make any payment to, a Holder for or in respect of any such withholding or deduction.

## **12.3 Tax File Number withholdings**

- (a) Westpac will, if required, withhold an amount from payment of Distributions on Capital Notes at the highest marginal tax rate plus the highest Medicare levy if a Holder has not supplied an appropriate tax file number, Australian business number or exemption details.
- (b) If a Holder supplies exemption details and Westpac subsequently determines that the relevant exemption was not available, Westpac may recover the amount that should have been deducted from the relevant Holder and may deduct that amount from any subsequent payment due to that Holder in respect of Capital Notes.

## **13 Amendment of these Conditions**

### **13.1 Amendment generally**

No amendment to these Conditions is permitted without APRA's prior written approval if such amendment would impact, or potentially impact, the classification of the Capital Notes as Additional Tier 1 Capital on a Level 1 or Level 2 basis.

### **13.2 Variation without consent**

Subject to Condition 13.1, the Conditions and the Supplement may be amended by Westpac (after consultation with the Programme Manager) and the Agency and Registry Agreement may be amended by the parties thereto without the consent of any Holder:

- (a) for the purposes of giving effect to any successor rate or alternative rate for the Reference Rate or the BBSW Rate as provided in Conditions 3.4(b)(ii) and 3.4(b)(iii) (respectively);

- (b) for the purposes of curing any ambiguity, or correcting or supplementing any defective or inconsistent provisions therein or in any other manner which Westpac deems, or in the case of the Agency and Registry Agreement, as the parties thereto deem, necessary or desirable and which in the opinion of Westpac does not materially adversely affect the rights of existing Holders; or
- (c) for any other purpose, where the amendments apply prospectively and do not apply to existing Holders.

### 13.3 Approval by Holders

Subject to Condition 13.1 and Condition 13.4, the Conditions, Supplement, the Agency and Registry Agreement may otherwise be varied by Westpac with the approval of Holders by Special Resolution. No other variation to the Conditions has effect in relation to the Holders who hold Capitals Notes of a Series at the date of any amending deed, unless they otherwise agree in writing. A variation will take effect in relation to all subsequent Holders of that Series of Capital Notes. A variation which affects only a particular Series or Tranche of Capital Notes may be approved solely by the Holders of such Series or Tranche.

### 13.4 Amendment for Approved Successor

- (a) Subject to Condition 13.4(c), if:
    - (i) it is proposed that Westpac be replaced as the ultimate holding company of the Westpac Group by an Approved Successor ("**Replacement**"); and
    - (ii) the Approved Successor agrees to expressly assume Westpac's obligations under these Conditions by entering into a deed poll for the benefit of Holders under which it agrees (among other things):
      - (A) to deliver Approved Successor Shares under all circumstances when Westpac would have otherwise been obliged to deliver Ordinary Shares on a Conversion, subject to the same terms and conditions of these Conditions as amended by this Condition 13.4;
      - (B) to comply with the restriction in Condition 3.11 (with all appropriate modifications) of these Conditions; and
      - (C) to use all reasonable endeavours and furnish all such documents, information and undertakings as may be reasonably necessary in order to procure quotation of the Approved Successor Shares issued under these Conditions on the stock exchanges on which the other Approved Successor Shares are quoted at the time of a Conversion,
- Westpac may, with APRA's prior written approval, but without the authority, assent or approval of Holders, give a notice (an "**Approved Replacement Notice**") to Holders (which, if given, must be given as soon as practicable before the Replacement and in any event no later than 10 ASX Business Days before the Replacement occurs) specifying the amendments to these Conditions which will be made in accordance with this Condition 13.4 to effect the substitution of the Approved Successor as the debtor in respect of Capital Notes and the issuer of ordinary shares on Conversion. An Approved Replacement Notice, once given, is irrevocable.

- (b) If Westpac gives an Approved Replacement Notice to Holders in accordance with Condition 13.4(a), then with effect on and from the date specified in the Approved Replacement Notice:
- (i) the Approved Successor will assume all of the obligations of, and succeed to, and be substituted for, and may exercise every right and power of, Westpac under these Conditions (as may be amended from time to time) with the same effect as if the Approved Successor had been named as Westpac in these Conditions;
  - (ii) Westpac (or any corporation which has previously assumed the obligations of Westpac) will be released from its liability under these Conditions;
  - (iii) references to Westpac in these Conditions will be taken to be references to the Approved Successor and references to Ordinary Shares in these Conditions will be taken to be references to Approved Successor Shares; and
  - (iv) such other amendments may be made to these Conditions as in Westpac's reasonable opinion are necessary and appropriate to effect the substitution of an Approved Successor as debtor in respect of Capital Notes and the issuer of the Approved Successor Shares on Conversion in the manner contemplated by these Conditions (including such amendment as is necessary or expedient for the purposes of complying with the provisions of Chapter 2L of the Corporations Act where the Approved Successor is not an ADI).
- (c) Where an amendment under Condition 13.4(b) results in Approved Successor Shares being issued to Holders, each Holder agrees to become a member of the Approved Successor immediately prior to the issue of the Approved Successor Shares and appoints Westpac as its attorney as contemplated under Condition 14.9 to do all things necessary or desirable to give effect to this Condition 13.4.
- (d) Westpac must not issue an Approved Replacement Notice unless:
- (i) the Approved Successor or another entity which is not a member of the Westpac Group and approved by APRA subscribes for Ordinary Shares or other capital instruments acceptable to APRA in such amount as may be necessary, or take other steps acceptable to APRA to ensure that the capital position of Westpac on a Level 1 and Level 2 basis as described in the Prudential Standards will not be adversely affected, including, if required by APRA or the Prudential Standards, undertaking any capital injection in relation to Westpac to replace the Capital Notes; and
  - (ii) any capital injection carried out pursuant to Condition 13.4(d)(i) is:
    - (A) unconditional;
    - (B) occurs simultaneously with the substitution of the Approved Successor; and
    - (C) of equal or better quality capital and at least the same amount as the Capital Notes, unless otherwise approved by APRA in writing.

- (e) Nothing in this Condition 13.4 prevents Westpac from proposing, or limits, any scheme of arrangement or other similar proposal that may be put to Holders or other members of Westpac.

### **13.5 No other amendments**

Except as described in Conditions 13.2, 13.3 and 13.4, no amendment to the Conditions, Supplement or the Agency and Registry Agreement may be made without the prior written consent and approval of Westpac and any amendment is subject to Condition 13.1.

### **13.6 Meanings**

In this Condition "**amend**" includes modify, cancel, alter or add to, and "**amendment**" has a corresponding meaning.

## **14 General**

### **14.1 Not deposit liabilities or protected accounts**

- (a) Capital Notes are not deposit liabilities of Westpac nor protected accounts for the purposes of the Banking Act or Financial Claims Scheme and are not subject to the depositor protection provisions of the Banking Act.
- (b) No member of the Westpac Group (other than Westpac) has any liability for Capital Notes and neither Westpac nor any member of the Westpac Group guarantees Capital Notes.

### **14.2 Further issues**

Westpac reserves the right to issue:

- (a) further Capital Notes or other securities which rank senior to, equally with or behind existing Capital Notes, whether in respect to distributions, dividends, return of capital on a Winding Up or otherwise.
- (b) further Capital Notes having the same terms and conditions as the Capital Notes of any Series in all respects (or in all respects except for their Issue Date, Issue Price and first Distribution payment, if any, on them and/or their Denomination) so as to be consolidated with and to form a single Series with the Capital Notes of that Series (provided that the requirements of APRA for the Capital Notes to be eligible to be treated as Additional Tier 1 Capital are met).

### **14.3 No set-off**

Neither Westpac nor any Holder is entitled to set-off any amounts due in respect of the Capital Notes against any amount of any nature owed by Westpac to the Holder or by the Holder to Westpac (as applicable).

### **14.4 Meetings**

The Deed Poll contains provisions for convening meetings of the Holders. Any such meeting may consider any matters affecting the interests of Holders, including, without limitation, the amendment of these Conditions and the granting of approvals, consents and waivers.

### **14.5 Notices**

The Deed Poll contains provisions for the giving of notices.

#### **14.6 No other rights**

Before Conversion, Capital Notes confer no rights on a Holder:

- (a) to vote at, or receive notices of, any meeting of shareholders or members of Westpac;
- (b) to subscribe for new securities or to participate in any bonus issues of securities of Westpac; or
- (c) to otherwise participate in the profits or property of Westpac, except as expressly set out in these Conditions or in an applicable Supplement.

#### **14.7 Ability to trade, buy-back or purchase**

Westpac or any member of the Westpac Group may, to the extent permitted by applicable laws and regulations and with APRA's prior written approval, at any time buy or sell Capital Notes in the open market, by tender to all or some of the Holders, by private agreement or in any other manner, at any price.

#### **14.8 Waiver of immunity**

Westpac irrevocably and unconditionally waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, if that venue falls within Condition 15.

#### **14.9 Power of attorney**

- (a) Each Holder irrevocably appoints each of Westpac, its officers and any liquidator or administrator of Westpac (each an "**Attorney**") severally to be the attorney of the Holder with power in the name and on behalf of the Holder to sign all documents and transfers and do any other thing as may in the Attorney's opinion be necessary or desirable to be done in order for the Holder to observe or perform the Holder's obligations under these Conditions.
- (b) The power of attorney given in this Condition 14.9 is given for valuable consideration and to secure the performance by the Holder of the Holder's obligations under these Conditions and is irrevocable.

#### **14.10 Registrar**

- (a) In acting under the Agency and Registry Agreement in connection with the Capital Notes, the Registrar acts solely as agent of Westpac and does not assume any obligations towards or relationship of agency or trust for or with any of the Holders save insofar as that any funds received by the Registrar in accordance with the Agency and Registry Agreement shall, pending their application in accordance with the Agency and Registry Agreement, be held by it in a segregated account which shall be held for the benefit of the persons entitled thereto.
- (b) Westpac reserves the right at any time to terminate the appointment of the Registrar in accordance with the relevant Agency and Registry Agreement and to appoint a successor or additional registrars, provided, however, that Westpac must at all times maintain the appointment of a registrar with its specified office in Australia. Notice of any such termination of appointment will be given to the Holders in accordance with Condition 14.5.

- (c) If a then current Registrar ceases to be Registrar, Westpac must ensure that a replacement Registrar is appointed with effect from the relevant date.

#### **14.11 Calculation Agent**

The Calculation Agent and its initial specified offices are as set out in the Supplement for the Capital Notes issued by Westpac. Westpac reserves the right at any time to terminate the appointment of the Calculation Agent or to appoint additional or other Calculation Agents either generally or with respect to a Series of Capital Notes, provided that it will ensure that at all times for so long as any Capital Notes are outstanding the Calculation Agent acts in respect of Capital Notes for which the Conditions require a Calculation Agent to make calculations.

#### **14.12 Time limit for claims**

A claim against Westpac for a payment under a Capital Note is void unless made within 5 years from the date on which payment first became due.

### **15 Governing Law**

These Conditions are governed by the laws of New South Wales, Australia. Each party irrevocably submits to the non-exclusive jurisdiction of the courts of New South Wales, and agrees that it will not object to the venue or claim that the relevant action or proceedings have been brought in an inconvenient forum.

### **16 Interpretation and definitions**

#### **16.1 Interpretation**

The following rules of interpretation apply in these Conditions unless the contrary intention appears or the context otherwise requires.

- (a) Definitions and interpretation under Westpac's constitution will also apply to these Conditions unless the contrary intention is expressed.
- (b) Unless the context otherwise requires, if there is any inconsistency between the provisions of these Conditions and Westpac's constitution then, to the maximum extent permitted by law, the provisions of these Conditions will prevail.
- (c) In the event of any inconsistency between these Conditions and an applicable Supplement, the applicable Supplement prevails.
- (d) Unless otherwise specified, the Westpac Directors may exercise all powers of Westpac under these Conditions as are not, by the Corporations Act or by Westpac's constitution, required to be exercised by Westpac in general meeting.
- (e) Notices may be given by Westpac to a Holder in the manner prescribed by Westpac's constitution for the giving of notices to members of Westpac and the relevant provisions of Westpac's constitution apply with all necessary modification to notices to Holders.
- (f) Unless otherwise specified, a reference to a Condition is a reference to a Condition of these Conditions as amended, supplemented, modified or replaced by the Supplement and to a document (including the Information Memorandum) includes any variation or replacement of it.
- (g) A reference to principal in respect of a Capital Note includes as applicable:

- (i) the Outstanding Principal Amount of the Capital Note; and
  - (ii) any premium and any amounts in the nature of principal which may be payable by Westpac under or in respect of the Capital Note.
- (h) Terms which are defined in the Supplement as having a defined meaning have the same meaning when used in these Conditions but if the Supplement gives no meaning or specifies that the definition is “Not Applicable”, then that definition is not applicable to the Capital Notes.
- (i) A “**law**” includes common law, principles of equity and any law made by any parliament (and a law made by a parliament includes any regulation or other instrument under it, and any consolidation, amendment, re-enactment or replacement of it).
- (j) A “**directive**” includes a treaty, official directive, request, regulation, guideline or policy (whether or not in any such case having the force of law) with which responsible participants in the relevant market generally comply.
- (k) The word “**person**” includes a firm, body corporate, an unincorporated association or an authority.
- (l) If a calculation is required under these Conditions, unless the contrary intention is expressed, the calculation will be rounded to four decimal places.
- (m) If a payment is required to be made under these Conditions, unless the contrary intention is expressed, the payment will be made in Australian Dollars only.
- (n) Any provisions which refer to the requirements of APRA or any other prudential regulatory requirements will apply to Westpac only if Westpac is an entity, or the holding company of an entity, subject to regulation and supervision by APRA at the relevant time.
- (o) Any provisions in these Conditions requiring the prior written approval by APRA for a particular course of action to be taken by Westpac do not imply that APRA has given its consent or approval to the particular action as of the Issue Date.
- (p) The terms takeover bid, relevant interest, scheme of arrangement, buy-back and on-market buy-back when used in these Conditions have the meaning given in the Corporations Act.
- (q) Headings and boldings are for convenience only and do not affect the interpretation of these Conditions.
- (r) The singular includes the plural and vice versa.
- (s) The operation of Conditions 5 and 9 is not affected by any other provision of the Conditions, including the Business Day Convention.
- (t) Unless otherwise specified, a reference to time in these Conditions is a reference to Sydney, New South Wales, Australia time.
- (u) Calculations, elections and determinations made by Westpac under these Conditions are binding on Holders in the absence of manifest error.
- (v) If any provision of these Conditions is prohibited or unenforceable in its terms but would not be prohibited or unenforceable if it were read down, and is capable of being

read down, that provision must be read down accordingly. If, despite this Condition, a provision is still prohibited or unenforceable, if the provision would not be prohibited or unenforceable if a word or words were omitted, the relevant words must be severed and, in any other case, the whole provision must be severed. However, the remaining provisions of these Conditions are of full force and effect.

## 16.2 Definitions

In these Conditions, except where the contrary intention appears:

**Acquisition Event** means:

- (a) a takeover bid is made for Ordinary Shares and the offer is, or becomes, unconditional and the bidder has a relevant interest in more than 50% of the Ordinary Shares on issue; or
- (b) a court orders one or more meetings to be convened to approve a scheme of arrangement under Part 5.1 of the Corporations Act which scheme would result in a person having a relevant interest in more than 50% of the Ordinary Shares that will be on issue after the scheme is implemented and either:
  - (i) the relevant classes of members pass a resolution approving the scheme; or
  - (ii) an independent expert issues a report that the proposals in connection with the scheme are in the best interests of the holders of Ordinary Shares; or
  - (iii) Holders are treated as being a separate class for the purposes of a scheme of arrangement in respect of the replacement of Westpac as the ultimate holding company of the Westpac Group.

Notwithstanding the foregoing, the proposed replacement of Westpac as the ultimate holding company of the Westpac Group shall not constitute an Acquisition Event if:

- (c) the proposed successor holding company complies with all applicable legal requirements and obtains any necessary regulatory approvals (including APRA's prior written approval);
- (d) the proposed successor holding company agrees to take any necessary action to give effect to an amendment to these Conditions as contemplated in Condition 13.4;
- (e) the ordinary shares of the proposed successor holding company are to be listed on any internationally recognised stock exchange;
- (f) the proposed successor holding company has a place of business in New South Wales or has appointed a process agent in New South Wales to receive service of process on its behalf in relation to any legal proceedings arising out of or in connection with Capital Notes;
- (g) the proposed successor holding company has, in the reasonable opinion of Westpac, the financial capacity to satisfy Westpac's obligations under these Conditions and the Deed Poll; and
- (h) the proposed replacement of Westpac and the events described in paragraphs (c) to (e) would not, in the reasonable opinion of Westpac, otherwise adversely affect the interests of Holders.

**Acquisition Event Conversion Date** has the meaning set out in Condition 5.9(a)(iii).



**Additional Tier 1 Capital** has the meaning prescribed by APRA in the Prudential Standards.

**ADI** means an Authorised Deposit-taking Institution under the Banking Act.

**Administrative Action** means any judicial decision, official administrative pronouncement or action, published or private ruling, interpretative decision, regulatory procedure or policy, application of a regulatory procedure or policy and any notice or announcement (including any notice or announcement of intent to adopt or make any of those things).

**Agency and Registry Agreement** means:

- (a) the agreement entitled “Agency and Registry Agreement” dated 21 December 2021 between Westpac and BTA Institutional Services Australia Limited (ABN 48 002 916 396); and
- (b) any other agency and registry agreement Westpac may enter into in relation to an issue of Capital Notes under the Programme.

**Agent** means the Registrar and any other person appointed by Westpac to perform other agency functions with respect to any Capital Notes, or any of them as the context requires.

**Applicable Business Day Convention** means the Business Day Convention specified in the Supplement as applicable to any date in respect of the Capital Note or, if none is specified, the Applicable Business Day Convention for such purpose is the Following Business Day Convention. Different Business Day Conventions may apply, or be specified in relation to, the Distribution Payment Dates and any other date or dates in respect of any Capital Notes.

**Approved Replacement Notice** has the meaning given in Condition 13.4(a).

**Approved Successor** means a holding company that replaces, or is proposed to replace, Westpac as the ultimate holding company of the Westpac Group and that satisfies the requirements under paragraphs (c) to (h) of the definition of 'Acquisition Event' in these Conditions.

**Approved Successor Share** means a fully paid ordinary share in the capital of the Approved Successor.

**APRA** means the Australian Prudential Regulation Authority (ABN 79 635 582 658) or any authority succeeding to its powers or responsibilities.

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

**ASX Business Day** means a business day as defined in the ASX Listing Rules.

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

**ASX Operating Rules** means the market operating rules of ASX as amended, varied or waived by ASX from time to time.

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

**Austraclear Regulations** means the regulations known as the “Austraclear Regulations”, together with any instructions or directions (as amended or replaced from time to time), established by Austraclear to govern the use of the Austraclear System and binding on the participants of that system.

**Austraclear System** means the clearing and settlement system operated by Austraclear for

holding securities and electronic recording and settling of transactions in those securities between participants of that system.

**Australian Dollars** and **A\$** mean the lawful currency of Australia.

**Banking Act** means the *Banking Act 1959* (Cth).

**Base Rate** means the rate specified in, or determined in accordance with the provisions of, the Supplement.

**Business Day** means:

- (a) if a Capital Note is to be issued or a payment in respect of a Capital Note made, a day (other than a Saturday or Sunday or public holiday):
  - (i) on which commercial banks and foreign exchange markets settle payments and are open for general banking business (including dealing in foreign exchange and foreign currency deposits) in Sydney;
  - (ii) on which commercial banks settle payments in Sydney; and
  - (iii) on which the Austraclear System is operating; and
- (b) otherwise, a day (other than a Saturday or Sunday or public holiday) on which commercial banks and foreign exchange markets settle payments and are open for general banking business (including dealing in foreign exchange and foreign currency deposits) in Sydney.

**Business Day Convention** means a convention for adjusting any date if it would otherwise fall on a day that is not a Business Day and the following Business Day Conventions, where specified in the Supplement in relation to any date applicable to any Capital Note, have the following meanings:

- (a) **Floating Rate Convention** means that the date is postponed to the next following day which is a Business Day unless that day falls in the next calendar month, in which event:
  - (i) such date is brought forward to the first preceding day that is a Business Day; and
  - (ii) each subsequent Distribution Payment Date is the last Business Day in the calendar month which is the specified number of months (or other period specified as the Distribution Period in the Supplement) after the calendar month in which the preceding applicable Distribution Payment Date occurred;
- (b) **Following Business Day Convention** means that the date is postponed to the first following day that is a Business Day;
- (c) **Modified Following Business Day Convention** or **Modified Business Day Convention** means that the date is postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date is the first preceding day that is a Business Day; and
- (d) **Preceding Business Day Convention** means that the date is brought forward to the first preceding day that is a Business Day.

**Buy Back** means a transaction involving the acquisition by Westpac of its Ordinary Shares pursuant to the provisions of Part 2J of the Corporations Act.

**Calculation Agent** means, in respect of a Tranche, the person (if any) specified as such in the Supplement. The Calculation Agent must be the same for all Capital Notes in a Series.

**Capital Notes** means the Capital Notes issued by Westpac under these Conditions.

**Capital Notes Register** means in relation to Capital Notes, a register, including any branch register, of Holders established and maintained by or on behalf of Westpac by the Registrar in which is entered the names and addresses of Holders, the amount of Capital Notes held by each Holder and the Tranche, Series and Issue Date and transfer of those Capital Notes, and any other particulars which Westpac sees fit.

**Capital Reduction** means a reduction in capital by Westpac of its Ordinary Shares in any way permitted by the provisions of Part 2J of the Corporations Act.

**Capital Securities** means shares or any equity, hybrid or subordinated debt capital security (whether comprised of one or more instruments) issued by Westpac excluding the Capital Notes. **Capital Security** has the corresponding meaning.

**Capital Trigger Event** has the meaning given in Condition 5.1.

**Capital Trigger Event Date** has the meaning set out in Condition 5.2(d)(iii)(A).

**Change of Law** means:

- (a) an amendment to, change in or announced prospective change that has been or will be introduced in any laws or regulations under those laws affecting taxation in Australia;
- (b) a judicial decision interpreting, applying or clarifying laws or regulations affecting taxation in Australia;
- (c) an administrative pronouncement, ruling, confirmation, advice or action (including a failure or refusal to provide a ruling) affecting taxation in Australia that represents an official position, including a clarification of an official position of the governmental authority or regulatory body making the administrative pronouncement or taking any action; or
- (d) a challenge in relation to (or in connection with) the tax treatment of Capital Notes asserted or threatened in writing from a governmental authority or regulatory body in Australia,

which amendment or change is announced or which action or clarification or challenge occurs on or after the Issue Date and which Westpac did not expect as at the Issue Date.

**CHESS** means the Clearing House Electronic Subregister System operated by ASX Settlement Pty Limited (ABN 49 008 504 532).

**Chi-X** means Chi-X Australia Pty Ltd (ABN 47 129 584 667), or the financial market operated by Chi-X Australia Pty Ltd, as the context requires.

**Common Equity Tier 1 Capital** has the meaning prescribed by APRA in the Prudential Standards.

**Conditions** means, in relation to a Capital Note, these terms and conditions as supplemented, amended, modified or replaced by the Supplement applicable to such Capital Note and references to a particular numbered Condition shall be construed accordingly.

**Conversion** means the conversion of all, some or in the case of a Capital Trigger Event or

Non-Viability Trigger Event only, a proportion of the Outstanding Principal Amount of each of the, Capital Notes into Ordinary Shares under these Conditions and **Convert** and **Converted** have corresponding meanings.

**Conversion Date** means the applicable:

- (a) Scheduled Conversion Date;
- (b) Capital Trigger Event Date;
- (c) Non-Viability Trigger Event Date;
- (d) Acquisition Event Conversion Date; or
- (e) Optional Conversion Date.

**Conversion Number** has the meaning given in Condition 9.1.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Day Count Fraction** means, in respect of the calculation of the amount of a Distribution on a Capital Note for a Distribution Period, Distribution Calculation Period or for any other period of time ("**Calculation Period**"), the day count fraction specified in the Supplement and:

- (a) if **Actual/365 or Actual/Actual** is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of:
  - (i) the actual number of days in the portion of the Calculation Period falling in a leap year divided by 366; and
  - (ii) the actual number of days in the portion of the Calculation Period falling in a non-leap year divided by 365);
- (b) if **Actual/365 (Fixed)** is so specified, means the actual number of days in the Calculation Period divided by 365;
- (c) if **Actual/360** is so specified, means the actual number of days in the Calculation Period divided by 360;
- (d) if **30E/360 or Eurobond Basis** is so specified, means the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [(30 \times (M_2 - M_1)) + (D_2 - D_1)]}{360}$$

where:

- "Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Calculation Period falls;
- "Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- "M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;
- "M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- "D<sub>1</sub>" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

**"D<sub>2</sub>"** is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D<sub>2</sub> will be 30; and

- (e) if **RBA Bond Basis** or **Australian Bond Basis** is so specified, means one divided by the number of Distribution Payment Dates in a year (or where the Calculation Period does not constitute a Distribution Period, the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of:
- (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366; and
  - (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365)).

**Deed Poll** means, in relation to a Capital Note, such deed poll or indenture executed by Westpac at any time in favour of the Holder of that Capital Note as specified in the applicable Supplement.

**Denomination** means the notional face value of a Capital Note as specified in the Supplement.

**Distribution** has the meaning given in Condition 3.1.

**Distribution Commencement Date** means the Issue Date or such other date as may be specified as such in the Supplement.

**Distribution Determination Date** has the meaning specified as such in the Supplement.

**Distribution Payment Date** has the meaning given in Condition 3.9.

**Distribution Period** means each successive period beginning on and including a Distribution Payment Date and ending on but excluding the next succeeding Distribution Payment Date provided that the first Distribution Period commences on and includes the Distribution Commencement Date.

**Distribution Rate** means the rate or rates (expressed as a percentage per annum) of Distribution payable in respect of the Capital Notes specified in, or calculated or determined in accordance with the provisions of:

- (a) Condition 3.3 in the case of Fixed Rate Capital Notes;
- (b) Condition 3.4 in the case of Floating Rate Capital Notes; and
- (c) Condition 3.5 in the case of Fixed-to-Floating Rate Capital Notes,

and, where so indicated in the Supplement, may be any interpolated rate or rates calculated in accordance with the Supplement.

**Dividends** means any interim, final or special dividends payable in accordance with the Corporations Act and Westpac's constitution in relation to Ordinary Shares.

**Equal Ranking Capital Security** means:

- (a) in the case of a dividend, distribution or interest in respect of the Capital Security, a Capital Security (including Westpac Capital Notes 2, Westpac Capital Notes 5, Westpac Capital Notes 6, Westpac Capital Notes 7, Westpac Capital Notes 8 and

Westpac USD AT1 Securities) which ranks or is expressed to rank for payment of a dividend, distribution or interest equally with Capital Notes; and

- (b) in the case of redemption or repayment of, reduction of capital on, cancellation of or acquisition of the Capital Security, a Capital Security (including Westpac Capital Notes 2, Westpac Capital Notes 5, Westpac Capital Notes 6, Westpac Capital Notes 7, Westpac Capital Notes 8 and Westpac USD AT1 Securities) which ranks or is expressed to rank equally with Capital Notes for repayment or a return of capital if Westpac is wound up.

**FATCA** means sections 1471 through 1474 of the United States Internal Revenue Code of 1986, as amended (or any consolidation, amendment, re-enactment or replacement of those provisions and including any regulations or official interpretations issued, agreements entered into or non-US laws enacted with respect to those provisions).

**FATCA Withholding** means any deduction or withholding made for or on account of FATCA.

**Financial Claims Scheme** means the financial claims scheme established under the Banking Act.

**First Scheduled Conversion Condition** has the meaning set out in Condition 4.2(a)(i).

**First Scheduled Conversion Date** means, for a Series of Capital Notes, the date so specified in the Supplement for this purpose.

**Fixed Distribution Calculation Period** means, in respect of a Distribution Period, each successive period beginning on and including a Fixed Distribution Period End Date and ending on but excluding the next succeeding Fixed Distribution Period End Date during that Distribution Period provided that the first Fixed Distribution Calculation Period commences on and includes the Distribution Commencement Date.

**Fixed Distribution Period End Date** means:

- (a) the date or dates specified as such in, or determined in accordance with the provisions of, the Supplement and, if a Business Day Convention is specified in the Supplement, adjusted, if necessary in accordance with that Applicable Business Day Convention; or
- (b) if no such Business Day Convention is specified in the Supplement, the date or dates which correspond with the Distribution Payment Date(s) in respect of the Capital Notes.

**Fixed Rate Capital Note** has the meaning given in Condition 3.3.

**Fixed Rate Period** means the period commencing on the Issue Date and concluding on the date immediately prior to the Floating Rate Commencement Date.

**Fixed-to-Floating Rate Capital Note** has the meaning given in Condition 3.5.

**Floating Distribution Calculation Period** means each Distribution Period.

**Floating Rate Capital Note** has the meaning given in Condition 3.4.

**Floating Rate Commencement Date** has the meaning given in the Supplement.

**Floating Rate Period** means the period commencing on the Floating Rate Commencement Date and concluding on the date on which no Capital Notes of a Series remain Outstanding.

**Franking Rate** (expressed as a decimal) means the percentage of Distribution that would carry franking credits (within the meaning of Part 3-6 of the Tax Act or any provisions that

revise or replace that Part), applicable to the relevant Distribution entitlement on that Distribution Payment Date.

**Holder** means, in respect of a Capital Note, the person whose name is for the time being entered in the Capital Notes Register as the owner of it or, where it is held jointly by two or more persons, the persons whose names appear in the Capital Notes Register as the joint owners of the Capital Note and (for the avoidance of doubt) when a Capital Note is entered into the Austraclear System, includes the operator of the Austraclear System or a nominee for a common depository for the Austraclear System (such operator or nominee for a common depository acting in such capacity as is specified in the rules and regulations of the Austraclear System).

**Ineligible Holder** means either:

- (a) a Holder who is prohibited or restricted by any applicable law or regulation in force in Australia (including but not limited to Chapter 6 of the Corporations Act, the *Foreign Acquisitions and Takeovers Act 1975* (Cth), the *Financial Sector (Shareholdings) Act 1998* (Cth) and Part IV of the *Competition and Consumer Act 2010* (Cth)) from being offered, holding or acquiring Ordinary Shares (provided that if the relevant prohibition or restriction only applies to the Holder in respect of some of its Capital Notes, it shall only be treated as an Ineligible Holder in respect of those Capital Notes and not in respect of the balance of its Capital Notes); or
- (b) a Holder whose address in the Capital Notes Register is a place outside Australia or who Westpac otherwise believes may not be a resident of Australia and Westpac is not satisfied that the laws of the Holder's country of residence permit the offer, holding or acquisition of Ordinary Shares to the Holder (but Westpac will not be bound to enquire into those laws), either unconditionally or after compliance with conditions which Westpac, in its absolute discretion, regards as acceptable and not unduly onerous.

**Information Memorandum** means, in respect of a Capital Note, the information memorandum, disclosure document (as defined in the Corporations Act) or other offering document referred to in the applicable Supplement and such other documents as are from time to time incorporated therein by reference.

**ISDA Definitions** means the 2021 ISDA Definitions as supplemented, amended and updated as at the Issue Date of the first Tranche of Capital Notes of the relevant Series (as specified in the Supplement) and as published by the International Swaps and Derivatives Association, Inc.

**Issue Date** means the date on which any Capital Note is, or is to be, issued as specified in or determined in accordance with the provisions of the Supplement.

**Issue Date VWAP** means, in respect of Capital Notes of a Series, the VWAP during the period of 20 ASX Business Days on which trading in Ordinary Shares took place immediately preceding but not including the first date on which any Capital Notes of that Series were issued, as adjusted in accordance with Conditions 9.4 to 9.7.

**Issue Price** means, in respect of a Capital Note, the issue price specified in the Supplement.

**Level 1** and **Level 2** has the meaning prescribed by APRA in the Prudential Standards.

**Liquidator** means the liquidator or other official responsible for the conduct and administration

of a Winding Up.

**Liquidation Sum** means an amount of surplus assets equal to the applicable Denomination per Capital Note (as adjusted for any Conversion under Conditions 5.2 or 5.4 or any Write-off under Condition 5.8).

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

**Maximum Conversion Number** has the meaning given in Condition 9.1.

**Next Distribution Payment Date** means the scheduled Distribution Payment Date (as determined in accordance with the provisions of the Supplement) immediately following the date on which the Optional Conversion Notice, Redemption Notice or Transfer Notice (as applicable) was given by Westpac provided that if such Distribution Payment Date is less than 21 Business Days following the date on which such notice was given then it shall be the immediately following Distribution Payment Date.

**Nominated Party** means one or more third parties selected by Westpac in its absolute discretion (which cannot include a member of the Westpac Group or a related entity (as described in the Prudential Standards) of Westpac).

**Non-Viability Trigger Event** has the meaning given in Condition 5.3.

**Non-Viability Trigger Event Date** has the meaning set out in Condition 5.4(c)(iii)(A).

**Optional Conversion** means a Conversion in accordance with Condition 6.

**Optional Conversion Date** means, for a Series of Capital Notes the date so specified pursuant to the terms of Condition 6.3(b).

**Optional Conversion Notice** means a notice issued in accordance with Condition 6.

**Optional Conversion Restriction** has the meaning given in Condition 6.2.

**Ordinary Share** means a fully paid ordinary share in the capital of Westpac.

**Outstanding** means on any day, all Capital Notes issued, less such Capital Notes:

- (a) which have been redeemed, Converted, Written-off or satisfied in full by Westpac in accordance with the Conditions;
- (b) for the payment of which funds equal to their aggregate Outstanding Principal Amount are on deposit with the relevant Registrar on terms which prohibit the return of the deposit or the use of the deposit for any purpose other than the payment of such Capital Notes or in respect of which the relevant Registrar holds an irrevocable direction to apply funds in repayment of Capital Notes to be redeemed on that day;
- (c) in respect of which a Holder is unable to make a claim as a result of the operation of Condition 14.12; or
- (d) those which have been purchased and cancelled as provided in the Conditions, provided that for the purposes of:
  - (i) ascertaining the right to attend and vote at any meeting of the Holders; and
  - (ii) the determination of how many Capital Notes are outstanding for the purposes of the definition of the Outstanding Principal Amount,



such Capital Notes which are beneficially held by, or are held on behalf of, Westpac and not cancelled shall be deemed not to remain outstanding.

**Outstanding Principal Amount** means in respect of any Capital Note which is Outstanding at any time, the outstanding principal amount of the Capital Note, and for such purposes:

- (a) the principal amount of a Capital Note issued at a discount, at par or at a premium, but which has not been Converted or Written-off, is at any time to equal to its Denomination; and
- (b) if the principal amount of a Capital Note has from time to time been Converted or Written-off as described in, and in accordance with, these Conditions the principal amount of the Capital Note will be reduced by the principal amount so Converted or Written-off.

**Programme** means Westpac's programme for the issuance of Capital Notes established under the Transaction Documents.

**Programme Manager** means Westpac in its capacity as programme manager of the Programme, or such other person appointed by Westpac from time to time and who has consented to act as Programme Manager.

**Prudential Standards** means the Prudential Standards and guidelines published by APRA and applicable to Westpac or the Westpac Group from time to time.

**Reclassification** has the meaning given in Condition 9.3.

**Record Date** means, for a payment in respect of a Capital Note, the close of business in the place where the Capital Notes Register is maintained on the eighth calendar day before the relevant date for payment or such other time and date that may be specified in the Supplement or any other date prescribed by the rules of the Austraclear System and notified in writing to Holders.

**Redemption** means the redemption of all or some Capital Notes for their Outstanding Principal Amount under these Conditions and **Redeem**, **Redeemable** and **Redeemed** have corresponding meanings.

**Redemption Date** means, in respect of each Capital Note the date so specified pursuant to the terms of Condition 7.2(b).

**Redemption Notice** means a notice issued in accordance with Condition 7.

**Reference Banks** means the institutions specified as such in the Supplement or, if none, four major banks selected by the Issuer in the market that is most closely connected with the Reference Rate.

**Reference Rate** means, in relation to a Capital Note, the rate so specified in the Supplement.

**Registrar** means in relation to all or any Series of Capital Notes, BTA Institutional Services Australia Limited (ABN 48 002 916 396) or such other person appointed by Westpac pursuant to an Agency and Registry Agreement to establish and maintain a Capital Notes Register and to act as issuing and paying agent for such Capital Notes on Westpac's behalf from time to time.

**Regulatory Event** means either:

- (a) as a result of:

- (i) any amendment to, clarification of, or change (including any announcement of a prospective change that has been or will be introduced) in the laws or regulations of Australia; or
- (ii) any Administrative Action or any amendment to, clarification of, or change in an Administrative Action,

in each case by any legislative body, court, government authority or regulatory body (irrespective of the manner in which such amendment, clarification, change or Administrative Action is effective or Administrative Action is announced) after the Issue Date provided it was not expected by Westpac as at the Issue Date:

- (iii) more than de minimis additional requirements would be imposed on the Westpac Group in relation to the Capital Notes of a Series; or
- (iv) there would be a more than de minimis negative impact on the Westpac Group in relation to (or in connection with) Capital Notes of a Series,

in relation to which Westpac has received a supporting opinion of reputable legal counsel in Australia, experienced in such matters, or confirmation from APRA, and which Westpac determines, at its sole discretion, to be unacceptable; or

- (b) as a result of any amendment to, clarification of, or change (including any announcement of a prospective change that has been or will be introduced) in any laws or regulations (including the Prudential Standards) by any legislative body, court, government authority or regulatory body (irrespective of the manner in which such amendment, clarification or change is effective) after the Issue Date, Westpac determines, after having received a supporting opinion of reputable legal counsel in Australia, experienced in such matters, or confirmation from APRA, that all, some or a proportion of the Outstanding Principal Amount of all or some, Capital Notes of a Series are not or will not be treated as Additional Tier 1 Capital of the Westpac Group under the Prudential Standards, other than as a result of a change of treatment expected by Westpac as at the Issue Date or because Westpac has exceeded a limit or other restriction on the recognition of Additional Tier 1 Capital which was in effect on the Issue Date or which on the Issue Date is expected by Westpac to come into effect.

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

**Relevant Screen Page** has the meaning specified as such in the Supplement and will include any other page, section or other part as may replace the specified page on any applicable information service including as may be nominated by the relevant service provider for the purposes of displaying rates or prices comparable to the Relevant Screen Page.

**Relevant Security** means a security forming part of the Tier 1 Capital of Westpac on a Level 1 basis or Level 2 basis.

**Replacement** has the meaning given in Condition 13.4(a).

**Sale Agent** means each nominee (who cannot be a member of the Westpac Group or a related entity (as described in the Prudential Standards) of Westpac) appointed by Westpac under the facility established for the sale of Ordinary Shares issued by Westpac on

Conversion on behalf of:

- (a) if the Holder is the operator of the Austraclear System or a nominee for a common depository for the Austraclear System (such operator or nominee for a common depository acting in such capacity as is specified in the rules and regulations of the Austraclear System), the participants in the Austraclear System;
- (b) Holders who do not wish to receive Ordinary Shares on Conversion; or
- (c) Holders who are Ineligible Holders,

in accordance with Condition 9.10. For the avoidance of doubt, Westpac may appoint more than one Sale Agent in respect of the Conversion of one or more Series of Capital Notes.

**Scheduled Conversion Conditions** means the conditions in Condition 4.2.

**Scheduled Conversion Date** has the meaning given in Condition 4.1.

**Second Scheduled Conversion Condition** has the meaning set out in Condition 4.2(a)(ii).

**Senior Creditors** means all creditors of Westpac (present and future), including depositors of Westpac and all holders of Westpac's senior or subordinated debt:

- (a) whose claims are admitted in a Winding Up; and
- (b) whose claims are not made as holders of indebtedness arising under:
  - (i) an Equal Ranking Capital Security; or
  - (ii) an Ordinary Share.

**Series** means a Tranche or Tranches of Capital Notes which have identical terms, except that:

- (a) the Issue Date, Issue Price and the amount of the first Distribution payment may be different in respect of different Tranches of a Series; and
- (b) a Series may comprise Capital Notes in more than one Denomination.

**Solvent Reconstruction** means a scheme of amalgamation or reconstruction, not involving a bankruptcy or insolvency, where the obligations of Westpac in relation to the outstanding Capital Notes are assumed by the successor entity to which all, or substantially all of the property, assets and undertaking of Westpac are transferred or where an arrangement with similar effect not involving a bankruptcy or insolvency is implemented.

**Special Resolution** has the same meaning as in the Deed Poll.

**Subsidiary** has the meaning given in the Corporations Act.

**Supplement** means, in relation to a Tranche of Capital Notes, the applicable pricing or other supplement prepared and issued in relation to that Tranche of Capital Notes which has been confirmed in writing by Westpac.

**Tax Act** means:

- (a) the *Income Tax Assessment Act 1936* (Cth) or the *Income Tax Assessment Act 1997* (Cth) (both as amended from time to time, as the case may be, and a reference to any section of the *Income Tax Assessment Act 1936* (Cth) includes a reference to that section as rewritten in the *Income Tax Assessment 1997* (Cth)); and
- (b) any other law setting the rate of income tax payable; and
- (c) any regulation made under such laws.

**Tax Event** occurs when Westpac determines, after receiving a supporting opinion of reputable legal counsel or other tax adviser in Australia, experienced in such matters, that (as a result of a Change of Law) there is a more than insubstantial risk that:

- (a) Westpac would be exposed to a more than de minimis adverse tax consequence or increased cost in relation to Capital Notes; or
- (b) any Distribution would not be a frankable distribution within the meaning of Division 202 of the Tax Act.

**Tax Rate** (expressed as a decimal) means the Australian corporate tax rate applicable to the franking account of Westpac at the relevant Distribution Payment Date.

**Tier 1 Capital** has the meaning prescribed by APRA in the Prudential Standards.

**Tranche** means a tranche of Capital Notes specified as such in the Supplement issued on the same Issue Date and the terms of which are identical in all respects (except that a Tranche may comprise Capital Notes in more than one Denomination).

**Transaction Documents** means each Deed Poll, each Capital Note, each Supplement, each Agency and Registry Agreement and any other instrument specified as such in a Supplement.

**Transfer** means the transfer of Capital Notes by Holders to a Nominated Party in accordance with Condition 8 and **Transferred** has a corresponding meaning.

**Transfer Date** means, in respect of each Capital Note, the date so specified pursuant to the terms of Condition 8.2(b).

**Transfer Notice** means a notice issued in accordance with Condition 8.

**VWAP** means, subject to any adjustments under Conditions 9.2 and 9.3, the average of the daily volume weighted average sales prices (such average and each such daily average sales price being expressed in Australian Dollars and cents and rounded to the nearest full cent, with A\$0.005 being rounded upwards) of Ordinary Shares sold on ASX and Chi-X during the relevant period or on the relevant days but does not include any "crossing" transacted outside the "Open Session State" or any "special crossing" transacted at any time, each as defined in the ASX Operating Rules or any overseas trades or trades pursuant to the exercise of options over Ordinary Shares.

**VWAP Period** means:

- (a) in the case of a Conversion resulting from an Acquisition Event the lesser of:
  - (i) 20 ASX Business Days on which trading in Ordinary Shares took place immediately preceding (but not including) the Acquisition Event Conversion Date; and
  - (ii) the number of ASX Business Days after the occurrence of the Acquisition Event on which:
    - (A) the Ordinary Shares are quoted for trading on ASX; and
    - (B) trading in Ordinary Shares took place,in each case immediately preceding (but not including) the ASX Business Day before the Acquisition Event Conversion Date;

- (b) in the case of a Conversion resulting from a Capital Trigger Event, or a Non-Viability Trigger Event, the period of 5 ASX Business Days on which trading in Ordinary Shares took place immediately preceding (but not including) the Conversion Date;
- (c) in the case of any other Conversion, the period of 20 ASX Business Days on which trading in Ordinary Shares took place immediately preceding (but not including) the Conversion Date; or
- (d) otherwise, the period for which the VWAP is to be calculated in accordance with these Conditions.

**Westpac** means Westpac Banking Corporation (ABN 33 007 457 141).

**Westpac Capital Notes 2** means the notes issued by Westpac under the note deed poll dated 7 May 2014.

**Westpac Capital Notes 5** means the Westpac Capital Notes 5 issued by Westpac under the note deed poll dated 9 February 2018.

**Westpac Capital Notes 6** means the Westpac Capital Notes 6 issued by Westpac under the note deed poll dated 19 November 2018.

**Westpac Capital Notes 7** means the Westpac Capital Notes 7 issued by Westpac under the note deed poll dated 12 November 2020.

**Westpac Capital Notes 8** means the Westpac Capital Notes 8 issued by Westpac under the note deed poll dated 24 August 2021.

**Westpac Directors** means some or all of the directors of Westpac acting as a board.

**Westpac Group** means Westpac and its controlled entities taken as a whole.

**Westpac Level 1 Common Equity Tier 1 Capital Ratio** means, in respect of the Westpac Level 1 Group, the ratio of the Common Equity Tier 1 Capital of the Westpac Level 1 Group to the risk-weighted assets of the Westpac Level 1 Group, calculated in accordance with the Prudential Standards.

**Westpac Level 1 Group** means either:

- (a) Westpac; or
- (b) the “extended licensed entity” which is comprised of Westpac and each Subsidiary of Westpac as specified in any approval granted by APRA in accordance with the Prudential Standards.

**Westpac Level 2 Common Equity Tier 1 Capital Ratio** means, in respect of the Westpac Level 2 Group, the ratio of the Common Equity Tier 1 Capital of the Westpac Level 2 Group to the risk weighted assets of the Westpac Level 2 Group, calculated in accordance with the Prudential Standards.

**Westpac Level 2 Group** means Westpac and each Subsidiary that is recognised by APRA as part of Westpac's Level 2 group in accordance with the Prudential Standards.

**Westpac USD AT1 Securities** means the fixed rate resetting perpetual subordinated contingent convertible securities issued by Westpac, acting through its New Zealand branch, under the indenture dated 7 September 2017, as supplemented by the first supplemental indenture dated 21 September 2017.

**Winding Up** means:

- (a) a court order is made in Australia for the winding up of Westpac (and such order is not successfully appealed or set aside within 30 days); or
- (b) an effective resolution is passed by shareholders or members for the winding up of Westpac in Australia,  
other than in connection with a Solvent Reconstruction.

*A Winding Up must be commenced by a court order or an effective resolution of shareholders or members. Neither (i) the making of an application, the filing of a petition, or the taking of any other steps for the winding up of Westpac (or any other procedure whereby Westpac may be dissolved, liquidated, sequestered or cease to exist as a body corporate), nor (ii) the appointment of a receiver, administrator, administrative receiver, compulsory manager, Banking Act statutory manager or other similar officer (other than a Liquidator) in respect of Westpac, constitutes a Winding Up for the purposes of these Conditions.*

**Write-off** has the meaning given to it in Condition 5.8. **Written-off** shall have a corresponding meaning.

## Form of Supplement

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*The Supplement that will be issued in respect of each Tranche of Capital Notes will be substantially in the form set out below.*

Series No.: [●]

Tranche No.: [●]



**Westpac Banking Corporation**  
(ABN 33 007 457 141)

### Capital Notes Programme

Issue of  
[Aggregate Principal Amount of Tranche] [Title of Capital Notes]  
(the “Capital Notes”)

The date of this Supplement is [●].

This Supplement (as referred to in the Information Memorandum in relation to the above Programme dated [●] (“**Information Memorandum**”)) relates to the Tranche of Capital Notes referred to above. It is supplementary to, and should be read in conjunction with the Capital Notes Deed Poll dated [●] 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 Capital 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 Conditions set forth in the Information Memorandum.

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

1	<b>Issuer</b>	:	Westpac Banking Corporation (ABN 33 007 457 141)
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2	<b>[Joint] Lead Manager[s]</b>	:	[Name(s)]
3	<b>Relevant Dealer[s]</b>	:	[Name(s)]
4	<b>Registrar and Agent</b>	:	[BTA Institutional Services Australia Limited (ABN 48 002 916 396)]
5	<b>Calculation Agent</b>	:	[BTA Institutional Services Australia Limited (ABN 48 002 916 396)]
6	<b>If to form a single Series with an existing Series, specify date on which all Capital Notes of the Series become fungible, if not the Issue Date</b>	:	[Specify / Not Applicable]
7	<b>Primary loss absorption mechanism following a Capital Trigger Event or Non-Viability Trigger Event</b>	:	<p>[Conversion, subject to possible Write-off in accordance with Condition 5.8 / Write-Off without Conversion in accordance with Condition 5.8]</p> <p><i>[Insert where the primary method of loss absorption is Conversion, subject to possible Write-off in accordance with Condition 5.8]</i></p> <p>[For the purposes of:</p> <ul style="list-style-type: none"> <li>the formula in Condition 9.1(a) to be used for calculating the Conversion Number, P is <i>[insert number, which may be greater than or less than 1.00]</i> and</li> <li>Condition 9.10(b), the Austraclear System Cut-off Date is [*]].</li> </ul>
8	<b>Currency</b>	:	Australian Dollars or "A\$"
9	<b>Aggregate Principal Amount of Tranche</b>	:	[Specify]
10	<b>Aggregate Principal Amount of Series (Including the Tranche)</b>	:	A\$[*]
11	<b>If interchangeable with existing Series, Series No.</b>	:	[Specify / Not Applicable]
12	<b>Issue Date</b>	:	[Specify]
13	<b>Issue Price</b>	:	[Specify]
14	<b>Commissions Payable</b>	:	[Specify]
15	<b>Selling Concession</b>	:	[Specify]



- 16      **Purchase Price** :      [Specify]
- 17      **Denomination** :      [A\$100,000 / Specify other amount]
- [The minimum aggregate consideration for offers or transfers of the Capital 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 Parts 6D.2 or 7.9 of the Corporations Act 2001 of Australia and is not an offer or invitation to a retail client for the purposes of section 761G of the Corporations Act 2001 of Australia.]
- 18      **If Distribution-bearing, specify which of the relevant Conditions is applicable** :      [Condition 3.3 (Fixed Rate Capital Note)]/[Condition 3.4 (Floating Rate Capital Note)]/[Condition 3.5 (Fixed-to-Floating Rate Capital Note)]
- 19      **Type of Capital Note** :      [Fixed Rate Capital Notes]/[Floating Rate Capital Notes]/[Fixed-to-Floating Rate Capital Notes]
- 20      **Fixed Rate Capital Notes (Condition 3.3)** :      [Applicable / Not Applicable]
- (a) **Base Rate** :      [Specify]
- (b) **Margin** :      [Specify]
- (c) **Distribution Rate** :      [Specify] (being the sum of the Base Rate in Item (a) and the Margin in Item (b) and assuming a Tax Rate of 30% as at the Issue Date but that rate may change and, accordingly, the Distribution Rate could change)
- (d) **Distribution Commencement Date, if not Issue Date** :      [Specify]
- (e) **Distribution Payment Dates** :      [Specify]
- (f) **Distribution Period End Date** :      [Specify]
- (g) **Day Count Fraction** :      [Specify] *[if none specified, the Day Count Fraction will be Actual/365 (Fixed) (as defined in the Conditions)]*
- (h) **Applicable Business Day Convention** :      [Specify]
- for Distribution Payment Dates:

- any other date:

**21 Floating Rate Capital Notes (Condition 3.4)** : [Applicable / Not Applicable]

**(a) Basis for determining Base Rate** : [ISDA Determination / Screen Rate Determination / BBSW Rate Determination]

*[Complete the following if ISDA Determination is applicable, otherwise delete the following provisions]*

**(i) Floating Rate Option** : [Specify]

**(ii) Designated Maturity** : [Specify]

**(iii) Reset Date** : [Specify]

*[Complete the following if Screen Rate Determination is applicable, otherwise delete the following provisions]*

**(i) Relevant Screen Page** : [Specify]

**(ii) Relevant Time** : [Specify]

**(iii) Reference Rate** : [Specify]

**(iv) Reference Banks** : [Specify] *[If none are specified, the Reference Banks will be four major banks specified by the Calculation Agent in the market that is most closely connected with the Reference Rate]*

**(v) Relevant Financial Centre** : [Specify] *[If none is specified, the city most closely connected with the Reference Rate in the determination of the Calculation Agent]*

**(vi) Distribution Determination Date** : [Specify]

*[Complete the following if BBSW Rate Determination is applicable, otherwise delete the following provisions]*

**(i) BBSW Rate** : [As per Condition 3.4(b)(iii) / Specify]

**(b) Margin** : [Specify]

**(c) Distribution Commencement Date, if not Issue Date** : [Specify]

**(d) Distribution Payment Dates** : [Specify]

**(e) Day Count Fraction** : [Specify]

**(f) Applicable Business Day Convention** : [Floating Rate Convention / Following Business Day Convention / Modified

- for Distribution Payment Dates: Following Business Day Convention / Preceding Business Day Convention]
  - any other date:
- (g) Fallback Base Rate** : [As per Condition 3.4(c) / Specify]
- [In the case of Fixed-to-Floating Rate Capital Notes, specify. If not applicable, deleting the remaining sub-paragraph]*
- (h) Floating Rate Commencement Date** : [Specify]
- 22 Other rates** : [Applicable / Not Applicable]
- [Specify full distribution determination provisions, including Distribution Commencement Date, rate or calculation basis for distributions or actual amounts of distributions payable, amount and dates for payment, minimum/maximum rates]*
- 23 First Scheduled Conversion Date** : [Specify] *[Specify a date falling no earlier than two years after the last date specified in Items 24, 25 and 26 below]*
- 24 Optional Conversion Date(s) (Condition 6.1(a)(i))** : [Specify] *[Specify a date (or dates) falling no earlier than five years after the Issue Date]*
- 25 Redemption Date(s) (Condition 7.1(a)(i))** : [Specify] *[Specify a date (or dates) falling no earlier than five years after the Issue Date]*
- 26 Transfer Date(s) (Condition 8.1(a)(i))** : [Specify] *[Specify a date (or dates) falling no earlier than five years after the Issue Date]*
- 27 Modifications to payment provisions** : [Specify / Not Applicable] *[Specify any variation to Condition 11.3(a)]*
- 28 Deed Poll** : [Specify details of relevant Deed Poll]
- 29 Other relevant terms and conditions** : [Specify any Conditions to be altered, varied, deleted otherwise than as provided above and also any additional Conditions to be included / Not Applicable]
- 30 ISIN** : [Specify]
- 31 Common Code** : [Specify]
- 32 Common Depository** : [Specify]
- 33 Austraclear Number** : [Specify]
- 34 Settlement procedures** : [Specify whether customary medium term note / other settlement and payment procedures apply]
- 35 U.S. selling restrictions** : [No sales to US persons permitted / As set out in the Information Memorandum]

- |           |   |   |  |
|-----------|---|---|--|
| <b>36</b> | <b>Distribution of Information Memorandum</b> | : | [Specify and restrictions on the distribution of the Information Memorandum]                       |
| <b>37</b> | <b>Other selling restrictions</b>             | : | [Specify any variation to the dealers' restrictions]   |
| <b>38</b> | <b>Transaction Documents</b>                  | : | [Specify documents not referred to in them definition of "Transaction Documents" in the Deed Poll] |
| <b>39</b> | <b>Listing</b>                                | : | Not Applicable   |
| <b>40</b> | <b>Additional or alternate newspapers</b>     | : | [Specify any additional or alternate newspapers for the purposes of the Deed Poll]                 |
| <b>41</b> | <b>Other amendments</b>                       | : | [Specify if applicable]  |
| <b>42</b> | <b>Other disclosure</b>                       | : | [Specify if applicable]  |

**CONFIRMED**

For and on behalf of

**Westpac Banking Corporation**

By: .....

Name .....

Position .....

Date: .....

## Subscription and Sale

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*Pursuant to the Dealer Common Terms Deed dated 21 December 2021, as amended and supplemented from time to time (“**Dealer Terms**”), Capital Notes will be offered by Westpac through a Dealer. Westpac will have the sole right to accept any such offers to purchase Capital Notes and may reject any such offer in whole or (subject to the terms of such offer) in part. A Dealer will have the right, in its discretion reasonably exercised, to reject any offer to purchase Capital Notes made to it in whole or (subject to the terms of such offer) in part. Westpac is entitled under the Dealer Terms to appoint one or more Dealers as a dealer for a particular issue. At the time of any appointment, each such Dealer will be required to represent and agree to the selling restrictions applicable at that time.*

*Each Dealer will be required to acknowledge that, no action has been or will be taken in any country or jurisdiction by Westpac or the Dealer that would permit a public offering of Capital Notes, or possession or distribution of any offering material in a public offering of Capital Notes, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required.*

*By its purchase and acceptance of Capital Notes issued under the Dealer Terms, the Dealer will be required to represent and agree that it will observe all applicable laws and directives in any jurisdiction in which it may offer, sell, or deliver Capital Notes and that it will not directly or indirectly offer, sell, resell, re-offer or deliver Capital Notes or distribute the Information Memorandum, any relevant Supplement, prospectus, circular, advertisement or other offering material relating to the Capital Notes in any country or jurisdiction except in accordance with the Dealer Terms and in circumstances that will result in compliance with all applicable laws and directives.*

*In addition to the above, the following selling restrictions apply:*

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### **1 General**

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

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

In particular, there are restrictions on the distribution of this Information Memorandum and the offer or sale of Capital Notes in Australia, New Zealand and the United States as set out below.

For the purpose of these selling restrictions, references to:

- a “**directive**” includes a treaty, official directive, request, regulation, guideline or policy (whether or not having the force of law) with which responsible participants in the relevant market generally comply; and
- “**Capital Notes**” include interests or rights in those Capital Notes held in the Austraclear System.

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## 1 **Australia**

No prospectus, product disclosure statement or other disclosure document (as defined in the Corporations Act) in relation to the Programme or any Capital Notes has been, or will be, lodged with ASIC or any other regulatory authority in Australia. Each Dealer appointed under the Programme will be required to represent and agree that unless the relevant Supplement (or another supplement to this Information Memorandum) otherwise provides, it:

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

unless:

- (i) the aggregate consideration payable by each offeree or invitee is a minimum of A\$500,000 (or its equivalent in an alternative currency and, in either case, disregarding moneys lent by the offeror or its associates) or the offer or invitation does not otherwise require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act;
- (ii) the offer or invitation does not constitute an offer to a “**retail client**” as defined for the purposes of section 761G of the Corporations Act;
- (iii) such action complies with all applicable laws and directives (including, without limitation, the licensing requirements of Chapter 7 of the Corporations Act); and
- (iv) such action does not require any document to be lodged with ASIC or any other regulatory authority in Australia.

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## 2 **No registration in the United States of America**

### *Regulation S; Category 2*

Neither Capital Notes nor, if applicable, any Ordinary Shares issuable upon Conversion have been or will be registered under the U.S. Securities Act, the securities laws of any state of the United States or the securities laws of any other jurisdiction and may not be offered, sold, pledged, delivered, transferred or otherwise disposed of, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from, or in transactions not subject to, the registration requirements of the Securities Act. Terms used in the preceding sentence and the following two paragraphs, have the meaning given to them by Regulation S under the Securities Act.

Each Dealer appointed under the Programme will be required to represent and agree that it has not entered and will not enter into any contractual arrangement with respect to the distribution or delivery of the Capital Notes, except with its affiliates or with the prior consent of Westpac.

Each Dealer appointed under the Programme will be required to represent and agree that it will not offer, sell or deliver any Capital Notes or, if applicable, any Ordinary Shares issuable upon Conversion, (i) as part of its distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Issue Date of the Capital Notes comprising the relevant Tranche (“**Distribution Compliance Period**”), within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer appointed under the Programme will be required to agree, that it will send to each further dealer to which it sells any Capital Notes or, if applicable, any Ordinary Shares issuable upon Conversion during the Distribution Compliance Period a confirmation or other notice setting forth the restrictions on offers and sales of the Capital Notes or, if applicable, any Ordinary Shares issuable upon Conversion within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering, an offer or sale of any Capital Notes or, if applicable, any Ordinary Shares issuable upon Conversion within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in reliance upon an applicable exemption from the registration requirements under the Securities Act.

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### 3 New Zealand

Capital Notes may not be offered in contravention of the Financial Markets Conduct Act 2013 of New Zealand (or any statutory modification or re-enactment of, or statutory substitution for, that Act) (“**FMCA**”).

Westpac does not intend that Capital Notes be offered for issue or sale in circumstances requiring disclosure under the FMCA.

Each Dealer appointed under the Programme will be required to represent and agree that:

- (a) it has not offered, delivered or sold, and will not offer, deliver or sell, directly or indirectly, any Capital Notes; and
- (b) it has not distributed and will not distribute, directly or indirectly, the Information Memorandum, any Supplement or any information or other material that may constitute an advertisement (as defined in the FMCA, as applicable) in relation to any offer of the Capital Notes,

in each case in New Zealand except:

- (i) (a) to a person who is an “investment business” within the meaning of clause 37 of Schedule 1 of the FMCA;
- (ii) (b) to a person who is “large” within the meaning of clause 39 of Schedule 1 of the FMCA;
- (iii) (c) to a person who is a “government agency” within the meaning of clause 40 of Schedule 1 of the FMCA; or
- (iv) (d) to a person who meets the “investment activity criteria” specified in clause 38 of Schedule 1 to the FMCA.

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**4 Variation**

These selling restrictions may be modified by the agreement of Westpac and the Programme Manager after consultation with the Dealers including following a change in or clarification of a relevant law or directive, request or guideline having the force of law or compliance with which is in accordance with the practice of responsible financial institutions in the country concerned or any change in or introduction of any of them or in their interpretation or administration. Any such modification will be set out in the applicable Supplement issued in respect of the Capital Notes to which it relates or in a supplement to the Information Memorandum.



## Australian Taxation

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*The following is a summary of the Australian tax consequences for certain Australian resident Holders of Capital Notes (who do not hold the Notes at or through an offshore permanent establishment) ("**Resident Holders**") and non-Australian resident Holders of Capital Notes who do not hold their Capital Notes at or through an Australian permanent establishment ("**Non-Resident Holders**"), and is based on Australian tax law (including the Income Tax Assessment Acts of 1936 and 1997 of Australia (together, the "**Tax Act**") and the current administrative practice of the Australian Taxation Office ("**ATO**") as at the date of this Information Memorandum.*

*This summary is not exhaustive and does not deal with the position of certain classes of Holders of Capital Notes. In particular, it does not address the positions of Holders who:*

- acquire their Capital Notes in the course of a business of trading or investing in securities, such as share traders, investment companies, banks or insurance companies, or who otherwise hold Capital Notes on revenue account or as trading stock; and/or*
- are dealers in securities, or custodians or third parties that hold Capital Notes on behalf of any person.*

*The following summary is a general guide and should be treated with appropriate caution. It is not intended to be, nor should it be construed as legal or tax advice to any particular Holder. Prospective Holders of Capital Notes should be aware that the particular terms of issue of any Series of Capital Notes may affect the tax treatment of that and other Series of Capital Notes. Holders should consult their professional advisers.*

### Distributions

The Capital Notes should be characterised as "non-share equity interests" for Australian income tax purposes and Distributions should be treated as "non-share dividends" which are frankable.

### Resident Holders

Resident Holders will be required to include the amount of any Distributions in their assessable income.

Any franking credits attached to those Distributions should also be included in a Resident Holder's assessable income and tax offsets should generally be available, equal to the amounts of the franking credits, provided that (as discussed further below) the Resident Holder is a "qualified person" and the Commissioner of Taxation ("**Commissioner**") does not make an adverse determination under certain anti-avoidance rules.

Where Resident Holders who are individuals or complying superannuation entities are entitled to tax offsets, those offsets will either reduce any tax payable by the Resident Holders, or give rise to tax refunds to the extent that the tax offsets exceed the tax that is otherwise payable by the Resident Holders.

To the extent that any Distributions are unfranked, those unfranked amounts will also be included in a Resident Holder's assessable income, without any tax offsets.

Resident Holders that are companies are not entitled to refunds of excess tax offsets. However the surplus franking credits may be converted to a tax loss which may be carried forward to future years (subject to the Resident Holder satisfying certain tax loss carry forward rules).

*"Qualified person"*

Broadly, a Resident Holder should be a “qualified person” in relation to a Distribution if the Resident Holder has held the Capital Notes “at risk” for a continuous period of at least 90 days (excluding the days of acquisition and disposal) during the relevant qualification period.

The length of the relevant qualification period should be the “primary qualification period” (being, the period beginning on the day after the day on which the Capital Notes are acquired by a Resident Holder and ending on the 90th day after the day that the Capital Notes became ex-Distribution) unless the Resident Holder has made a “related payment” in relation to the Distribution (in which case the qualification period will be longer). Generally, a “related payment” will be made where the Resident Holder makes a payment which passes the benefit of the Distribution to another person.

To be held “at risk”, a Resident Holder must effectively retain 30% or more of the risks and benefits associated with holding the Capital Notes. Whether or not the Capital Notes are held “at risk” by a Resident Holder during the relevant periods will depend upon whether the Resident Holder has financial positions or undertakes risk management strategies (e.g. using limited recourse loans, options or forward sale contracts) in relation to the Capital Notes.

The application of the franking rules to Resident Holders will depend upon the particular circumstances of each Resident Holder. Accordingly, each Holder should seek independent advice as to whether they will be treated as a “qualified person” in relation to Distributions received on the Capital Notes.

#### *Anti-avoidance rules*

There are anti-avoidance rules that may apply in certain circumstances to deny the benefit of franking credits to Resident Holders.

Although Westpac would not generally expect that the Commissioner would seek to apply the anti-avoidance provisions in the tax law to deny the whole or any part of the imputation benefits received by Resident Holders in relation to Distributions, Resident Holders should seek independent advice in relation to the application of these anti-avoidance provisions (especially having regard to their own circumstances).

#### **Non-Resident Holders**

Non-Resident Holders may be subject to Australian dividend withholding tax on the Distributions.

Australian dividend withholding tax should generally not apply to Distributions paid to Non-Resident Holders to the extent that:

- the Distribution is fully franked; or
- the amount of the unfranked part of the Distribution is declared by Westpac to be conduit foreign income (“CFI”).

To the extent that Distributions are unfranked (and no part of the Distribution is declared by Westpac to be CFI), dividend withholding tax will apply.

Australian dividend withholding tax is generally imposed at a rate of 30%. However this rate may be reduced if the Non-Resident Holder is resident in a country that has a double taxation agreement with Australia.

If any dividend withholding tax is applicable, Westpac will not increase the amount of the Distribution to account for that withholding.

## **Disposals of Capital Notes**

### ***Resident Holders***

Based on the current position of the Commissioner in relation to similar securities, the Capital Notes should not be "traditional securities" for the purposes of the Tax Act. On that basis, any gains or losses made by Resident Holders on the disposal of their Capital Notes should be taxed under the capital gains tax ("**CGT**") provisions.

A disposal of a Capital Note, whether through a sale, a Redemption, or pursuant to a Transfer Notice, will give rise to a CGT event. Holders may make a capital gain or a capital loss, depending upon whether their capital proceeds from the disposal are more than the cost base of their Capital Notes, or whether the capital proceeds are less than the reduced cost base of their Capital Notes, respectively.

For Resident Holders who subscribe for Capital Notes on the Issue Date, the first element of the cost base of a Capital Note will be the amount paid for the relevant Capital Note, which will be its Issue Price. Certain other amounts associated with the acquisition or disposal of the Capital Notes, such as broker fees, may be added to the cost base.

The capital proceeds from a sale of a Capital Note will be the sale price of the Capital Note. Resident Holders who sell their Capital Notes may make capital gains or capital losses, depending upon the amount of capital proceeds that they receive.

The capital proceeds from a Redemption of a Capital Note on a Redemption Date will be equal to the Outstanding Principal Amount of the Capital Note, unless the market value of a Capital Note on the Redemption Date (determined as if its Redemption had not occurred or been proposed) is greater or less than the Outstanding Principal Amount. In that case, that greater or lesser market value amount will be deemed to be the capital proceeds of the Redemption, instead of the Outstanding Principal Amount actually received.

The capital proceeds from a Transfer of a Capital Note to a Nominated Party on a Transfer Date will be equal to the Outstanding Principal Amount of the Capital Note, assuming that the Resident Holder is dealing at arm's length with the Nominated Party.

If the Outstanding Principal Amount of the Capital Note has been reduced because there has been a Capital Trigger Event or a Non-Viability Trigger Event, Resident Holders who acquired those Capital Notes before that reduction occurred may make a capital loss on the Redemption or Transfer of their Capital Notes. Resident Holders should seek their own tax advice as to whether any such capital loss may be applied to offset capital gains in their particular circumstances.

Any capital gain or capital loss made by a Resident Holder will be aggregated with other capital gains and capital losses of the Resident Holder in the relevant income year to determine whether the Resident Holder has a net capital gain or net capital loss. A net capital gain, if any, will be included in the Resident Holder's assessable income and subject to income tax, although the "CGT Discount" may be available to reduce the taxable gain for the Holder, as described below. A net capital loss may not be deducted against other assessable income, but may be carried forward to be offset against net capital gains realised in later income years.

### ***"CGT Discount"***

If a Resident Holder is an individual, complying superannuation entity or a trust, and held their Capital Notes for 12 months or more before the disposal, the Resident Holder may be entitled to a "CGT Discount" for any capital gain made on the disposal of their Capital Notes.

The "CGT Discount" provisions may entitle Resident Holders to reduce their capital gain on the disposal of a Capital Note (after deducting available capital losses) by half, in the case of individuals and trusts, or by one-third, in the case of complying superannuation entities. Trustees should seek specific advice regarding the tax consequences of making distributions attributable to discounted capital gains.

The Australian Government has announced that Managed Investment Trusts ("**MITs**") and Attribution MITs ("**AMITs**") will not be entitled to the "CGT Discount" at the trust level. This change was previously scheduled to apply from 1 July 2020, but has now been delayed and will instead apply for income years commencing on or after three months after the date of Royal Assent of the enabling legislation. While there can be no certainty at this time in relation to when this change will come into effect, the Australian Government has indicated that it is committed to legislating this measure. Once this change comes into effect, MITs and AMITs that derive capital gains will continue to be able to distribute those amounts as capital gains that may be subject to the "CGT Discount" in the hands of those beneficiaries who are entitled to the "CGT Discount".

The "CGT Discount" is not available to companies, nor can it apply to Capital Notes disposed of by Resident Holders under an agreement entered into within 12 months of the acquisition of the Capital Notes by those Resident Holders. Resident Holders should seek independent advice to determine if their Capital Notes have been held for the requisite period.

### ***Non-Resident Holders***

Any capital gain or capital loss made by a Non-Resident Holder from the disposal of their Capital Notes is likely to be disregarded on the basis that Capital Notes are not likely to be "taxable Australian property" at the time of sale.

### **Conversion of Capital Notes**

When a Capital Note is Converted, a Holder's rights in relation to the Capital Note will be terminated for an amount equal to the Outstanding Principal Amount of the Capital Note and Westpac will apply that amount for the Holder in subscribing for Ordinary Shares which are to be issued by Westpac at a discount. The Conversion of a Capital Note into Ordinary Shares in this way should not give rise to a capital gain or a capital loss, nor an assessable revenue gain or a deductible revenue loss, for a Holder. The recognition of any gain or loss that might otherwise have arisen on Conversion should be effectively deferred until any subsequent sale of the Ordinary Shares acquired by the Holder from the Conversion. This deferral of the gain or loss applies to both Resident Holders and Non-Resident Holders. Any capital gain or capital loss made by a Non-Resident Holder from the subsequent sale of the Ordinary Shares is likely to be disregarded on the basis that Ordinary Shares are not likely to be "taxable Australian property" at the time of sale.

The first element of the cost base or reduced cost base of the Ordinary Shares acquired as a result of a Conversion will be the amount of the Holder's cost base for each Converted Capital Note.

The Ordinary Shares that will be acquired as a result of a Conversion will be deemed to have been acquired by holders at the time of Conversion for CGT purposes, including for the purpose of calculating the 12 month ownership period required for the "CGT Discount" (see above).

### **Write-off of Capital Notes**

The rights of a Holder of Capital Notes may be Written-off if either a Capital Trigger Event or a Non-Viability Trigger Event occurs, and either Conversion fails to take effect or the Supplement for the relevant Series of Capital Notes specifies that the primary method of loss absorption will be Write-off (i.e. without Conversion).

A Write-Off of Capital Notes may cause Resident Holders to make a capital loss. This is on the basis that no capital proceeds will be provided to Holders on a Write-off of their Capital Notes. As discussed above, capital losses may only be offset against capital gains in the same or later years of income.

### **Taxation of Financial Arrangements**

The "taxation of financial arrangements" ("TOFA") regime in Division 230 of the Tax Act contains tax timing rules for certain taxpayers to bring to account gains and losses from "financial arrangements". In general, the TOFA rules do not apply to financial arrangements that are treated as "equity interests" for Australian tax purposes. As the Capital Notes should be treated as "equity interests" for tax purposes, the TOFA regime should not generally apply to an investment in the Capital Notes unless the Holder has made certain elections under the TOFA regime.

Holders who have made TOFA elections should obtain specific tax advice relating to their individual circumstances regarding the application of the TOFA regime to their investment in the Capital Notes.

### **Provision of TFN and/or ABN**

Westpac is required to deduct withholding tax from payments of Distributions in respect of the Capital Notes that are not 100% franked, at the rate specified in the *Taxation Administration Regulations 2017* (currently 47% of the unfranked amount), and remit such amounts to the ATO, unless a TFN or an ABN has been quoted by a Holder, or a relevant exemption applies (and has been notified to Westpac).

### **GST**

No GST should be payable by a Holder in respect of acquiring Capital Notes or on a sale, Conversion, Redemption or Transfer of Capital Notes, other than in respect of brokerage or similar fees.

### **Stamp Duty**

No stamp duty should be payable by a Holder on the issue, sale, Conversion, Redemption or Transfer of Capital Notes.

## Additional Information

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### 1 Ordinary Share rights

The rights attaching to Ordinary Shares are set out in the Corporations Act and in Westpac's constitution, and may be summarised as follows:

#### a) Profits and dividends

Holders of Ordinary Shares are entitled to receive such dividends on those shares as may be determined by Westpac Directors from time to time. Dividends that are paid but not claimed may be invested by Westpac Directors for the benefit of Westpac until claimed or required to be dealt with in accordance with any law relating to unclaimed monies.

Under the Corporations Act, Westpac must not pay a dividend unless its assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for payment of the dividend. In addition, the payment must be fair and reasonable to Westpac's shareholders and must not materially prejudice its ability to pay its creditors. Subject to the Corporations Act, Westpac's constitution, the rights of persons (if any) entitled to shares with special rights to dividend and any contrary terms of issue of or applying to any shares, Westpac Directors may determine that a dividend is payable, fix the amount and the time for payment and authorise the payment or crediting by Westpac to, or at the direction of, each shareholder entitled to that dividend.

If any dividends are returned unclaimed, Westpac is generally obliged, under the Banking Act, to hold those amounts as unclaimed monies for a period of six years. If at the end of that period the monies remain unclaimed by the shareholder concerned, Westpac must submit an annual unclaimed money return to ASIC by 31 March each year containing the unclaimed money as at 31 December of the previous year. Upon such payment being made, Westpac is discharged from further liability in respect of that amount. The Westpac Directors may, before paying any dividend, set aside out of Westpac profits such sums as they think proper as reserves, to be applied, at the discretion of the Westpac Directors, for any purpose for which the profits may be properly applied. The Westpac Directors may carry forward so much of the profits remaining as they consider ought not to be distributed as dividends without transferring those profits to a reserve. The following restrictions apply to Westpac's ability to declare and/or pay dividends:

(i) if the payment of the dividend would breach or cause a breach by Westpac of applicable capital adequacy or other supervisory requirements of APRA, including where Westpac's Common Equity Tier 1 Capital Ratio falls within APRA's capital conservation buffer range (3.5% of risk-weighted assets). Currently, one such requirement is that a dividend should not be paid without APRA's prior consent if payment of that dividend, after taking into account all other dividends (if any) paid on our shares and payments on more senior capital instruments, in the preceding 12 consecutive months to which they relate, would cause the aggregate of such dividend payments to exceed Westpac's after tax earnings for the preceding 12 consecutive months, as reflected in Westpac's relevant audited consolidated financial statements; and

(ii) if, under the Banking Act, Westpac is directed by APRA not to pay a dividend;

(iii) if the declaration or payment of the dividend would result in Westpac becoming insolvent; or

(iv) if any interest payment, dividend or distribution on certain Additional Tier 1 securities issued by the Group is not paid in accordance with the terms of those securities, Westpac may be restricted from declaring and/or paying dividends on Ordinary Shares. This restriction is subject to a number of exceptions.

#### b) Voting rights

Holders of Westpac fully paid Ordinary Shares have, at general meetings, one vote on a show of hands and, upon a poll, one vote for each fully paid share held by them.

#### c) Voting and re-election of Westpac Directors

Under Westpac's constitution, at each annual general meeting one-third of eligible Westpac Directors (or if their number is not a multiple of three, the number nearest to one-third) and any other Westpac Director who has held office for three years or more since the Westpac Director's last election, must retire from office. In determining the number of Westpac Directors to retire, no account is to be taken of a Westpac Director who holds office in order to fill a casual vacancy or the Managing Director. A retiring Westpac Director holds office until the conclusion of the meeting at which that Westpac Director retires but is eligible for re-election at the meeting. Under the ASX Listing Rules, no director of a listed entity, apart from the Managing Director, may continue to hold office, without offering himself or herself for re-election, past the third annual general meeting following their appointment or three years, whichever is the longer. Under the Corporations Act, the election or re-election of each director by shareholders at a general meeting of a public company must proceed as a separate item, unless the shareholders first resolve that the elections or re-elections may be voted on collectively. A resolution to allow collective voting in relation to elections or re-elections is effective only if no votes are cast against that resolution. Any resolution electing or re-electing two or more directors in contravention of this requirement is void.

#### d) Winding up

Subject to any preferential entitlement of holders of preference shares on issue at the relevant time, holders of Ordinary Shares are entitled to share equally in any surplus assets if Westpac was wound up.

#### e) Sinking fund provisions

Westpac does not have any class of shares on issue that is subject to any sinking fund provisions.

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## 2 ASX waivers and approvals

Westpac has received the following ASX waivers or confirmations in relation to the Capital Notes Conditions and the Programme:

- ASX Listing Rules 3.20.2 and 3.20.5 will not apply upon the occurrence of a Capital Trigger Event or Non-Viability Event;
- ASX Listing Rule 10.11 has been waived to the extent necessary to permit the Westpac Directors and their associates to participate in an offer under the Programme and be issued Capital Notes without shareholder approval on the following conditions:
  - the number of Capital Notes which may be issued to Westpac Directors and their associates collectively is no more than 0.2% of the total number of Capital Notes issued under each offer, and the participation of the Westpac Directors and their associates in each offer is on the same terms and conditions as applicable to other subscribers for Capital Notes;
  - Westpac releases the terms of the waiver to the market when the Programme is established; and

- when the Capital Notes are issued, Westpac announces to the market the total number of Capital Notes issued to the Westpac Directors and their associates in aggregate;
- the Capital Notes Conditions are appropriate and equitable for the purposes of ASX Listing Rule 6.1;
- ASX Listing Rule 6.12 does not apply to the terms of issue of the Capital Notes which provide for their Conversion, Write-off, Redemption or Transfer; and
- for the purposes of ASX Listing Rule 7.1, the maximum number of Ordinary Shares into which the Capital Notes can be Converted should be calculated in accordance with ASX Listing Rule 7.1B.1(e); and
- the issue of Ordinary Shares on Conversion of the Capital Notes will be within Exception 9 of ASX Listing Rule 7.2 and will not be subject to ASX Listing Rule 7.1.



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